

Essential Action
P.O. Box 19405
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June 7, 2001

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

To whom it may concern:

We are writing in response to the Federal Trade Commission's request for public comments regarding its periodic reports on the tobacco industry's marketing expenditures.

Essential Action is a non-profit organization devoted to issues of corporate accountability; the tobacco industry is one of our primary foci. Through our Global Partnerships for Tobacco Control project, we work with over 130 groups in more than 35 states. These groups – which include tobacco control advocacy organizations, local and state health departments, research institutions, schools, and faith-based coalitions – are partnered with similar groups from more than 90 countries around the world.

The Federal Trade Commission reports on cigarette and smokeless tobacco marketing expenditures are an important source of information for tobacco control advocates. These reports are vital to the effective monitoring of the tobacco industry's marketing activities over time. *We strongly urge the Federal Trade Commission to continue issuing these reports on an annual basis.*

In order to maximize the utility of the reports, Essential Action strongly recommends the following improvements:

- 1. Include a state-by-state breakdown of the reported marketing expenditures**
- 2. Include company-specific and brand-specific marketing expenditure data**
- 3. Provide subtotals for marketing expenditures for regular versus "reduced-risk" tobacco products**
- 4. Include a breakdown of the different types of expenditures the companies make within the existing promotional-allowance and retail-value-added expenditure categories (which account for the vast majority of all promotional spending by the companies).**

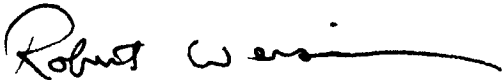
5. Include a country-by-country breakdown of U.S. tobacco corporations' marketing expenditures abroad.

The tobacco industry, dealing with declining sales in the U.S., is marketing more aggressively abroad. Our fifth recommendation would be of great use to advance the U.S. policy goal of reducing smoking-related death and disease around the world. Not only would the information allow for international comparisons, something that is virtually impossible to do now, it would assist public health programs in their work with immigrant populations. Tobacco use rates between immigrant populations and their population of origin often exhibit striking similarities. A better understanding of how the tobacco industry markets to populations abroad would enable the U.S. government and tobacco control organizations to more effectively design and gauge the success of interventions to immigrant populations here in the U.S.

Finally, we would like to comment on one of the questions posed for public comment re: the costs to the industries to provide the FTC with the data included in the cigarette and smokeless tobacco reports. We find it unlikely that information already provided by tobacco corporations, as well as the additional information that we recommend future FTC reports include, incur more than minimal cost to the cigarette and smokeless tobacco companies. The requirements of industry are primarily of disclosure, with minimal compilation or generation expense.

Industry claims of expense or infringement on commercially valuable information deserve little credence. Tobacco kills over 400,000 people in the U.S. each year – and a mind-boggling 4 million people worldwide. The marketing and promotion of tobacco products is a primary means by which the epidemic of tobacco related diseases is spread by the tobacco industry. The public has a right to know how it is being targeted.

Sincerely,



Robert Weissman
Co-Director



Anna White
Coordinator, Global Partnerships for Tobacco Control