

May 15, 2001

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DUNCAN E. OSBORNE General Counsel Office of the Secretary Federal Trade Commission Room 159 600 Pennsylvania Avenue, NW, Washington, DC 20580.

RE: SUPPORT OF FTC ANNUAL REPORTS ON TOBACCO COMPANY MARKETING EXPENDITURES.

Dear Mr. Secretary:

I am writing in strong support of the Federal Trade Commission's (FTC) annual reports on tobacco company marketing expenditures.

These reports are very important to the American Cancer Society, Texas Division's efforts to monitor tobacco companies' marketing activities, stop tobacco marketing to kids, and make the case for why government investments in tobacco control (including public education and countermarketing efforts) are needed to reduce the toll of tobacco in the United States.

With information from the latest FTC report, we were able to establish important facts shared extensively with the public as well as with members of the Texas Legislature. For example, we now know that since Texas' tobacco lawsuit settlement agreement, approximately \$1.2 Billion has been spent in Texas by tobacco companies to advertise and market their products. We believe this data was critical in the legislature's recent decision to allocate additional state resources toward Texas' tobacco prevention and cessation programs.

Additionally, we support the following improvements to the FTC annual report:

- 1. Include a state-by-state breakdown of the reported marketing expenditures;
- 2. Include company-specific or even brand-specific marketing expenditure data;
- 3. Provide subtotals for marketing expenditures for regular versus "reduced-risk" tobacco products.

On behalf of the thousands of people in Texas who suffer from tobacco-related illnesses, the American Cancer Society urges the FTC to continue to collect and publish critical data regarding cigarette and smokeless tobacco sales, advertising and promotion.

Thank you for your consideration.

Sincerely,

Kelly Headrick

Associate Vice President for Government Relations