



**U.S. Smokeless**  
**TOBACCO CO.**

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March 6, 2002

BY COURIER

Matthew L. Myers  
President  
Campaign for Tobacco-Free Kids  
1400 I Street, N.W.  
Suite 1200  
Washington, D.C. 20005

Dear Matt:

I read with great interest your letter dated February 25, 2002, to the Federal Trade Commission and subsequent press release dated March 1, 2002. It is unfortunate that we did not receive a copy of the letter to the FTC at the time of its filing or during our meeting on the morning of February 28 when we met to discuss these matters. That would have provided us with an opportunity to discuss face-to-face the statements you had already made to the FTC. Nonetheless, allow me to make the following observations.

I am encouraged that there is increasing recognition of the central thesis of U.S. Smokeless Tobacco Company's request for an advisory opinion -- that many researchers in the public health community have expressed the opinion that the use of smokeless tobacco involves significantly less risk of adverse health effects than smoking cigarettes and, for those adult smokers who do not quit, a growing number of researchers advocate switching to smokeless tobacco products. Your letter crystallizes the issue for debate: whether that information should be communicated in some fashion to adult smokers or whether it should be suppressed.

Your letter could invite a debate by others regarding the validity of the conclusions of the Surgeon General's Report on smokeless tobacco and health, something which USSTC made clear in its request the FTC did not need to address. The Surgeon General's report was issued in 1986, more than fifteen years ago, and -- as I am certain you agree -- science is not static. The information set forth in Attachment B to USSTC's request was included so as to provide a complete overview of the scientific literature

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regarding smokeless tobacco and oral cancer, including that cited in the Surgeon General's Report plus the considerable body of literature published after the Report. This post-1986 literature is obviously of sufficient import to have prompted the European Union to issue a directive on tobacco labeling, endorsed by both the European Council and Parliament, eliminating "causes cancer" from the EU health warning on smokeless tobacco products. You have indicated during our discussions that decisions on public health policy should be based on a comprehensive review of the science; we strongly agree.

You argue that only the Food and Drug Administration and other agencies of the Department of Health and Human Services should address the issue presented by USSTC's request. As USSTC pointed out in its request, the FTC can and may wish to consult with the appropriate DHHS agencies in formulating its response. Nonetheless, as Chairman Muris made clear before the Commerce, Trade and Consumer Protection Subcommittee of the House Energy and Commerce Committee on November 7, 2001, the FTC has the "authority now" to address reduced risk claims by tobacco manufacturers.

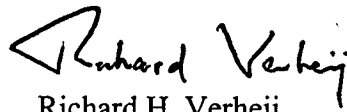
It is also important to respond to some specific statements in your letter and press release. As I am sure you recall, when we met with you on February 5, 2002, and gave you a copy of USSTC's request to the FTC, we told you that USSTC no longer advertises in Rolling Stone magazine. Subsequently, at our meeting on February 28<sup>th</sup> to discuss your views of USSTC's request, I advised you that USSTC would cease running the advertisement for our Rooster smokeless tobacco brand which caused you concern. A response to your reference to a slogan used in certain smokeless tobacco advertising in 1984, "Take A Pouch Instead of a Puff," is also in order. The slogan was used for a short period of time in an advertisement for USSTC's portion pack smokeless tobacco product. We ceased using that slogan in 1984.

Finally, your suggestion that USSTC's intent in filing its request with the FTC is to appeal to underage non-tobacco users is contradicted by both the request itself and by USSTC's decision (unique in the smokeless tobacco industry) to agree to those provisions of the Smokeless Tobacco Master Settlement Agreement which fund programs to reduce youth usage of tobacco products and to adopt an array of advertising and marketing restrictions designed to achieve the same objective.

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I would like to thank you again for taking the time to meet with us on February 5 and February 28, 2002, to discuss USSTC's request. We continue to believe these discussions are productive and we will endeavor to respond to the questions you raised at the meetings in the coming weeks.

Sincerely,

  
Richard H. Verheij

RHV:jp

cc: The Honorable Donald S. Clark  
Chairman Timothy J. Muris  
Commissioner Sheila F. Anthony  
Commissioner Mozelle W. Thompson  
Commissioner Orson Swindle  
Commissioner Thomas B. Leary

J. Howard Beales, III, Director, Bureau of Consumer Protection  
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