



State of California—Health and Human Services Agency  
Department of Health Services



ARNOLD SCHWARZENEGGER  
Governor

July 7, 2005

Chairman Deborah Platt Majoras  
Federal Trade Commission  
Office of the Secretary  
Room H-159 (Annex G)  
600 Pennsylvania Avenue, North West  
Washington, DC 20580

Dear Chairman Majoras:

TOBACCO REPORTS: PAPERWORK COMMENT, FEDERAL TRADE COMMISSION  
(FTC) FILE NUMBER P054507

I am writing to express my strong support of the continuation of the FTC reports on the cigarette and smokeless tobacco industries. These reports provide the only comprehensive sources of accurate and reliable information on cigarette and smokeless tobacco marketing, sales, and promotions in the United States (U.S.). In California, home to the nation's largest tobacco control program, the reports help us to assess the rate of expansion of tobacco industry (TI) marketing and promotion, and therefore, prioritize our resources amidst the many tobacco control priorities that we must address.

Without the FTC reports, there will be no other continuous, reliable set of information. Because tobacco products are proven deadly, and smoking accounts for over 400,000 deaths annually in the U.S. we need to be able to track TI expenditures in marketing and promoting their deadly product.

The reports are certainly valuable, but one major way to improve their utility would be to **report the data on a state-by-state basis**. Currently, we take the aggregate expenditures and multiply them by 12 percent (California's percent of the entire U.S. population) to approximate TI expenditures in California. However, research indicates that TI promotions, such as 2-for-1 sales of cigarette packs, occur more frequently in states with comprehensive tobacco control programs. Therefore, TI expenditures could be well over 12 percent in California. We just do not know, given the existing information provided. California needs state level data to more accurately interpret the impact of our comprehensive tobacco control program.

Chairman Deborah Platt Majoras  
Page 2  
July 7, 2005

State-by-state data should additionally be broken down by the following categories:

- Promotional allowances information.
- Retail value-added information.
- Company-specific or brand-specific information, including conventional tobacco products and "reduced-risk" tobacco products.
- Sales, marketing, and promotions targeting ethnic populations. It has long been documented that the TI disproportionately targets ethnic minorities and poor communities.
- Sales, marketing, and promotions in adult-only establishments, venues (including bars), and publications.
- Television advertising by cigarette companies (e.g., Philip Morris) touting charitable activities.
- Reporting of television advertising by cigarette companies (e.g., Philip Morris) of their "anti-tobacco" advertising (e.g., the promotion of their website as a smoking cessation resource).

Our public health goal is to improve the health of Californians by preventing tobacco use and by creating environments that support and motivate quitting tobacco use. We believe these recommendations would make considerable strides in helping us to achieve our goal.

For nearly every dollar we spend in California to reduce the morbidity and mortality caused by tobacco use, the TI spends over \$16. We cannot keep up with their spending, but if we had better intelligence on how they were specifically spending their promotional dollars, we would be far more effective with our limited resources.

Thank you for the opportunity to comment on the tobacco reports and we look forward to future FTC reports.

Sincerely,

Dileep G. Bal, M.D., M.P.H.  
Acting Chief  
Tobacco Control Section