

January 5, 2012

### **BRINGING TOBACCO TO THE TEA PARTY**

Commentary by Peter Galuszka

Washington Post

January 4, 2012

Tobacco has been a powerful industry in Virginia since the days of the Jamestown colony. It is no less influential today as Henrico County-based Philip Morris USA and its parent firm, Altria, play shell games about the hazards of their products.

Just before Christmas, and right in time for the 2012 election year, Altria trotted out a new Web site called "Citizens for Tobacco Rights" that seems designed to tap some of the anti-government, anti-regulation fervor of the Tea Party movement to boost its top line.

The company says that it is offering the Web site so smokers know their rights. It has a smorgasbord of information about taxation, local and state laws limiting smoking, and other government efforts to restrict tobacco use, which is one of the largest health issues in the United States and kills a about 400,000 every year.

Yet what makes this Web site peculiar is that it goes against the low profile that Philip Morris has generally been keeping since it was one of four cigarette makers dunned for \$206 billion by 46 states in 1998 because of health risks.

In 2008, the firm split itself into two parts. Philip Morris International, based on Lausanne, Switzerland, was free to make cigarettes with much higher levels of the addictive nicotine and tar content as ones made in the United States and market them vigorously in some Third World countries, where smokers are less likely to understand the link between smoking and cancer, lung disease and other ailments.

Philip Morris USA, on the other hand, took a far more benign approach, and from its new headquarters in Richmond, clung to a gradually diminishing base of smokers while telling them they really shouldn't smoke. As the company states on its Web site: "PM USA agrees with the overwhelming medical and scientific consensus that cigarette smoking causes lung cancer,

heart disease, emphysema and other serious diseases in smokers. Smokers are far more likely to develop serious diseases, like lung cancer, than non-smokers. There is no safe cigarette.”

The statement is on one part of the corporate Web site. For an entirely different view, however, click on the new “Citizens for Tobacco Rights” page on another part. One gets the impression that ordinary cigarette users are having their God-given rights trampled upon by nefarious do-gooders and government regulators. Let’s wave the “Don’t Tread on Me” flag. Invite Sarah Palin to speak!

One can only speculate as to why Altria is trying this gambit at this particular moment. An obvious possibility is that the firm’s propagandists want to tap Tea Party sentiment to boost sales. In 2010, the firm reported net revenue of \$24.3 billion, a 3.4 percent increase over the previous year.

The firm complains that it has been under heavy pressure since federal excise taxes were boosted in the late 1990s, and many states and localities have banned cigarette smoking in public places. One is New York City, from which Altria retreated its headquarters to Richmond. Another reason for the Web page could be that it’s been a long time since the 1998 health settlement. People tend to forget.

In Virginia, Altria is considered a sacred cow. It employs about 6,000 people and is one of the leading donors to universities, the arts and research. Its impact is especially strong in Richmond, where it operates its last large cigarette manufacturing plant in the country and funds everything from chairs at Virginia Commonwealth University to the Richmond Symphony.

Don’t think that the largesse doesn’t come without strings, though. When an artist wanted 400,000 cigarettes for a piece of artwork that was to be displayed at the Virginia Museum of Fine Art, Philip Morris said no even though it is a major sponsor of the museum. VMFA public relations people were careful to play down the issue.

The new Web site underlines, once again, the hypocrisy and contradictions of Philip Morris USA and Altria. Its ploy to encourage people to stand up for their rights while warning them its products kill go beyond routine cynicism. And as it has since 1609, Virginia plays along.

*Peter Galuszka blogs at Bacon’s Rebellion. The Local Blog Network is a group of bloggers from around the D.C. region who have agreed to make regular contributions to All Opinions Are Local.*

## **LEGISLATORS HOPING TO INCREASE CIGARETTE TAX**

By Stephanie Salvatore

WIAT CBS-TV (Birmingham, AL)

January 4, 2012

Joe Hubbard of Montgomery and Patricia Todd of Birmingham are both filing bills to raise the cigarette tax.

Todd's bill raises the tax 32 cents per pack. Hubbard's would raise it one dollar.

Todd says the increase would not only bring in additional revenue for the state, but also motivate people to stop smoking.

"I can tell you in the last session in the general fund budget committee while they didn't vote to bring the bill out, they did understand that we needed additional revenue for the general fund, and encouraged me to bring the bill back this year, which is what I'm doing," explains Todd.

Adding an additional dollar to the cost of a pack of cigarettes could add up to more than 230 million dollars a year.

See full story here: <http://www.cbs42.com/content/localnews/story/Legislators-hoping-to-increase-cigarette-tax/0CeHC6Bog0iH62UXIPqhgg.csp>

## **ROLL ON PREMIUM SMOKES**

By Madeline O'Leary

Columbia Business Times (SC)

January 5, 2012

When Bruce Hendren traveled to Florida in February to watch the Daytona 500, he figured he was headed for a long weekend of fast cars and good times. What he wasn't expecting was to come home with a new business venture.

While he was there, he stopped in a small tobacco store called Let It Roll that sold roll-your-own cigarettes. "I walked in as a customer," Hendren says. "I really liked the product and the value. From the minute I walked in, I knew there was a chance it could work up here."

Hendren says his new business, named Roll On Premium Smokes, is booming in large part because it's centrally located in a college town. Price is another plus. Individual packs and cartons of his roll-your-own cigarettes sell for about half the cost of mainstream products. Another advantage Roll On cigarettes have over most name brands is that they're composed of 100 percent fresh tobacco, without added chemicals.

Roll On expanded rapidly during its first three months, Hendren says, and reached a plateau during the fourth. "When I started, word-of-mouth was so fantastic and the growth was coming so fast that I could hardly focus on anything else but keeping the store running."

Hendren says his customer base is predominantly 20-25 year olds. Customers select a tobacco and are free to roll a single cigarette, pack or carton. As an owner of a business that sells cigarettes at a cheap price to mostly college students, Hendren says he has yet to face any sort of criticism.

“There’s a taboo with nonsmokers, and I get it,” Hendren says. “My market was never to get people to start smoking who didn’t smoke. As long as my customers are 18, there’s nothing illegal here. Most people that come in here are smokers anyway.”

Before opening Roll On, Hendren drove a tow truck for seven and a half years. After almost five months of business, he says he remains satisfied with his decision to open a shop. “I make payroll every week,” he says. “I pay my bills every week. No raise yet, and I make less than my employees, but I expected that, too. I don’t have any regrets yet.”

See full story here: <http://columbiabusinesstimes.com/13678/2012/01/05/roll-on-premium-smokes/>