

## Our History

Tobacco is an important part of our heritage and has touched every aspect of society – including education, agricultural advancement, politics and the arts. More than any other commodity, tobacco has influenced U.S. history as well as our nation's development and economic growth. This "golden leaf" represented our country's first cash crop. Exports of tobacco are credited for saving the struggling Jamestown Colony and financing our country's fight for independence in the Revolutionary War.

The original Philip Morris was not the international consumer products company that we know today. He was an English tobacco shop owner who opened a shop on Bond Street in London in 1847. As the demand for tobacco grew, so did the desire for custom-made cigarettes with "style." Philip Morris began manufacturing stylish cigarettes in the late 1850s and became known for the excellence of his products, which grew to include Cambridge, Oxford Blues and Ovals.

Shortly after the turn of the century, the Philip Morris company incorporated in New York and began producing the popular "American blend" cigarettes. Marlboro was originally introduced as a woman's cigarette. Then in 1954, it emerged in a new, flip-top box and was marketed as a full-flavored man's cigarette with the historic "Marlboro Cowboy" theme. Other popular brands were introduced over the years, including Benson & Hedges, Virginia Slims, Parliament, Merit and Multifilter.

## Tobacco Growing and Manufacturing

Tobacco growing includes preparing the fields, planting the seeds, harvesting the crop, and delivering the crop to market. Beds are prepared and planted with tobacco seeds. When seedlings are ready, they are transplanted to fields to be cultivated for several months until they mature. Then, tobacco is harvested and placed in barns to cure. Finally, leaves are packed and delivered to auction warehouses for sale to manufacturers.

There are six major forms of tobacco grown in the United States, each having different characteristics and uses: flue-cured, light air-cured (burley and "Southern Maryland"), fire and dark air cured, cigar wrapper, cigar binder, and cigar filler tobacco. Many states produce more than one type, although a handful produce the majority of the tobacco crop. Twenty-one states in all are growers, with Kentucky and North Carolina being the largest.

In 1997, the United States harvested 797,300 acres of tobacco producing 1.68 billion pounds of tobacco leaf. Together, North Carolina and Kentucky accounted for two-

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thirds of U.S. tobacco production. The 1997 crop had a value of \$3 billion, with \$1.5 billion worth of leaf exported.

### **Tobacco Timeline**

#### **300-400 A.D.**

(Mexico) In their stone carvings, Mayans depict chieftans and gods smoking tobacco. These early Mexican's revere tobacco and use it in ceremonies when worshipping their most valued gods.

Note: Though tobacco use may have originated long before this time, the carving known as "Old Man of Palenque" is perhaps the first illustration of tobacco smoking.

#### **500**

Pipes first appear in the Mississippi Basin of Eastern North America.

#### **1492**

Christopher Columbus discovers the New World and finds Indians using tobacco for smoking, chewing and snuffing.

#### **1518**

The Spanish land in Yucatan and find the Indians using cigarettes for smoking and using tobacco as an annual tribute to Montezuma.

#### **1519**

Hernan Cortez conquers Mexico and finds Indians smoking "perfumed reed cigarettes." Shortly after that, the export of cigarettes to Europe begins.

#### **1561**

Jean Nicot, France's ambassador to Portugal, brings tobacco from Portugal to France. From his name comes the scientific name for tobacco (nicotiana) and for the alkaloid found in tobacco leaves (nicotine).

#### **1585-87**

English fail in attempts to colonize Roanoke Island (North Carolina), but settlers take tobacco seeds back to their sponsor, Sir Walter Raleigh.

#### **1590s**

Raleigh grows tobacco on his estate in Ireland; popularizes pipe smoking in court in England.

#### **1607**

The first permanent English settlement, the Jamestown Colony, is established. The settlers arrive looking for gold and jewels but instead find the Indians with a different kind of treasure - tobacco, the "golden leaf."

Indians  
- "Native"

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**1612**

John Rolfe imports Spanish seed and cultivates an improved tobacco in the Virginia soil.

**1613**

Tobacco saves the colony by becoming America's first viable export product.

**1624**

England declares tobacco as a royal monopoly. As a result, all tobacco exported from the colonies is shipped to British ports, where custom duties are collected and paid to the king. (The "seeds" of Revolution are sown!)

**1634**

The colony of Maryland is formed solely for tobacco growing and export.

**1673 and 1693**

Future revenues from taxes on tobacco are earmarked to finance the building of William and Mary College.

**1676**

Nathaniel Bacon leads Bacon's Rebellion in response to Virginia Governor Berkeley's high tobacco taxes.

**1690**

The British monopoly on tobacco causes gluts and low prices. After repeated attempts to solve the problem, Virginia tobacco planters agree to voluntarily limit tobacco supply in order to stabilize price levels.

**1700**

English settlers cross the Cumberland Gap and plant tobacco in what is now known as Kentucky.

**1730**

Virginia's law providing for the first tobacco inspection warehouses goes into effect, thus establishing that colony's reputation for high-quality tobacco.

Virginia opens small snuff mills, which are the first tobacco factories in America.

Virginia authorizes "tobacco notes" that certify leaf suitable for export, and orders inferior leaf burned.

**1776**

George Washington, Commander in Chief of the Revolutionary armies, suffers his most serious defeat of the war, the loss of New York, and spends the following winter

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at Valley Forge. During this time, Washington (himself a tobacco planter) appeals to his fellow countrymen for aid by saying, "I say, if you can't send money, send tobacco." This plea emphasizes the importance of tobacco to soldier morale during the war.

**1777**

To help finance the American Revolution, Benjamin Franklin obtains a loan from France by using 5 million pounds of tobacco as collateral.

**1780-81**

Recognizing tobacco as America's major form of exchange, the British seize or destroy millions of pounds of the golden leaf in General Cornwallis' famous "Tobacco War."

**1790**

Small tobacco factories flourish in the now-independent colonies; 29 million pounds of leaf are processed annually into rolls and twists.

**1791**

Tobacco constitutes one fifth of all United States exports.

**1794**

The United States Congress taxes snuff, but not smoking or chewing tobacco.

**1805**

Lewis and Clark explore Northwest, using gifts of tobacco as "life insurance."

**1810**

For the first time, hogsheads of tobacco are opened for buyers' inspection at an auction (Lynchburg, Virginia).

**1812**

France and England repeatedly interfere with United States trade overseas (including tobacco trade). The War of 1812 is fought to free American trade once again.

**1817**

After the British burn the United States Capitol in Washington, D.C., architect Benjamin Latrobe undertakes the building's design and rebuilding. Latrobe's design, possibly suggested by Thomas Jefferson, includes tobacco leaves and blossoms atop the columns in the small rotunda in the old Senate wing. The Italian sculptor Jardella is commissioned to create the carvings, which remain as visible symbols of tobacco's importance to the nation's survival.

**1837**

The first loose-leaf auction sales are held in Danville, Virginia.

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**1839**

Stephen, an 18-year-old slave on the Slade farm in Caswell County, North Carolina, "accidentally" cures a barn of tobacco by using flameless, smokeless charcoal embers instead of open fires.

**1840s**

As cigar smoking grows more popular, thousands of retail shops display some form of wooden figure (usually an Indian) to identify them as tobacco shops. Wooden Indians quickly become the most accepted advertising symbol for retail tobacconists.

**1847**

Philip Morris, Esq., opens his cigar and pipe tobacco shop on Bond Street in London, England. In the late 1850s, he begins production of custom-made cigarettes in response to requests from British soldiers who were returning from the Crimean War. His focus was summarized by the slogan, "Quality – for people of quality."

**1850s-1860s**

Mechanical devices are developed for rolling cigarettes. The Baron machine, for example, seals cigarettes by crimping the paper. With these devices, "exceptional rollers" turn out 2,000 cigarettes a day.

**1864**

The Internal Revenue Law (originated in Washington, D.C.) imposes the first federal excise tax on manufactured cigarettes to help finance the civil strife that split the nation.

**1868**

Congress requires that tax stamps be attached to packages of tobacco and snuff.

**1870s**

American-manufactured cigarettes are exported to England for the first time.

**1872**

Philip Morris produces Philip Morris Cambridge and Philip Morris Oxford Blues cigarettes at 22 New Bond Street in London, England.

**1873**

Because of increasing demand for his cigarettes in the U.S., Philip Morris appoints Gustav Eckmeyer as his sole American agent in New York.

**1873**

Philip Morris dies, and his wife and brother carry on the business under the name Philip Morris and Company.

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**1881**

A Virginian named James Bonsack obtains the first patent on a cigarette-making machine. It can produce up to 120,000 cigarettes a day, equivalent to the output of 48 hand-rollers.

**1885**

Marlborough (ladies' favorite) is marketed in England.

**1894**

The William C. Thompson family acquires a majority interest in the Philip Morris Company.

**1901**

Philip Morris and Company Limited is appointed tobacconist to King Edward VII.

**1902**

Philip Morris and Company Limited incorporates in New York City (110-122 Broad Street).

**1903**

By year's end, Philip Morris has produced 6 million cigarettes in New York.

**1905**

The right to manufacture and vend Philip Morris brands in Canada is granted.

**1907**

The New York firm, Philip Morris and Company Ltd., is recognized and moves to 4020 West Broadway.

**1912**

Philip Morris advertises five varieties of cigarettes in boxes of ten.

**1913**

The American-blended cigarette as we know it today appears using flue-cured burley and Turkish tobaccos.

**1917**

Philip Morris and Company Ltd. Moves to 72 Fifth Avenue in New York.

**WWI**

General John Pershing, American Commander in France, says, "You asked me what we need to win this war. I answer tobacco as much as bullets."

**1918**

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Philip Morris introduces English Ovals, the company's first cigarette made from a blend of domestic tobaccos. English Ovals sell at 30 cents for a pack of 20.

**1919**

Philip Morris and Company Ltd. Inc., owned by United States stockholders, is incorporated in Virginia. The company's coronet logo is introduced.

**1920**

Philip Morris issues its first annual report.

**1921**

Iowa becomes the first state to tax tobacco products.

Cigarette smoking becomes the dominant form of tobacco usage in the United States.

**1922**

Players brand cigarettes are introduced.

**1924**

Philip Morris moves to 44 West 18<sup>th</sup> Street in New York.

In 1925, Marlboro cigarettes are introduced in the United States and marketed for female smokers. One variety of Marlboro has red-colored tips, called "Beauty Tips" which conceal lipstick traces. The Marlboro Beauty Tips bears an illusionist tear to reveal the red tips.

**1926**

Advertisements emphasizing Marlboro's feminine appeal are carried in national magazines.

**1928**

Philip Morris begins to make regular dividend payments, "a record unbroken to date."

**1929**

After purchasing Continental Tobacco Company's 20<sup>th</sup> Street plant, Philip Morris begins manufacturing cigarettes in Richmond, Virginia.

Philip Morris' corporate office is now located at 119 Fifth Avenue in New York.

**1930**

Ivory-tipped Marlboro cigarettes are introduced.

**1931**

Benson & Hedges introduces Parliament and Virginia Rounds.

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**1932**

Parliament becomes the first cigarette of a domestic-Turkish blend to have a filter mouthpiece.

**1933**

Philip Morris English Blend in the brown pack is introduced.

In 1933, Johnny Roventini, a page boy in the hotel New Yorker is asked by the president of Philip Morris and an advertising executive to call through the hotel lobby for a man named "Philip Morris." Although no one responds that day, millions around the nation soon answer Johnny's legendary "Call for Philip Morris." Johnny, first heard on radio on April 17, goes on to become the world's best known living trademark.

**1934**

Philip Morris buys the assets of Continental Tobacco Company.

**1938**

The Agricultural Adjustment Act establishes leaf tobacco production quotas and a price support system for tobacco farmers.

**1939**

Cigarette production begins at Philip Morris' new Stockton Street plant in Richmond, Virginia.

**1940**

In July, the federal excise tax rate is increased to \$3.25 per thousand, the 14<sup>th</sup> change since 1864, and the first rise since 1919.

**WWI**

Emphasizing the importance of tobacco to Americans, President Roosevelt, by executive order, places tobacco among the essential foods; and Major General Hershey orders that local draft boards include tobacco farm workers in their deferments.

When asked what U.S. troops needed most, General MacArthur says, "The cigarettes which, of all personal comforts, are the most difficult to obtain here."

**1943**

Philip Morris, now rated fourth among United States tobacco manufacturers, introduces its retirement plan for all employees.

**1944**

Philip Morris buys the Axton-Fisher Tobacco Company's plant in Louisville, Kentucky.

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**1947**

Every day, each of Philip Morris' packing machines automatically fills 50,000 packages of cigarettes and generates \$3,500 in tax stamp revenue for the government.

**1948**

Philip Morris sponsors a number of radio shows, including Kate Smith Sings.

**1949**

Philip Morris sponsors its first television show, Tex & Jinx, later replaced by Alan Funt's Candid Camera. The company also sponsors a number of radio shows, including This is Your Life, with Ralph Edwards, and Queen for a Day.

The company's annual report wins awards from Financial World magazine.

**1950**

Philip Morris' market share is 10.6% and its total output including exports is 43 billion cigarettes.

Forty states now collect taxes on cigarettes.

**1951**

Philip Morris sponsors the I Love Lucy television show.

**1952**

Philip Morris begins offering tours to visitors at the Richmond and Louisville locations.

Philip Morris sponsors eight television shows, including My Little Margie.

**1954**

Philip Morris finalizes the acquisition of Benson & Hedges.

Philip Morris receives an award from the National Urban League as a tribute to its fair treatment of black personnel and its progressive labor relations.

Philip Morris introduces the "snap open pack," which features a pull tab. This new pack is hailed as the most important advance in the field of cigarette packaging in 20 years.

Marlboro emerges in a new hinged - lid, flip - top box and is introduced as a "full - flavored" man's cigarette.

**1954-55**

Philip Morris becomes the first American cigarette manufacturer to set up operations in Australia and builds an ultra-modern cigarette factory there.

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The Overseas Division is established to coordinate the accelerated international business.

**1955**

The Marlboro cowboy is introduced in advertising.

The company changes its name to Philip Morris, Inc.

**1955**

A deferred profit-sharing plan for all employees is approved by stockholders. This is the first time a major cigarette company has adopted a plan of such broad benefit to its employees. The plan is announced on December 8, during the intermission of an Elvis Presley concert given for employees.

Philip Morris Special Blend becomes simply Philip Morris and replaces its brown pack with a red and white one.

**1956**

Philip Morris establishes a college scholarship plan for employees' children.

**1956**

A new Parliament cigarette with a recessed, white - tipped filter, is introduced in a blue, gold and white flip-top box.

Marlboro becomes the first national sponsor of a National Football League telecast. Marlboro is also the star of the Philip Morris lineup and is fourth place among filter cigarettes.

**1957**

Philip Morris begins diversification with the purchase of Milprint, Inc., owner of Nicolet Paper Corporation.

Marlboro is introduced in international markets.

**1958**

The Tobacco Institute, a United States tobacco manufacturers' trade association, is formed to promote a clearer understanding of the industry's place in the economy.

Philip Morris acquires Polymer Industries.

**1959**

Philip Morris introduces Alpine, a lightly mentholated, high-filtration cigarette named by a company employee.

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Philip Morris opens its Research Center in Richmond, Virginia. It is regarded as the most modern scientific facility in the industry.

**1960**

Philip Morris acquires American Safety Razor Products Corporation.

The Philip Morris Commander, an 85-mm cigarette is introduced.

**1961**

Philip Morris Overseas is renamed Philip Morris International.

Collection of state taxes on cigarettes passes the \$1 billion mark.

**1962**

Philip Morris sponsors such television hits as the Alfred Hitchcock Hour, Perry Mason, Jackie Gleason, Red Skelton, Route 66, NFL football and Walter Cronkite news commentary.

**1962**

Marlboro becomes the No.1 selling American - made cigarette in Switzerland.

**1963**

The "Marlboro Country" advertising campaign makes its national debut.

Philip Morris purchases Clark Brothers Chewing Gum Company.

Philip Morris holds its first Derby Festival in Louisville, Kentucky.

King-size English Ovals cigarettes are marketed.

**1964**

Philip Morris uses an electronic computer, a random-access memory and a teletype communication system to provide one-day delivery service to customers anywhere in the U.S.

Philip Morris introduces Philip Morris Multifilter (with a charcoal filter) in a plastic "Humiflex Sport Pack." This is innovative because it is "seamless, recloseable , and waterproof, retaining moisture, flavor and aroma."

**1965**

Milprint, Inc., Nicolet Paper Company, and Polymer Industries, Inc. combine to become the Industrial Products Division, Predecessor of Philip Morris Industrial.

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**1966**

Benson & Hedges 100's regular and menthol are introduced nationally.

**1968**

Philip Morris markets Virginia Slims nationally and introduces the "You've Come a Long Way, Baby" campaign.

**1969**

Philip Morris Inc. reports that operating revenues for 1968 exceeded \$1 billion for the first time.

The number of states now taxing cigarettes is 50 (Virginia is now among them). This year alone, smokers in the United States pay \$4,404,178.000 in federal, state and local cigarette taxes.

**1970**

Philip Morris acquires full ownership of Miller Brewing Company.

The first Virginia Slims Tennis Tournament is held in Houston, Texas.

**1972**

Philip Morris concludes the purchase of Mission Viejo Company, a community development and home-building firm in California.

At year's end, Marlboro is the world's best-selling cigarette and the second-largest in the U.S.

Marlboro Lights are introduced.

Philip Morris' one-year operating revenues surpass \$2 billion.

**1973**

In March, the first cigarette is produced in the new Richmond, Virginia Manufacturing Center.

Clark Gum Company is sold.

The first Marlboro Cup Race is won by Secretariat, known as "The Horse of the Era."

**1973-74**

The Philip Morris Research Center Tower, located in Richmond, Virginia, is dedicated. The tower named "Laboratory of the Year" by Industrial Research

TV ads  
pulled

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Magazine houses 40 Ph.D.s and its employees have already been credited with 140 patents.

**1974**

In October, Philip Morris makes history by dedicating its new Manufacturing Center to all Philip Morris employees. During the dedication ceremony, Little Johnny officially retires.

One-year operating revenues surpass \$3 billion.

**1975**

Saratoga, Philip Morris' first 120-mm cigarette, is introduced.

In 1975, Marlboro becomes the No. 1 selling cigarette in the United States and the "all-time best seller in the world." "Marlboro Country continues as the strongest, most distinctive brand theme in cigarette-advertising history."

**1976**

Merit, "the first low-tar cigarette with enriched flavor," is introduced.

Dun's Review cites Philip Morris as "one of the five best-managed companies of 1976."

One-year operating revenues exceed \$4 billion.

**1977**

Benson & Hedges 100's Lights are introduced nationally.

Philip Morris acquires Wisconsin Tissue Mills.

Philip Morris sells the American Safety Razor Company.

**1978**

Philip Morris announces plans to construct a 26-story, \$50 million new corporate headquarters building at 120 Park Avenue, New York City.

Philip Morris buys the international cigarette business of the Liggett Group Inc., makers of L&M and Lark cigarettes.

Philip Morris Inc. acquires the Seven - Up Company.

**1979**

The industry's first nine-year agreement between Philip Morris labor and management goes into effect.

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Operating revenues exceed \$6 billion.

**1980**

On September 10, Philip Morris USA breaks all records by producing a billion cigarettes in one day.

Cambridge, an ultra-low-tar cigarette is introduced nationally.

**1981**

Philip Morris Inc. announces the acquisition of shares and bonds of Rothmans International PLC as an investment in that company.

**1982**

In September, Philip Morris USA dedicates its new Operations Center in Richmond, Virginia.

**1982**

Philip Morris Industrial sells Polymer Industries and Armstrong Products Company.

**1983**

A new brand of full-flavor, low-tar cigarettes, Players King-size, in regular and menthol, is introduced nationally.

Philip Morris becomes the largest United States-based international cigarette company.

Federal cigarette excise tax jumps from 8 cents to 16 per pack.

**1984**

For its support of employee involvement groups. Philip Morris wins the Senate Productivity Award, which recognizes innovative productivity improvement efforts that can be used in other companies.

**1985**

Philip Morris Inc. sells Philip Morris Industrial.

Corporate reorganization results in Philip Morris Companies Inc. becoming the publicly-held parent of Philip Morris Incorporated.

Virginia Slims are introduced in a longer 120-mm version.

**1985**

Philip Morris Companies Inc. acquires General Foods Corporation.

Players Lights 25's are introduced.

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The Tobacco Improvement Act is passed, which establishes "a price support system that makes U.S. leaf more competitive in world markets and a method of setting production quotas that better reflect leaf demand."

**1987**

Philip Morris completes the sale of Seven-Up.

Excise taxes collected on cigarettes by all levels of government exceed \$9 billion.

**1987**

Asian markets begin to open up for U.S. cigarettes: export shipments to all areas rise to 100 billion units for the first time.

**1988**

Marlboro Lights Menthol are introduced.

Philip Morris Companies Inc. acquires Kraft. Inc.

**1989**

Bristol and Superslims from Virginia from Virginia Slims are introduced.

Marlboro becomes the world's best-selling consumer packaged product.

**1989**

Philip Morris Companies Inc. joins the National Archives in commemorating the 200<sup>th</sup> anniversary of the United States Bill of Rights. During this year-long celebration, Philip Morris sponsors a national tour of the original document and uses print and television advertising to convey a simple message: "The Freedom to say and think what we believe. To express our individuality and diversity. That's our birthright, and it's insured by this document."

**1990**

Philip Morris introduces Bucks nationally.

Philip Morris Companies Inc. acquires Jacobs Suchard AG, a Swiss-based coffee and confectionery company, thus becoming the third largest food company in Europe.

Congress approves a federal excise tax increase of 8 cents per pack of cigarettes phased in over a three-year period, bringing the total federal excise tax to 24 cents per pack.

**1991**

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The Marlboro brand family is expanded with the national introduction of Marlboro Medium.

**1992**

Basic is launched nationally.

The Marlboro Adventure Team promotion is launched, giving adult consumer the opportunity to win an 11-day adventure in the mountains, rivers and deserts of the American West.

Merit Ultima, a cigarette in the lowest tar and nicotine category, and Benson & Hedges Special Kings are introduced nationally.

**1993**

On April 2, Philip Morris Companies Inc. announces a new pricing strategy, which narrows the price gap between the company's premium cigarette products and discount brands. By year's end, this strategy proves highly successful for Marlboro, as well as for the company's other premium brands.

Basic becomes the No.3 brand in the United States cigarette industry.

**1994**

Following the completion of its highly successful Marlboro Adventure Team promotion, Marlboro Country Store is launched in May.

**1994**

On March 9, approximately 20,000 tobacco workers, farmers and representatives from various industries marched and rallied in Washington, D.C., to make their voices heard loud and clear. This "Save Our Jobs Rally" was to protest a proposed hike in the cigarette excise tax- a 300% increase which could cost 275,000 jobs in a ripple effect across the nation.

Federal, state and local governments collect over \$12.7 billion alone in excise taxes on all tobacco products.

**1995**

At year's end, Marlboro has a record 30.7% share of the market, and Philip Morris tobacco brands a record 47.3% share of the industry.

**1995**

On May 26, Philip Morris announces a preemptive, precautionary recall involving 36 of its 238 brand packings for possible taste and odor problems. Billions of cigarettes are removed from thousands of retail establishments nationwide in a matter of days. The recall, one of the largest in U.S. history, won the praise of Wall Street, the media and consumers because of the company's quick and professional response.

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Draft not reviewed

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From the Desk of  
*Mike Pfeil*

Sezn- Be guided  
by the price list on  
the brand listings  
for internet.

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# PHILIP MORRIS

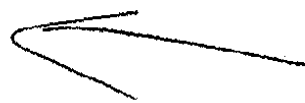
U.S.A.

120 PARK AVENUE, NEW YORK, N.Y. 10017-5592 TELEPHONE (212) 680-5000

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MARLBORO BENSON & HEDGES MERIT VIRGINIA SLIMS PARLIAMENT LIGHTS PLAYERS SARATOGA CAMBRIDGE ALPINE MULTIFILTER

① M&B Board  
② Visions  
③ R & H  
④ M&B  
⑤ P&H  
⑥ B&B  
⑦ C&B  
⑧



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*Daraya*  
*8-26*

## Youth Smoking Prevention Strategies

### ❖ Youth Access Prevention ❖

*Insert*  
*(A)*

- ① We continue to support the prevention of youth access to tobacco products through a series of Philip Morris U.S.A. and industry initiatives.

② *7* **We Card: RETAIL TRAINING & EDUCATION**

One very visible effort is *We Card*, a retail compliance, education and training program managed by the Coalition for Responsible Tobacco Retailing (CRTR). A concerted effort among retailers, wholesalers and manufacturers, the *We Card* program educates and trains retailers to help prevent illegal sale of tobacco products to minors by offering free training seminars, in-store signage and educational materials.

Philip Morris U.S.A. has supported and promoted the program to the more than 210,000 stores the company calls on directly since launch of CRTR in 1995. With our support, *We Card* has to date:

- distributed over 500,000 program kits to retailers around the country.
- sponsored over 600 training seminars and trained more than 30,000 retailers.
- obtained endorsements or support from the Governors of Arkansas, Kentucky, Kansas, Missouri, Montana, North Carolina, Oklahoma, South Carolina, Virginia and Wyoming; former Governors of Georgia, Iowa, Nebraska while in office; Attorneys General of Alabama, Connecticut, Nevada, South Dakota and Wyoming; former Attorney General of New York while in office; National Association of Police Organizations (NAPO); U.S. Junior Chamber of Commerce (Jaycees); and approximately 250 state retail associations and state agencies.

To learn more about the *We Card* program, please visit their web site at [www.wecard.org](http://www.wecard.org).

③ **Other Retail Efforts**

- Merchandise Initiatives*  
*It's*  
*As part of our (Under Arms Access) initiative we created a policy where*
- Upon official notification from a state of retailers who are fined or convicted of violating the state law against selling cigarettes to minors, we take a series of steps, up to and including denial of merchandising benefits to those retailers we call on directly. To date, we have taken action with regard to over 1,000 stores, including more than 100 suspensions of merchandising benefits.

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Begeing  
Beger in 1999

(Italis)

Under the terms of our (Retail Leaders) trade merchandising program, Philip Morris supports decisions by retailers to merchandise cigarettes from behind the sales counter or from non-self-service displays – thereby keeping cigarettes out of the hands of minors.

In addition, for a retailer to be eligible to receive merchandising payments from Philip Morris as part of our program, he or she must maintain *We Card* or equivalent signage informing customers that this retailer supports enforcement of state minimum age laws for the sale of cigarettes.

#### Youth Access Legislation

We believe that retail education and training combined with stricter enforcement of minimum age laws can lead to higher compliance rates in the States. That is why the company continues to support state legislation to strengthen existing laws in all 50 states prohibiting the sale of tobacco to minors.

Philip Morris USA supports state legislative efforts that would provide for the following: tougher penalties for retailers who violate minimum-age sales laws; mandatory retail employee training and education; unannounced inspections of retail outlets by a designated state agency; regular reporting and tracking of state compliance rates and retail outlets that violate minimum-age laws; restrictions on vending machine locations; the prohibition of out-of-package cigarette sales; restrictions on self-service cigarette displays to the transaction area within the line-of-sight of a clerk; penalties for adults who purchase tobacco products on behalf of minors; and penalties for minors who purchase, possess or use tobacco products.

Move  
to  
top

**Unilateral Voluntary Initiatives:** In an effort to restrict access to our products to a retail environment where proof of age can be verified in person, in 1995, we stopped providing free samples of our cigarettes to consumers and distributing cigarettes to consumers through the mail. We also print "Underage Sale Prohibited" notices on all Philip Morris USA cigarette brand packs and cartons sold domestically.

as part  
of  
AAA  
initiative

**Non-retail Access Prevention:** We are currently identifying ways to reduce adult purchases on behalf of minors and youth access to cigarettes in the home and community.

For more detailed information on our Youth Access Initiatives visit our section on responsible marketing practices.

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*need to  
reorder*

*Final Draft/KD-PD/6-28-99 w / ADDITION AT BOTTOM*

## **Philip Morris USA Marketing Practices**

Philip Morris USA is committed to acting responsibly in marketing its tobacco products to adults who choose to smoke. We demonstrate this commitment by implementing all of our marketing programs in compliance with both the letter and the spirit of the laws, rules, policies and restrictions that govern our business practices. The following describes some of the key elements that govern and guide our marketing practices.

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### ***Master Settlement Agreement***

In November of 1998, the major US tobacco companies signed a comprehensive agreement with 46 states and certain territories, which among other things, changed the way tobacco products are to be marketed. Earlier agreements with slightly different provisions were signed with the other four states.

Under these agreements, the tobacco manufacturers agreed to marketing restrictions as part of the settlement of certain health care cost reimbursement lawsuits brought by the states. Some of the provisions that impact tobacco advertising and marketing and/or youth smoking are summarized below.\* All of the restrictions listed here will be effective by November 23, 1999. *(OPTION TO LINK TO CORE MSA MESSAGE)*

**Outdoor Advertising:** The tobacco companies agreed to discontinue tobacco brand ads on billboards, in stadia and on vehicles.

**Premiums and Branded Merchandise:** The tobacco companies agreed to discontinue distribution of apparel or other merchandise that displays the name or logo of any tobacco brand. Items can be offered in exchange for proof of purchase, but only if the tobacco company has sufficient proof that the recipient is an adult.

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**Sponsorships:** Generally, each tobacco company agreed to limit its tobacco brand sponsorships to one national or multi-state sponsorship a year, subject to specific restrictions.

**Cartoons:** The tobacco companies agreed to discontinue the use of cartoons in tobacco advertisements or packaging.

**Corporate Culture and Compliance:** The tobacco companies committed to comply with the provisions of the MSA, to assist in the reduction of the use of tobacco products by minors and to regularly communicate its commitment to its employees and customers. Each company further agreed not to take any action to target minors in the advertising, promotion or marketing of its products or to materially misrepresent the facts regarding the health consequences of using tobacco products.

**Payments:** The tobacco companies agree to pay \$1.7 billion (subject to certain adjustments) over 10 years to a national foundation, which will be devoted to supporting the study of and programs to reduce underage tobacco use, youth substance abuse and to preventing diseases associated with tobacco use. This fund is part of the \$206 billion that will be paid to the states through the year 2025. Philip Morris USA hopes that a meaningful portion of these funds will be allocated for comprehensive state plans on youth smoking prevention that include the funding and implementation of effective communications, school-based education programs, community-based youth development programs and tougher youth access prevention efforts.

\* The Master Settlement Agreement ("MSA") describes these provisions and others, not included here, in greater detail. For additional information or clarification, please consult the MSA.

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#### ***Industry Advertising & Promotion Code***

In addition to the MSA provisions, and other laws and restrictions concerning the marketing of tobacco products, Philip Morris USA complies with a voluntary industry advertising and promotion code adopted in 1964 and last amended in 1990. Among its provisions are the following:

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**Celebrities/Models:** The companies will not use celebrities or sports figures in cigarette brand advertising. All models used in cigarette brand advertising must be 25 years of age or older - and must look at least that age.

**Message:** Cigarette brand advertising will not suggest that cigarette smoking is essential to social prominence, distinction, success or sexual attraction, or suggest that attractiveness or good health is due to cigarette smoking.

**Print Advertising:** Cigarette brand advertising does not appear in publications directed primarily to those under 21 years of age, including college media.

#### ***Philip Morris USA Marketing Policies***

In addition, Philip Morris USA has its own marketing policies that govern our business practices. All of our cigarette brand advertising and promotions are intended for adults who choose to smoke. They serve to enhance brand awareness, recognition and loyalty among adult smokers. To that end, some of the policies that impact how our cigarette brands are advertised and marketed are listed below.

**Print advertising:** In keeping with the industry code, we do not advertise in publications directed primarily to those under 21 years of age. To verify this, Philip Morris USA requires the publication to certify that it is not directed primarily to people under age 21; we review samples of the publication and require other evidence, such as subscribership data, to demonstrate that the publication meets our standards.

**Events and promotions:** Philip Morris USA conducts cigarette brand event promotions at facilities where entry is restricted to adults. Individuals interested in participating in cigarette brand promotions at these events must show government issued identification and sign and certify that he/she is a smoker 21 years of age or older.

**Product placement:** Philip Morris does not provide, authorize the use of, or provide payment for the placement of any cigarette, cigarette package or cigarette brand advertisement as a prop in any movie, television, videotape or live production for viewing by the general public. (The MSA contains a similar provision.)

**Trademark Infringement:** Philip Morris USA does not permit the unauthorized use of its trademarks, including use on apparel or merchandise. We do not authorize others to use our trademarks in ways we are prohibited from doing. (The MSA contains a similar provision.) Through the years, we have taken steps in more than 1,800 instances to prevent unauthorized trademark usage. To help prevent the use

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of Philip Morris USA cigarette brand names/logos on items for children, in 1995 we began to reward those who notify us of any such unauthorized use of the Company's trademarks.

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#### ***Youth Access Prevention Initiatives***

In June of 1995, we launched *Action Against Access*, a voluntary, comprehensive initiative designed to help prevent youth access to cigarettes. Philip Morris USA's objective is to foster an environment where cigarette purchases are possible only after proof-of-age has been verified in person. Our youth access prevention initiatives include:

**Pack Notices:** We print "Underage Sale Prohibited" notices on all Philip Morris USA cigarette brand packs and cartons sold domestically.

**Sampling:** We do not provide free samples of our cigarettes to consumers.

**Mailing Cigarettes:** We do not distribute cigarettes to consumers through the mail.

**Retail Compliance Education/Training:** We support the Coalition for Responsible Tobacco Retailing's *We Card* retail education and training program and promote *We Card* to the more than 210,000 stores the company calls on directly.

- With Philip Morris USA's support, *We Card* has to date:
  - distributed over 500,000 program kits to retailers around the country.
  - sponsored over 600 training seminars and trained more than 30,000 retailers.
  - obtained endorsements or support from the Governors of Arkansas, Kentucky, Kansas, Missouri, Montana, North Carolina, Oklahoma, South Carolina, Virginia and Wyoming; former Governors of Georgia, Iowa, Nebraska while in office; Attorneys General of Alabama, Connecticut, Nevada, South Dakota and Wyoming; former Attorney General of New York while in office; National Association of Police Organizations (NAPO); U.S. Junior Chamber of Commerce (Jaycees); and approximately 250 state retail associations and state agencies.

**Retail Payments:** Upon official notification from a state of retailers who are fined or convicted of violating the state law against selling cigarettes to minors, we take a

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series of steps, up to and including denial of merchandising benefits to those retailers we call on directly.

- To date, we have taken action with regard to over 1,000 stores, including more than 100 suspensions of merchandising benefits. We have reached out to all 50 states, and at the present time, only Washington State provides Philip Morris USA with official fine and conviction information on an ongoing and regular basis.

**Retail Merchandising:** Under the terms of our Retail Leaders trade merchandising program, Philip Morris supports decisions by retailers to merchandise cigarettes from behind the sales counter or from non-self-service displays. In fact, one type of display we provide allows easy stocking and display of cigarettes from behind the sales counter, out of reach of all customers.

- If a retailer does choose to maintain self service displays, the Philip Morris Retail Leaders program requires that such displays be within the line of sight of, and therefore supervised by, a clerk. Philip Morris's highest merchandising payments are equally available to retailers who merchandise behind the counter.
- In addition, for a retailer to be eligible to receive merchandising payments from Philip Morris, he or she must maintain *We Card* or equivalent signage informing customers that this retailer supports enforcement of state minimum age laws for the sale of cigarettes.

**Youth Access Legislation:** We believe that retail education and training combined with stricter enforcement of minimum age laws can lead to higher compliance rates in the States. That is why the company continues to support state legislation to strengthen existing laws in all 50 states prohibiting the sale of tobacco to minors.

- Philip Morris USA supports state legislative efforts that would provide for the following: tougher penalties for retailers who violate minimum-age sales laws; mandatory retail employee training and education; unannounced inspections of retail outlets by a designated state agency; regular reporting and tracking of state compliance rates and retail outlets that violate minimum-age laws; restrictions on vending machine locations; the prohibition of out-of-package cigarette sales; restrictions on self-service cigarette displays to the transaction area within the line-of-sight of a clerk; penalties for adults who purchase tobacco products on behalf of minors; and penalties for minors who purchase, possess or use tobacco products.

**NEW INFORMATION ADDED: Not legalised**

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Our sister company, Philip Morris International, is also committed to taking action worldwide to prevent the sale of cigarettes to minors, and is actively leading a wide variety of international youth smoking prevention initiatives which support the company's strong belief that minors should not smoke.

Five specific measures have been identified by Philip Morris International to fulfill the commitment to addressing the issue of youth smoking around the world. The Company has pledged to:

- ◆ Support minimum age laws in every country.
- ◆ Support youth access prevention programs wherever Philip Morris does business.
- ◆ Support youth anti-smoking programs, organized in concert with education and health officials wherever Philip Morris does business.
- ◆ Place the message "Underage Sales Prohibited," or equivalent on cigarette packs wherever legally feasible.
- ◆ Work with governments and competitors proactively to try to change the marketing practices of this industry worldwide, to achieve the reforms necessary to reduce youth smoking in each country in which we operate.

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## USP INTRO Rewrite

## Youth Smoking Prevention

*one goal is to*  
 At Philip Morris USA, we embrace our mission to be the most responsible, effective, and respected developer, manufacturer and marketer of consumer products made for adults. We believe that with the right to manufacture and market cigarettes to adults who choose to smoke comes a responsibility to help prevent kids from smoking.

*introduction*  
~~Because we make a risky product, we believe it is one of our core beliefs that smoking is an adult choice. We don't want kids to smoke, and we don't market our cigarettes to kids.~~

*in the past we were*  
 We have always been guided by marketing practices, advertising codes and internal guidelines to ensure that our messages are focused on adults only. We have also addressed the issue of youth smoking through youth access prevention programs. However, we have decided to do much more by creating a new department dedicated solely to youth smoking prevention. With an annual budget in excess of \$ 100 million, the department is developing and supporting comprehensive, collaborative and measurable approaches to help reduce the incidence of youth smoking.

Devoting resources in the prevention of youth smoking is the right thing to do. It makes good business sense and is important to our employees, shareholders and our adult consumers.

All of us at Philip Morris USA are committed to youth smoking prevention and we strongly support others who are responsibly involved in this effort. All we ask is that you give us a chance, and judge us over the long term by our actions and their impact on youth smoking.

*While we recognize there is skepticism about our programs & motives, all we ask*

*is to want to work constructively with others who share this goal.*

*totally exposing adults. It is totally exposing for children. We don't want kids to smoke or have access to tobacco.*

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*Needs  
work*

### Youth Smoking Prevention

At Philip Morris USA, we embrace our mission to be the most responsible, effective, and respected developer, manufacturer and marketer of consumer products made for adults. We believe that with the right to manufacture and market comes a responsibility to help prevent kids from smoking.

**It is one of our core beliefs that smoking is an adult choice. We don't want kids to smoke, and we don't market our cigarettes to kids.**

*Needs  
work*

In the past, we have addressed the issue of youth smoking through responsible marketing practices and youth access prevention programs. However, now we are taking an even more active role in addressing this issue. In April, 1998, we created a new department focused solely on reducing youth smoking. Today, we have dedicated an annual budget in excess of \$ 100 million to apply four integrated strategies toward this objective.

*The ending  
of*

We at Philip Morris USA recognize there is a lot of skepticism about our sincerity and commitment to youth smoking prevention. We accept that skepticism. All we ask is that you give us a chance, and judge us over the long term by our actions and their impact on youth smoking.

While we recognize that success in youth smoking prevention efforts – by us and others – could lead to a smaller adult consumer base in the future, so be it. If fewer adults choose to smoke in the future because of youth smoking prevention efforts they are exercising their informed choice – a right we have worked hard to protect.

All of us at Philip Morris USA are committed to youth smoking prevention and we strongly support others who are responsibly involved in this effort – even when we may not agree with the specifics of their approach.

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## YSP Mission

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## Youth Smoking Prevention

### Mission Statement



The Philip Morris USA *Youth Smoking Prevention* department has a single objective: to help reduce the incidence of youth smoking. To achieve this, our efforts will be:

#### **Comprehensive**

We believe that youth smoking is a complex problem to which there is no "silver bullet" solution. Therefore, we will simultaneously address several aspects of the issue of youth smoking in an integrated, comprehensive manner for maximum impact on the problem.

#### **Collaborative**

We will work to reduce the incidence of youth smoking by engaging in a variety of initiatives on our own. Although making a real impact on this issue will take the support of many, we are prepared to work in collaboration with parents, educators, policy makers, community-based organizations, youth advocates and others in aggressive efforts to reduce youth smoking. We all have a role to play in this effort.

#### **Measurable**

Delivering measurable results is critical. Our approaches will be research-based and measures of effectiveness will be built into the programs we undertake and fund.



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## YSP Four Strategies

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## **Youth Smoking Prevention**

### **❖ Four Integrated Strategies ❖**

We are applying a comprehensive approach that integrates the following four strategies to help reduce youth smoking.

#### ***Communication***

We are developing and implementing communications directed at both youth and parent audiences through direct TV, print, radio, direct mail, outdoor and Internet messages. The message is that smoking is not "cool" or necessary for youth to define themselves. We also urge parents to talk to youth about not smoking and help them build self-esteem. *For more information, click on [Communication](#).*

#### ***Education***

We are working with organizations and academic professionals focused on youth development to promote life skills curricula that help students strengthen social skills, set goals, manage stress and resist peer pressure. We are also helping educators and policy makers find, fund and foster such programs. *For more information, click on [Education](#)*

#### ***Community Action***

We are working with leading youth and community-based organizations as well as policy makers who have an active interest in promoting positive youth development and preventing youth smoking. *For more information, click on [Community Action](#)*

#### ***Access Prevention***

We continue to support retail education and training programs that restrict youth access to cigarettes. We encourage responsible state youth access legislation and enforcement of existing laws and are working to reduce youth access to cigarettes in the home and elsewhere. *For more information, click on [Access Prevention](#)*

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## Youth Smoking Prevention Strategies

### ❖ Communication ❖

As part of our integrated strategy to help reduce the incidence of youth smoking, we are developing and implementing communications directed at both youth and parent audiences through television and print advertisements, as well as exploring other communication vehicles including radio, interactive media and direct mail.

Communications directed at youth are designed to change youth perceptions about smoking and to convince them that smoking is not "cool," and they should not and do not need to smoke to define themselves. Communications directed at parents are designed to help them overcome barriers to engaging kids in a meaningful dialogue about not smoking and help them build self-esteem in young people.

For example, one portion of our television communications strategy is to convince "tweens" (youth ages 10 to 14) that smoking is not "cool" and that they do not need to smoke to define themselves. The tagline following each television message is *"Think. Don't Smoke."*

We developed and implemented these smoking prevention advertisements directed at youth, based on extensive primary and secondary research. Noted health authorities recommend that a variety of messages from multiple sources be used to communicate with youth.

### **Secondary Research**

Research and literature on adolescence and advertising to adolescents (referenced below) has led us to conclude that effective youth smoking prevention advertising should:

- convey messages from peers not to smoke since peer-to-peer communication is an effective means for youth to receive and process information;
- affirm that most kids do not smoke since adolescents, particularly those who smoke, tend to overestimate the prevalence of smoking by their peers;
- convey negative perceptions of youth smoking since self-image is so important to adolescents;
- depict socially attractive non-smoking peers because this is an effective way to make the advertising interesting and relevant to youth;

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- celebrate the kids who don't smoke to reinforce their non-use of cigarettes; and
- give kids some credit and not talk down to them, reinforcing their ability to think independently and to make their own decisions.

### Quantitative Research

In addition to an extensive review of the literature on advertising to adolescents, sixty-eight hundred tweens and their parents in 40 cities across the country were surveyed in face-to-face interviews to test the Philip Morris USA *Youth Smoking Prevention* advertisements before they went on the air in December 1998. Seventeen commercials were tested: eight YSP commercials and nine comparative commercials.

The results demonstrated that the seven advertisements currently on air were believable, attention getting, memorable and – most importantly – generated nearly universal understanding of the main message of "Don't Smoke" among kids. Both youth and parents found them to be as effective as virtually all comparative commercials in their ability to communicate not to smoke.

After viewing an execution, the participating youth (ages 10-14) were asked "What are the creators of this commercial trying to tell you?" Following is a topline summary of the kids' spontaneous, open-ended responses:

**Q. What are the creators of this commercial trying to tell you?**  
(Kids 10-14)

Execution Name		Bus	Parkin g Lot	Being Different	Who You Are	A Little Credit
Number of Participa nts		(201)	(202)	(197)	(195)	(198)
Response s	<i>Don't Smoke/No t to Smoke</i>	99%	97%	98%	99%	93%
	<i>Think</i>					

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<i>before you decide</i>	--	1%	2%	1%	3%
<i>Make your own decision</i>	1%	--	--	--	4%

**Media Exposure**

Philip Morris USA *Youth Smoking Prevention* ads are airing on top network, syndication, and cable tween programs. Network programs include ABC's *TGIF* Friday night line-up, WB's *Dawson's Creek* and Fox's *The Simpsons*. Syndication programs include *Friends*, *Home Improvement*, *Sister Sister*, and *Boy Meets World*. Popular tween cable networks will include Cartoon Network, TBS, USA, and MTV. Ads are running during primetime, Saturday morning, weekend afternoon, and after-school time periods. In-school exposure is achieved through Channel One's news broadcast in homeroom classes.

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## Youth Smoking Prevention Strategies

### ❖ Education ❖

As part of our integrated strategy to help reduce the incidence of youth smoking, we are working with organizations and academic professionals focused on youth development to identify, develop and encourage the use of curricula that have been shown to have an impact on reducing youth smoking.

These curricula use life skills training and problem-solving exercises to help students strengthen social and self-management skills, develop ways to set goals, manage anxiety and stress, and promote assertiveness to resist peer pressures.

For detailed information about a Life Skills training program that many experts and educators recommend, please visit <http://lifeskillstraining.com>. This web site, which is not affiliated with Philip Morris, describes its Life Skills Training program as "a proven, highly effective, substance abuse prevention/competency enhancement program designed to focus primarily on the major social and psychological factors promoting substance use/abuse. The LST program was developed by Dr. Gilbert J. Botvin, a leading expert on drug abuse prevention for middle or junior high school students."

As described on the web site, the LST program is designed to:

- ◆ provide students with the necessary skills to resist peer pressure to smoke, drink and use drugs,
- ◆ help them to develop greater self-esteem, self-mastery and self-confidence,
- ◆ enable children to effectively cope with social anxiety,
- ◆ increase their knowledge of the immediate consequences of substance abuse.

In addition to innovative programs such as LST, Philip Morris U.S.A. will continue to inform educators and policy makers of effective curricula, help secure funding and actively encourage the use of effective curricula inside and outside classroom settings.

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## Youth Smoking Prevention Strategies

### ❖ *Community Action* ❖

In the area of community action, we are working with leading youth and community-based organizations as well as policy makers who have an active interest in promoting positive youth development and preventing youth smoking.

We are developing, supporting and evaluating community-based programs designed to nurture protective factors which can be effective in reducing youth smoking and other risky behaviors.

We believe this can occur through structured after-school activities that keep youth busy, mentoring and parenting programs that provide positive adult role models and peer interaction programs that provide positive peer influences. We are supporting the development and evaluation of models that meet the needs of youth for possible replication nationwide.

For example, Philip Morris U.S.A. has provided a two-year, \$4.3 million grant for the National 4-H Council to develop, implement and evaluate a National Youth Smoking Prevention Program. According to the National 4-H Council, it's program will be aimed at 10- to 14-year-olds and will use an informal community club educational setting.

The goals of the program are to: (1) reduce youth smoking and tobacco use, (2) help youth understand the issues and effects of smoking, (3) help youth and adults work together to develop and implement community strategies to promote youth smoking prevention education and behavior change, and (4) help broad-based widely varying communities address youth smoking prevention through youth development strategies.

Like all donor-funded National 4-H Council Programs, the 4-H Youth Smoking Prevention Program will be independently developed, implemented and evaluated.

For more information on the program, please visit the National 4-H web site at <http://xxxxxxxxxxxxx>

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## Youth Smoking Prevention Strategies

### ❖ Youth Access Prevention ❖

We continue to support the prevention of youth access to cigarettes through the *Action Against Access (AAA)* initiative and the Coalition for Responsible Tobacco Retailing's *We Card* education and training program.

These initiatives encourage face-to-face proof of age verification and compliance with minimum age sales laws. We continue to support the enhancement of responsible state youth access legislation and enforcement efforts, and encourage community-wide approaches to addressing the issue. Furthermore, we are identifying, developing and implementing approaches designed to reduce adult purchases on behalf of minors and youth access to cigarettes in the home and community.

\* \* \*

In June of 1995, we launched *Action Against Access*, a voluntary, comprehensive initiative designed to help prevent youth access to cigarettes. Philip Morris USA's objective is to foster an environment where cigarette purchases are possible only after proof-of-age has been verified in person. Our youth access prevention initiatives include:

**Pack Notices:** We print "Underage Sale Prohibited" notices on all Philip Morris USA cigarette brand packs and cartons sold domestically.

**Sampling:** We do not provide free samples of our cigarettes to consumers.

**Mailing Cigarettes:** We do not distribute cigarettes to consumers through the mail.

### *We Card*

The *We Card* program is managed by The Coalition for Responsible Tobacco Retailing -- a cooperative and dedicated national effort among retailers, wholesalers and manufacturers who all share one common goal: **to do everything we can to prevent tobacco sales to minors.**

As its web site states, The Coalition for Responsible Tobacco Retailing believes heightened awareness, more intensive training, and uniform retail policies will improve compliance with minimum-age laws in two ways. First, sales clerks will be

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better prepared to reject attempted purchases by minors. Second, by raising awareness of and compliance with these laws, fewer tobacco products will be sold to minors. Therefore, the Coalition encourages all U.S. retail stores to:

- ◆ Train sales clerks to learn their state's minimum-age law and provide the tools for them to comply with this important law.
- ◆ Display the "We Card" signage on doors, windows and at sales counters to alert the public that they mean business.
- ◆ Require that customers who are under age 27 provide a photo ID for tobacco purchases.

Major trade associations representing all classes of retail trade and manufacturing are working together toward a common goal - to stop tobacco sales to minors. To ensure that this unprecedented program succeeds, participation is being closely tracked. Overall results are continuously reported. And non-participating stores are continually encouraged to join the effort.

This program represents a long-term commitment by all Coalition partners. Because of their commitment, retailers can replenish their program supplies at no cost. Communications programs among participants are used to help fulfill the program's goals. Print advertising is helping build public awareness of minimum-age laws and the Responsible Tobacco Retailer Program. And as retailers implement the program, their ideas and experiences are related through newsletters and trade publications to further the primary objective: preventing tobacco sales to minors.

The Coalition for Responsible Tobacco Retailing believes that sales clerks who are aware of their state's minimum-age laws and store policy and who have received intensive training are better equipped to reject attempted purchases by minors.

To learn more about the Coalition for Responsible Tobacco Retailing's *We Card* program, please visit their web site at <http://wecard.org>

### Our Participation

Philip Morris U.S.A. supports the Coalition for Responsible Tobacco Retailing's *We Card* retail education and training program and promotes *We Card* to the more than 210,000 stores the company calls on directly.

- With Philip Morris USA's support, *We Card* has to date:
  - distributed over 500,000 program kits to retailers around the country.
  - sponsored over 600 training seminars and trained more than 30,000 retailers.

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- obtained endorsements or support from the Governors of Arkansas, Kentucky, Kansas, Missouri, Montana, North Carolina, Oklahoma, South Carolina, Virginia and Wyoming; former Governors of Georgia, Iowa, Nebraska while in office; Attorneys General of Alabama, Connecticut, Nevada, South Dakota and Wyoming; former Attorney General of New York while in office; National Association of Police Organizations (NAPO); U.S. Junior Chamber of Commerce (Jaycees); and approximately 250 state retail associations and state agencies.

**Retail Payments:** Upon official notification from a state of retailers who are fined or convicted of violating the state law against selling cigarettes to minors, Philip Morris U.S.A. takes a series of steps, up to and including denial of merchandising benefits to those retailers we call on directly.

- To date, we have taken action with regard to over 1,000 stores, including more than 100 suspensions of merchandising benefits. We have reached out to all 50 states, and at the present time, only Washington State provides Philip Morris USA with official fine and conviction information on an ongoing and regular basis.

**Retail Merchandising:** Under the terms of our Retail Leaders trade merchandising program, Philip Morris supports decisions by retailers to merchandise cigarettes from behind the sales counter or from non-self-service displays. In fact, one type of display we provide allows easy stocking and display of cigarettes from behind the sales counter, out of reach of all customers.

- If a retailer does choose to maintain self service displays, the Philip Morris Retail Leaders program requires that such displays be within the line of sight of, and therefore supervised by, a clerk. Philip Morris's highest merchandising payments are equally available to retailers who merchandise behind the counter.
- In addition, for a retailer to be eligible to receive merchandising payments from Philip Morris, he or she must maintain *We Card* or equivalent signage informing customers that this retailer supports enforcement of state minimum age laws for the sale of cigarettes.

**Youth Access Legislation:** We believe that retail education and training combined with stricter enforcement of minimum age laws can lead to higher compliance rates in the States. That is why the company continues to support state legislation to strengthen existing laws in all 50 states prohibiting the sale of tobacco to minors.

- Philip Morris USA supports state legislative efforts that would provide for the following: tougher penalties for retailers who violate minimum-age sales laws; mandatory retail employee training and education; unannounced inspections of

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retail outlets by a designated state agency; regular reporting and tracking of state compliance rates and retail outlets that violate minimum-age laws; restrictions on vending machine locations; the prohibition of out-of-package cigarette sales; restrictions on self-service cigarette displays to the transaction area within the line-of-sight of a clerk; penalties for adults who purchase tobacco products on behalf of minors; and penalties for minors who purchase, possess or use tobacco products.

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## YSP Experts

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★ Reduce Number of Quotes TBD

### Key Insights From Select Experts



**There is no single solution to the complex issue of youth smoking prevention. A comprehensive and integrated approach to the problem is considered more effective.**

*"The effectiveness of school-based smoking-prevention programs appears to be enhanced and sustained by comprehensive school health education and by community wide programs that involve parents, mass media, community organizations or other elements of an adolescent's social environment."*

—U.S. Department of Health and Human Services. Preventing Tobacco Use Among Young People: A Report of the Surgeon General. Atlanta, GA: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health. 1994: p. 10.

*"Comprehensive communitywide prevention efforts must be simultaneously directed at all major social influences and institutions: schools, parents, peers, role models, media, police, courts, businesses, vendors of cigarettes and alcohol, and youth-serving agencies."*

—Dryfoos, Joy. Adolescents at Risk: Prevalence and Prevention. New York: Oxford University Press. 1990: p. 169.

**Mass media campaigns should raise general awareness among youth, change youth perceptions about smoking, and give youth credit for making good decisions.**

*"Additional findings suggest the ads lowered smoking rates by persuading youth that smoking is not the norm and the disadvantages outweigh the advantages, thereby lowering overall attitudes toward smoking."*

Pechmann, Cornelia, "Does Antismoking Advertising Combat Underage Smoking? A Review of Past Practices and Research," in Social Marketing: Theoretical and Practical Perspectives, ed. M.E. Goldberg, M. Fishbein, and S.E. Middlestadt (Mahwah, New Jersey: Lawrence Erlbaum Associates, 1997) p. 201.

*"Despite teens' acknowledgment of pervasive peer influence and the strong need to 'fit in,' an important issue that emerged during group discussions was the value that teens placed on self-determination and being in control. They perceive themselves to be 'old enough' and 'smart enough' to make their own decisions."*

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McKenna, Jeffrey W. and Williams, Kymber N. January, 1993. Crafting Effective Tobacco Counteradvertisements: Lessons From a Failed Campaign Directed at Teenagers. Public Health Reports 108: p. 87.

**School-based programs should teach kids the social skills necessary to resist engaging in negative youth behavior such as smoking.**

*"[School] programs should help students understand that some adolescents smoke because they believe it will help them be accepted by peers, appear mature, or cope with stress. Programs should help students develop other more positive means to attain such goals....Programs should help students develop necessary assertiveness, communication, goal-setting, and other problem solving skills that may enable them to avoid both tobacco use and other health risk behaviors."*

Centers for Disease Control and Prevention, Guidelines for School Health Programs to Prevent Tobacco Use and Addiction. Morbidity and Mortality Weekly Report, Recommendations and Reports. February 25, 1994: 43 p. 8-9.

*"The intent of programs using this prevention strategy [personal and social skill training] is to teach relatively general skills for coping with life that will have a broad application rather than a situation-specific or problem-specific application. Where appropriate, however, these programs emphasize the application of general personal and social skills to situations related more directly to substance use/abuse, such as the application of general assertive skills to situations involving peer pressure to smoke, drink or use drugs."*

Botvin, G.J., Substance Abuse Prevention Research: Recent Developments and Future Directions. Journal of School Health 56: 1986: p. 371.

**The community plays an integral role in providing youth with environments that promote positive youth development and behavior as well as in delivering a strong social message about youth smoking.**

*"[C]ommunity groups and youth organizations provide an important means of promoting the tobacco-free norm to youths at all risk levels and of providing alternative behaviors to tobacco use through organizational activities that allow youths to have a sense of belonging and to be relaxed among their peers."*

Lynch, Barbara S. and Bonnie, Richard J. Growing Up Tobacco Free: Preventing Nicotine Addiction in Children and Youths. Washington, D.C.: Institute of Medicine National Academy Press. 1994: p. 92.

*"[C]ommunities have come together to improve the availability of after-school programs. Partnerships among schools, local governments, law enforcement, youth- and community-based organizations, social and health services, and businesses have resulted in a number of high quality after-school programs. These partnerships*

*foster a greater volunteer spirit and provide opportunities for parents to increase their parenting skills and participate in program activities."*

U.S. Department of Education and U.S. Department of Justice. Safe and Smart: Making The After-School Hours Work for Kids. June 1998. [www.ed.gov](http://www.ed.gov). April 12, 1999.

**Preventing youth access to tobacco is a key component in addressing the issue and is the responsibility of parents, educators, tobacco retailers and manufacturers, law enforcement agents, policy makers, and adult smokers.**

*"Components of successful initiatives to enforce minors' access laws include the participation of government officials and business leaders; local licensing of vendors that includes revocation provisions for violations; establishment of civil penalties; posting of warning signs; restriction of vending machines; and use of 'sting' operations (in which an underage person, sponsored by local authorities, purchases tobacco.)"*

Centers for Disease Control and Prevention, Progress in Chronic Disease Prevention State Laws Restricting Minors Access to Tobacco. Morbidity and Mortality Weekly Report, Recommendation and Reports. June 1, 1990: 39 p. 349. [www.cdc.gov](http://www.cdc.gov). April 15, 1999.

*"Adolescents obtain tobacco from social as well as commercial sources. One recent survey found that 73.7% of 8<sup>th</sup>, 9<sup>th</sup>, and 10<sup>th</sup> graders who reported having ever smoked obtained their most recent cigarette from a friend or family member, as compared with 22.6% who obtained it from a commercial source."*

Wolfson, M., Forster, J.L., Claxton, A., Murray, D.M., Adolescent Smokers' Provision of Tobacco to Other Adolescents. American Journal of Public Health. April, 1997: 87 p649.

**Youth smoking prevention programs should promote positive youth development to enhance "protective factors" and move toward reversing and reducing "risk factors."**

*"We need to stop thinking of youth problems as the principal barrier to youth development and start thinking of youth development as the most effective strategy for preventing youth problems."*

The National Assembly. Building Resiliency: What Works: A Community Guide to Preventing Alcohol & Other Drug Abuse Through Positive Youth Development. Washington, D.C. 1994: p. 12.

*"[P]roblem-free is not fully prepared – preventing high risk behaviors is not enough. Our expectations for young people must be high and clear. Positive outcomes should be defined and monitored as carefully as negative behaviors."*

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Draft not reviewed

Center for Youth Development and Policy Research, Academy for Educational Development. April 21, 1999. [www://aed.aed.org:70/00/youthdev/centeryd/overview](http://www.aed.aed.org:70/00/youthdev/centeryd/overview).

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Draft not reviewed

## YSP Kit Data

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❖ Youth Smoking Rates ❖

Monitoring The Future  
An Annual Study Conducted by the University of Michigan

Despite the efforts of policy makers, educators, parents, retailers and many others, the incidence of youth smoking continues to be higher than the study's historic low in 1991.

The Monitoring the Future Study conducted by the University of Michigan is a school-based survey that has been tracking national smoking rates among high school seniors annually since 1975, and among eighth and tenth grade students each year since 1991.

Sample size for 1998:

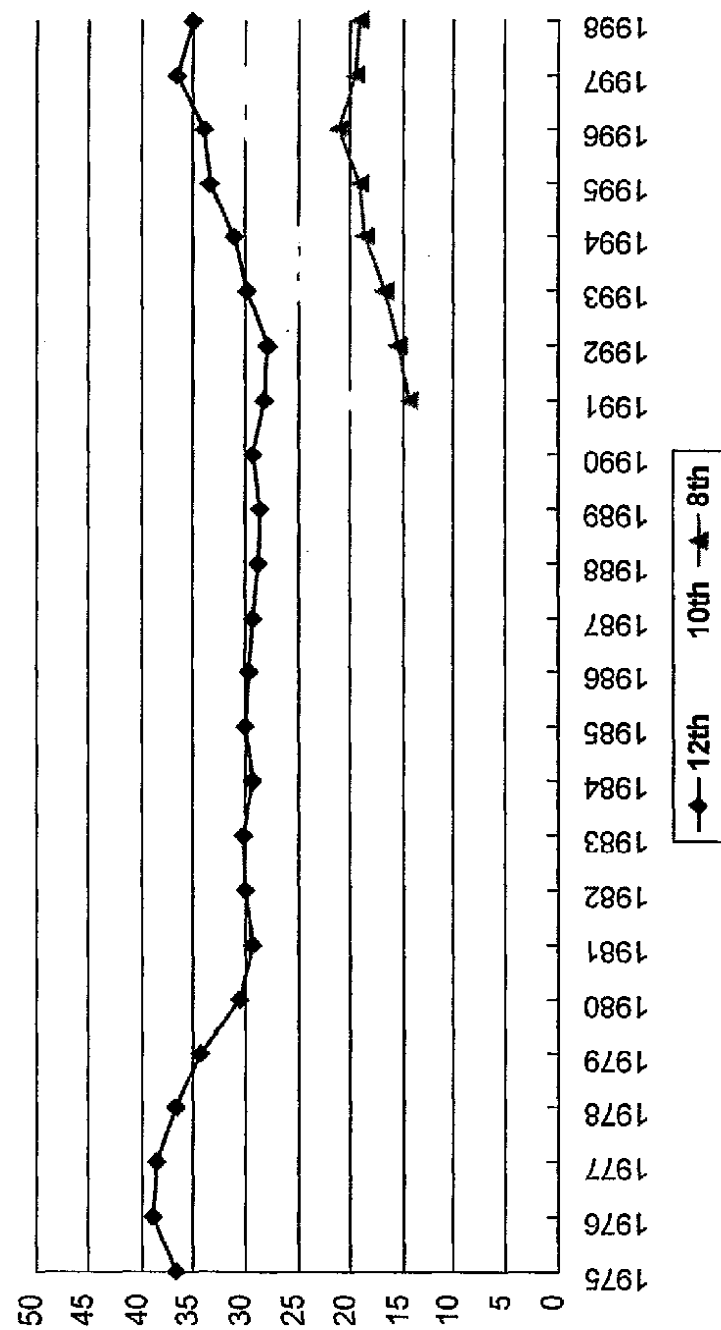
- nearly 50,000 students in 422 public and private secondary schools
- 8th Grade: 18,100
- 10th Grade: 15,000
- 12th Grade: 15,200

**Smoking Incidence Rate for Past 30-Day Usage \***

\* Respondents who stated they smoked at least one cigarette in the past 30 days

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Draft not reviewed  
-- S. Gannon



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- Icome

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# EM MARKS

## The People of Philip Morris U.S.A.

Philip Morris Companies have had a long history of helping others, of giving back to the communities where we conduct business, and of maintaining an on-going commitment to innovation and diversity.

At Philip Morris U.S.A., we have made sharing with others one of the core values that guide our ~~entire company~~. We actively foster an environment in which our people can contribute their time and energy to their families, their neighbors, their colleagues and their communities. As a company, we acknowledge and embrace our role as a responsible, involved citizen and community leader.

Annually, the Board of Philip Morris Companies Incorporated allocates money to each of its operating companies to support the programs and activities of non-profit organizations locally and nationally in the United States and abroad. Philip Morris U.S.A.'s goal is to utilize its Corporate Contributions budget to support our ~~overall business objectives~~ as well as those of Philip Morris Companies Incorporated. At PM USA, we consider grants to non-profit organizations in the following primary areas of giving:

**Positive Youth Development:** One of Philip Morris USA's ~~business~~ objectives is to help reduce youth smoking and a portion of our grant dollars support positive youth development programs. For more information, click [Positive Youth Development](#).

**Education:** Philip Morris USA provides scholarships and university support to universities and colleges to ensure the development of tomorrow's business leaders. For more information, click [Education](#).

**The Environment:** Philip Morris U.S.A. supports programs that increase the public's awareness of the environmental and economic impact of consumer product waste. For more information, click [The Environment](#).

**Community Development:** Philip Morris USA believes in helping to enhance the quality of life for those in the communities where our employees live and work. For more information, click [Community Development](#).

In addition to our areas of giving, Philip Morris U.S.A. has a proud history of employees sharing with others by volunteering.

**Employee Volunteers:** At each of our locations, whether in the sales force, manufacturing facilities or in the headquarters office, our employees generously give of their time, expertise and effort, both at their jobs and within their communities. For more information about how our employee volunteers are working to make a difference, click [Employee Volunteers](#).

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### Positive Youth Development

*Effectiveness of the challenge in growing up*

*Our core objective of reducing the incidence of youth smoking*

We are committed to helping young people have access to resources that can help them face challenges and make good decisions in a world where choices and pressures can be overwhelming. This grant-making initiative directly supports the objective of our Youth Smoking Prevention department by supporting **positive youth development** programs that provide youth with the skills needed to help them make the right decisions in their lives, including the decision not to smoke. ~~We believe that in order to change behavior among young people, we have to focus on what we are trying to promote in addition to what we are trying to prevent.~~

Our initiatives will help fund programs and organizations that focus on asset and skill-building among young people in middle school and high school so that they can develop strong interpersonal, judgement and problem-solving skills.

*Free funding.*

Most experts agree that a key aspect of helping young people grow into healthy, productive adults is to provide them with safe, nurturing experiences and caring relationships with adults outside of school hours. Given these important findings, we have decided to focus our grant-making efforts primarily during out-of-school time. We will provide funding to expand and enhance non-school hour or extended day programs that focus on youth in middle school and high school, with emphasis on 10-14 year olds, which are the most challenging years because of the various transitions they are going through and because they are also the most underserved age group.

According to the National Collaboration for Youth, the most successful youth development programs have the following elements: a comprehensive strategy with a clear mission and goals; committed, caring and professional leadership; a diverse array of youth-centered activities in youth-accessible facilities; are culturally sensitive, inclusive and diverse; involve youth in the planning, delivery, and evaluation of services that affect them; and offer a positive focus including all youth.

The Positive Youth Development initiative is interested in receiving funding applications from a wide range of youth-serving organization, such as: Boys and Girls Clubs; YWCAs and YMCAs; mentoring programs; after-school or summer activity programs; tutoring programs; life skills initiatives; peer outreach programs; and other asset- or skill-building initiatives.

#### **We want to help your efforts:**

Philip Morris U.S.A. would like to invite youth-serving organizations that provide youth with structured after-school activities to apply for grants. Organizations who wish to apply must be prepared to outline a specific plan for how their program meets our

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criteria, how the funds will be used, and how the program will be measured for effectiveness. ~~Most often, our grants range from \$2,000 to \$25,000.~~

Philip Morris USA's Positive Youth Development grantmaking initiative is a long-term commitment and will be implemented across the country. Supporting these types of programs can provide young people with positive choices and alternatives that lead away from decisions to engage in risky or negative behavior.

Supporting these types of programs will help meet the human and developmental needs of youth, while building a set of core assets and competencies needed to participate successfully in adolescent and adult life. We look forward to collaborating with others who share our interest in promoting positive youth development and reducing the incidence of youth smoking.

Please click on [Positive Youth Development Grant Guidelines](#) for more information on how to apply.

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PHILIP MORRIS USA  
POSITIVE YOUTH DEVELOPMENT  
GRANT GUIDELINES

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**PHILIP MORRIS USA's POSITIVE YOUTH DEVELOPMENT FOCUS**

Philip Morris USA believes in helping people in need in the communities where we do business and our employees live. In order to better serve these communities, and to better align our charitable contributions with our core business objectives, we are changing the focus of our corporate giving to include programs that support positive youth development.

We are committed to helping ensure that young people have access to resources to assist them in making good decisions in a real world where choices and pressures can be overwhelming. We will provide funding to organizations that focus on asset and skill-building among young people in middle and high school so that they can develop strong interpersonal, judgement and problem-solving skills.

Our primary goals in this area of grantmaking are to:

- ☐ Expand and enhance non-school hour/extended day programs, and
- ☐ Connect schools and community-based organizations, to increase youth programs and services.

Successful programs will include *all* of the following elements:

- Focus on youth in middle and high school, *with emphasis on 10 to 14 year olds.*
- Focus on building on youth's assets and helping them develop life skills
- Services delivered in non-school hours.
- Programs that involve youth in planning, decision making, and implementation.
- Take a comprehensive approach to addressing risky behaviors for youth, not only youth smoking.

Funded programs *must* include *two or more* of the following key components:

- Providing safe, nurturing, non-threatening environments for out-of-school programs;
- Focusing on positive outcomes and emotional as well as physical health and developmental issues;
- Preparing youth for the future; building skills/competencies;
- Developing an ongoing relationship with a caring adult;
- Providing structured community service activities.

Philip Morris USA would like to link Positive Youth Development grants with other areas supported by the Philip Morris family of companies. Therefore, we are especially interested in efforts to:

- Provide nutritious meals and snacks to at-risk youth.
- Use arts and culture as potential vehicles for reaching/involving youth.
- Introduce youth to the world of careers and help them develop marketable skills.
- Improve communication and mediation skills among youth, and between youth and their parents.
- Strengthen families and involve parents in their children's lives in meaningful ways.

**WHO CAN APPLY?**

The Positive Youth Development initiative is interested in receiving funding applications from a wide range of youth-serving organization, such as:

- |  |   |
|--|---|
| ▪ Boys and Girls Clubs                     | ▪ tutoring programs                           |
| ▪ YW/MCAs                                  | ▪ life skills initiatives                     |
| ▪ mentoring programs                       | ▪ peer outreach programs                      |
| ▪ after-school or summer activity programs | ▪ other asset- or skill-building initiatives. |

All applicants must be nonprofit, tax-exempt organizations under section 501 (c )(3) of the IRS Code.

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## CRITERIA FOR GRANT SELECTION

In evaluating proposals, we will look for promising or proven-effective quality programs that provide services directly to youth. Funding decisions will be based on the following factors:

- Fit with Philip Morris USA's programmatic interests.
- Organizational capacity to create, implement and sustain quality programs that provide direct services.
- Expected measurable impact/outcomes and system for measurement.
- Organization's history in addressing positive youth development issues in the community.
- Applicant organizations must have been in existence at least three years.
- Staff qualifications and experience.
- Financial health of the organization.
- Potential or identified funding partners.
- Opportunities for Philip Morris USA employees and retirees to volunteer.

Questions that we will consider when reviewing proposals include:

- How has the applicant measured community need for this program/service?
- How well do the proposed services match community needs?
- What is the planned impact of the proposed project or activity? How many youth will this program reach?
- To what extent are youth involved in program planning and governance?
- To what extent is the organization capable of successfully implementing the proposed project or activity?
- From what other sources is the organization gathering financial support for the proposed project or activity?
- For new programs, how will the organization ensure a successful launching of the program and sustain it?
- How does the organization plan to measure program progress and evaluate its outcomes?
- Does the proposed program provide an innovative and effective approach to serving youth?

Site visits will be made to most applicant organizations prior to final funding decisions.

Generally, Philip Morris USA will not fund or contribute to individuals, research projects, endowments, or building campaigns. Grants for general operating expenses ordinarily will not be considered.

## HOW TO APPLY FOR A GRANT

### **WHAT TO INCLUDE:**

Organizations interested in applying for a grant should submit a completed copy of the Philip Morris USA Positive Youth Development Grant Application, with all required attachments.

Along with the completed Grant Application, a copy of each of the following must be submitted. ***Incomplete applications will not be considered.***

- |   |   |
|---|---|
| ▪ Attachment 1 -- Total annual operating budget | ▪ Attachment 5 -- Most recent IRS Form 990.     |
| ▪ Attachment 2 -- Program Budget                | ▪ Attachment 6 -- Audited financial statements. |
| ▪ Attachment 3 -- Funding Information           | ▪ Attachment 7 -- Most recent annual report.    |
| ▪ Attachment 4 -- Copy of IRS 501(c)(3) letter  | ▪ Attachment 8 -- Board of Directors list       |

### **WHERE TO SEND YOUR APPLICATION:**

Requests for more information or submission of completed applications should be sent to:

Philip Morris USA  
Trade and Business Relations  
120 Park Avenue, 14th Floor  
New York, NY 10017  
Telephone: 1-800-TBD

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## Education

Philip Morris U.S.A. is committed to helping universities and colleges develop diversity and prepare the workforce of tomorrow.

*emphasize leaders to enter the workforce*  
Working with dozens of schools, we want to encourage talent to flourish and to help build the capacity of young people to both enter the workforce and become the next generation of leaders. For example, we provide university-administered scholarships for minorities and those pursuing engineering and MBA degrees. We also provide grants to support educational programs, such as providing new technology to support a marketing curriculum; grants to sponsor student activities, such as symposiums and interview training for student organizations; and we provide grants to support placement office activities, such as providing new equipment, internships and facility improvements.

When it comes to initiatives, one of the efforts of which we are most proud is the Thurgood Marshall Scholarship Fund. A merit-scholarship program founded in 1987, The Fund provides four-year scholarships to students who attend Historically Black Colleges and Universities throughout the United States. The Fund has awarded scholarships totaling more than \$3 million since its inception. More than 100 Thurgood Marshall Scholars have already graduated, and 130 are currently receiving awards from the fund.

PM USA, which began its support in 1996, funds 20 scholarships in the program. Each student is given the opportunity to intern at PM USA during the summer in Marketing, Sales and Operations and is paired with a senior vice president or vice president mentor.

For information on our contributions, please visit our [General Contributions Guidelines](#) page.

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## The Environment

Philip Morris U.S.A. has decades of experience in working with other organizations to address environmental issues and to reduce consumer product waste.

As a consumer products company, we are particularly interested in having our contributions support initiatives that combat litter, such as clean-up campaigns for beaches, parks and other public venues in the communities where our employees and consumers live. *address this comment*

We also support programs that increase public awareness about the environmental and economic impact of improper disposal of consumer waste products.

A longtime sponsor of Keep America Beautiful (KAB), Philip Morris U.S.A. is working together with the organization on a new urban litter initiative in six cities across the country. We are providing technical and financial assistance to help Keep America Beautiful implement an initiative to place ash/trash receptacles in high-traffic areas and measure the results.

For more information on our Litter initiative, please visit [Litter](#).

For more information on our contributions, visit [General Contributions Guidelines](#).

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## Community Development

*Mark  
Christie* At Philip Morris U.S.A., sharing with others is one of the core values that guide our ~~entire company~~. We acknowledge and embrace our role as a responsible, involved citizen and community leader and are committed to strengthening the communities in which there is a Philip Morris presence.

Both as individuals and as a company, we are contributing time and resources to projects that support a community's infrastructure; promote economic development and vitality and improve the quality of life. We believe all of these goals make a community a better place to live and work and create an environment that attracts other businesses to the community.

Our efforts range from support of a book fair to aid a local library, to sponsorship of a travelling art exhibit, to a major contribution to help a community rebuild and revitalize its downtown public spaces.

For example, on the issue of domestic violence, Philip Morris U.S.A. sponsors conferences that help generate awareness of the severity of the problem. We also make substantial donations to community groups that help victims, such as our partnership with The Family and Children's Trust Fund of Virginia (FACT) to provide Virginia's domestic violence shelters with needed funding and support. Our efforts can also be seen in the critical area of hunger relief. We sponsor canned food drives; deliver meals to the elderly and infirm, and make available specific kinds of food to feeding organizations, such as Hunters for the Hungry, a non-profit organization that processes deer meat from hunters and distributes it to the hungry in Virginia.

If you would like to see how your community development organization can apply to Philip Morris U.S.A. for resources, please visit our [General Contributions Guidelines](#) page.

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## General Contributions Guidelines

Philip Morris U.S.A. believes in helping people in need in the communities where we do business and our employees live. In order to better serve these communities, and to better align our charitable contributions with our core business objectives, we focus our giving on programs that support Positive Youth Development, education, the environment and community development.

For grant guidelines specifically addressing our Positive Youth Development focus area, please click [here](#).

We accept applications on a rolling basis. For consideration for the current budget year, all applications must be received by September 1.

### Eligibility

Organizations requesting support must have a non-profit, tax exempt classification under section 501(c)3 of the Internal Revenue Code. The criteria listed below will be used to evaluate potential funding for an organization's programs and activities.

- Fit with PM USA's programmatic interests
- Organizational capacity to create, implement and sustain quality programs
- Organization's history in addressing issues in the community
- Expected measurable impact/outcomes and process for on-going evaluation
- Staff Qualifications and experience
- Financial Health of the organization
- Additional sources of financial support for the proposed project or activity

### Documentation

The requesting organization must submit a grant proposal that includes the following:

- Letter from organization, on letterhead, requesting support
- Official Name and Address of the Organization;
- Official Contact, including position, and telephone number;
- Statement of the organization's purpose/mission;
- Purpose of the grant request with facts to support the need;
- Detailed plan to show how the organization plans to address the need(s);
- Volunteer opportunities for Philip Morris USA employees;
- Operating budget for prior year and/or audited financial statements
- List of the organization's Board Members and/or Advisory Board Members
- IRS Tax Status Letter certifying the organization meets 501(c)3 requirements.

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Note: Generally Philip Morris USA will not fund or contribute to individuals, research projects, endowments, or capital campaigns. Most grants will be made to organizations that provide direct services to those in need.

Many of the grants provided by Philip Morris USA help organizations located near our plant communities in Richmond, VA.; Charlotte, NC.; and Louisville, KY. If your organization primarily operates in one of these areas, please contact the community relations department nearest to you.

Manager, Contributions  
Philip Morris U.S.A.  
Operations Center  
2001 Walmsley Blvd.  
Richmond, VA 23234

Manager, Contributions  
Philip Morris U.S.A.  
P.O. Box 1098  
2321 Highway 29 South  
Concord, NC 28025

Manager, Contributions  
Philip Morris U.S.A.  
P.O. Box 1498  
1930 Maple Street  
Louisville, KY 40201

All other completed grant requests should be submitted to:

Manager of Trade & Business Relations  
PM USA Corporate Affairs Department  
120 Park Avenue, 14th Floor  
New York, New York 10017

If you have any questions, please call 1-800-TBD.

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## Employee Volunteers

We actively foster an environment in which our people can contribute their time and energy to their families, their neighbors, their colleagues and their communities.

Our employees not only donate their time and effort to specific projects, they volunteer their professional experiences by sitting on boards of numerous charitable groups, providing organizational advice and working to encourage others in the community to volunteer as well. And Philip Morris employees are routinely the pace-setters when it comes to financial contributions to charitable organizations such as the United Way.

*PM USA should be mentioned*

Sometimes volunteer efforts take the form of one-on-one mentoring, as when PM USA employees helped elementary and middle school students create projects for a school science fair. Other times, it's running in a marathon for domestic violence victims; walking for Multiple Sclerosis; or bowling for Junior Achievement. And sometimes the efforts can be seen by the bus load, as when 120 employees grabbed paint brushes, paint, rollers, ladders, lumber, mulch, plants and gravel to help transform a community organization that provides counseling, daycare, after-school and tutorial programs, emergency assistance and other family-oriented programs to Richmond-area residents.

Across all areas – positive youth development, education, the environment, community development, hunger relief, the arts and more – the people of Philip Morris U.S.A. have a proud tradition of volunteering as individuals who care about the communities in which they live. As a company, PM USA is proud to support them with matching funds when possible to help make financial contributions make a bigger difference, time off to make their volunteer efforts more impactful, and resources to help them help their communities.

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