



Centers for Disease Control  
and Prevention (CDC)  
Atlanta GA 30341-3724

**MAY 29 2001**

Office of the Secretary  
Federal Trade Commission  
Room 159  
600 Pennsylvania Ave., NW  
Washington, DC 20580

Dear Sir:

Enclosed is the Centers for Disease Control and Prevention's (CDC's) response to the Federal Register Notice, 66 FR 18640, published April 10, 2001, soliciting comments on the Federal Trade Commission's reports on the sales, advertising and promotion of cigarettes and smokeless tobacco products.

If you should need further information or clarification, please contact:

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Associate Director for Policy, Planning & Coordination  
Office on Smoking and Health  
National Center for Chronic Disease Prevention and Health Promotion, CDC  
Telephone: 770-488-5709

Sincerely yours,

A handwritten signature in black ink, which appears to read "James S. Marks".

James S. Marks, M.D., M.P.H.  
Assistant Surgeon General  
Director

National Center for Chronic Disease Prevention  
and Health Promotion

Enclosure

## Response to FTC FRN

1. Who uses the cigarette and smokeless tobacco reports? For what purposes do they use them?

- ◆ These reports are widely used by the tobacco control community and researchers. These reports are the only data source for surveillance of industry spending on advertising and promotions. They are essential in monitoring industry tactics regarding advertising, including documenting important shifts such as increases in promotional spending. This information is essential to the development of effective interventions to counteract the effects of industry marketing. The reports also provide a source of information to monitor industry behavior and compliance with restrictions such as those of the Master Settlement Agreement (MSA) resulting from the settlement of 46 states' lawsuits against the tobacco industry.
- ◆ These reports provide invaluable data on the tobacco industry's response to implementation of voluntary and required advertising restrictions. For example, in the first year after MSA, tobacco industry advertising expenditures increased from \$6 billion to \$8 billion.
- ◆ The total expenditures are widely used as a benchmark for investments in tobacco control programs, e.g., the Fairness Doctrine campaign of the late 1960's as well as today's state-based campaigns.
- ◆ These reports are used to assist in interpreting the results of evaluations of tobacco control programs. For example, during the implementation of the California program, the industry increased advertising. The public health community needs advertising information to understand if progress appears to be less effective than expected.
- ◆ The reports also document shifts in the market share for various tobacco products, such as the growth of low tar mentholated cigarettes.

2. What are the costs to the industries to provide the Commission with the data included in the cigarette and smokeless tobacco reports?

To our knowledge, the tobacco industry collects this information as a usual cost of doing business. Any cost incurred is outweighed by the public health benefit.

3. Should the Commission continue to collect and publish data regarding cigarette and smokeless tobacco sales, advertising and promotion? Why or why not?

- ◆ It is very important that the reports continue to collect and publish data that will enable continued surveillance of industry practices. Trends in expenditures are very important.

- ◆ These reports remain the ONLY source of this very critical information. There is no public or commercial source that could replace this report.
  - ◆ Tobacco use is the leading public health problem in the nation, causing more than 400,000 deaths each year and costing at least \$50 billion annually in direct medical expenses. In order to develop effective interventions, the public health community needs information on industry practices.
4. What data or other information contained in the reports are useful and should be continued in any future reports? Why? What data or other information in previous reports are of little or no use, and could be omitted in future reports? Why?
- ◆ Additional types of data could be reported (see Question 5), but the categories used in the past should be maintained so trends can be assessed.
  - ◆ Potentially some information on brand categories could be eliminated, specifically those in table 7. These data could be replaced with premium vs. discount (generic) brands and/or percent filter ventilation, for example by cigarette length.
5. Is there information about cigarette and smokeless tobacco sales, advertising and promotion that has not been included in the reports, but that would be of use? If so, what additional information would be of use, and why would it be useful?
- ◆ More details on advertising and promotional expenditures by individual manufacturer would be useful.
  - ◆ More information by brand or brand categories would be very important. For example, information on premium vs. discount (generic) brands, menthols, etc. These data would permit analyses of the influence of specific types of campaigns on brand preference changes among youth.
  - ◆ More details on advertising and promotional expenditures at the state-specific, major media markets, or regional level is needed. Individual states have attempted to estimate the influence of tobacco advertising and promotional spending on local rates of smoking, and impact on reducing efficacy of state tobacco control programs.
  - ◆ It would be helpful to breakdown categories further, e.g., Internet “banner” advertising and e-mail advertising.
  - ◆ In addition, new products need to be reported on, e.g., Eclipse, Accord, roll your own, fire safe, smokeless, etc.

6. If the Commission decides to continue issuing reports, how frequently should they be issued (e.g., annually, biennially)? Why?
- ◆ The reports should be continued on an annual basis. Biennially would make it very difficult to track changes in industry patterns following major policy changes.
  - ◆ More frequent reporting with quicker turn around is desirable for selected measures. Key data would be reported every 6 months with a more comprehensive report completed annually.
  - ◆ Timeliness of the data is critical (e.g., post-MSA spending patterns for 1999 were reported in early 2001, even with annual reporting).
7. What other information should the Commission consider in deciding whether to continue reporting on the sales and advertising and promotion of cigarettes and smokeless tobacco products. If the Commission decides to issue future reports, what formats would be useful?

In considering whether to continue issuing these reports, the FTC should recognize the findings of the two most recent Surgeon General's Reports which conclude that:

- ◆ Tobacco industry marketing is a factor influencing susceptibility to and initiation of smoking among girls, in the United States and overseas (USDHHS, 2001).
- ◆ Regulation of advertising and promotion, particularly that directed at young people, is very likely to reduce both prevalence and uptake of smoking (USDHHS, 2000).
- ◆ Regulation of tobacco product sale and promotion is required to protect young people from influences to take up smoking (USDHHS, 2000).

Hence, it is very important that the Commission maintain its reports in their current format to assist the public health community in its efforts to reduce the disease and death caused by tobacco use.