



# Lobbying Expenditures of Tobacco Interests in California

**2007-2008 Election Cycle: January 2007 – March 2008**

*This report details spending by tobacco interests on lobbying for the first fifteen months of the 2007-2008 election cycle. This report is one in a series of quarterly updates produced by the Center for Tobacco Policy & Organizing, a project of the American Lung Association of California.*

## Introduction

Tobacco interests have already spent more than \$2 million on lobbying during the first fifteen months of the 2007-2008 election cycle, nearly matching the amount spent during the entire two-year 2005-2006 period. This increased spending on lobbying is largely due to the amount of money Philip Morris USA Inc. spent to lobby the health care reform bill (ABX1-1) sponsored by Governor Arnold Schwarzenegger and Assembly Speaker Fabian Núñez. The bill would have expanded health coverage and been partially financed by a \$1.75/pack tobacco tax. In January, the Senate Health Committee voted (7-1) against ABX1-1.

During the first quarter of 2008, when the bill failed to pass out of the Senate Health Committee, Philip Morris USA Inc. lobbied on ABX1-1 and two other bills and spent more than \$540,000 on lobbying. This figure is nearly triple what Philip Morris USA Inc. has spent in any other quarter this decade on lobbying expenditures, except for the previous quarter (October – December 2007) when the company spent more than \$340,000 to lobby the health care reform bill as it moved through the Assembly.

## Background

The tobacco interests profiled in this report hire lobbyists and are therefore considered lobbyist employers by the Secretary of State and are required to submit quarterly disclosure reports. These reports must state which legislative or administrative actions, such as bills or regulations, were lobbied during that quarter and how much money was spent on payments to lobbying firms and activity expenses, which is defined to include gifts, honoraria, consulting fees and salaries. Each quarter covers three months out of the calendar year (January through March, April through June, July through September, and October through December) making a total of eight quarters for the two-year reporting period.

The Secretary of State's website, <http://cal-access.ss.ca.gov>, contains a searchable database with all of the figures that are found in this report. While this report attempts to convey accurate lobbying data, it is important to note that these records are subject to amendment and data is subject to change.

The Center for Tobacco Policy & Organizing produces regular reports on lobbying expenditures and campaign contributions as this information is filed with the Secretary of State. For past reports, please visit the Center's website at [www.Center4TobaccoPolicy.org/tobaccomoney](http://www.Center4TobaccoPolicy.org/tobaccomoney).

## Table 1: Lobbying Expenditures and Legislation Lobbied by Tobacco Interests (January 1, 2007 – March 31, 2008)

**Table 1** shows the amount each tobacco interest spent on lobbying and the bills or administrative actions they lobbied during the first five quarters of the 2007-2008 election cycle.

### Philip Morris USA Inc.

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$183,678.07	SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee
2nd Quarter 2007	\$161,546.65	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
3rd Quarter 2007	\$108,064.54	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
4th Quarter 2007	\$343,389.04	ABX1-1 (Núñez) Health Care Reform
1st Quarter 2008	\$543,896.99	ABX1-1 (Núñez) Health Care Reform AB 1860 (Huffman) Recall or Warnings for Unsafe Products SB 1575 (Florez) Consumer Product Recall Enforcement
<b>Total</b>	<b>\$1,340,575.29</b>	

### Reynolds American Inc. (R.J. Reynolds Tobacco Company)

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$54,621.55	No legislation lobbied this quarter
2nd Quarter 2007	\$55,893.74	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
3rd Quarter 2007	\$54,836.06	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 554 (Migden) Changing the Definition of a Cigarette SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
4th Quarter 2007	\$66,743.50	No legislation lobbied this quarter
1st Quarter 2008	\$62,104.28	No legislation lobbied this quarter
<b>Total</b>	<b>\$294,199.13</b>	

## UST Public Affairs, Inc. (U.S. Smokeless Tobacco Company)

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$109,082.03	SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 624 (Padilla) Increased STAKE Act Enforcement
2nd Quarter 2007	\$132.00	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 624 (Padilla) Increased STAKE Act Enforcement SB 950 (Corbett) Require Reporting of Tobacco Products Ingredients
3rd Quarter 2007	\$96,476.77	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SB 295 (Cogdill) Definition of Untaxed Tobacco Product SB 624 (Padilla) Increased STAKE Act Enforcement SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
4th Quarter 2007	\$1,465.34	AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee
1st Quarter 2008	\$100,108.31	ABX1-1 (Núñez) Health Care Reform AB 1585 (Lieber) Expansion of Nonsale Distribution of Tobacco Products SB 24 (Torlakson) Environmental Tobacco Smoke Mitigation Fee SCA 13 (Torlakson) Proposed Constitutional Amendment to Increase the Tax on Cigarettes
<b>Total</b>	<b>\$307,264.45</b>	

## California Distributors Association\*

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2007	\$13,533.23	SB 295 (Cogdill) Reporting of Tobacco Products Sales SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee
2nd Quarter 2007	\$13,079.68	SB 295 (Cogdill) Definition of Untaxed Tobacco Product SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee Board of Equalization – Taxation Regulations
3rd Quarter 2007	\$12,800.00	SB 295 (Cogdill) Definition of Untaxed Tobacco Product SB 625 (Padilla) Tobacco Product Retailers License Reinstatement Fee Board of Equalization – Tax Regulation
4th Quarter 2007	\$12,800.00	Board of Equalization – Excise tax issues
1st Quarter 2008	\$12,880.00	AB 1860 (Huffman) Recall or Warnings for Unsafe Products AB 2088 (Beall) Annual Fee for State Tobacco Retailer License AB 2344 (Beall) Annual Fee for State Tobacco Retailer License SB 1598 (Padilla) Authorizing Landlords to Prohibit Smoking in Rental Units
<b>Total</b>	<b>\$65,092.91</b>	

\*The California Distributors Association lobbies on other issues besides tobacco issues. The table reflects total amount of money spent on lobbying but only lists the tobacco-related bills.

**Table 2: Historical Lobbying Expenditures of Tobacco Interests  
(January 1, 1999 – March 31, 2008)**

Tobacco interests have spent more than \$12 million on lobbying expenditures during the past nine years and three months. **Table 2** shows this historical spending from 1999 through the first quarter of 2008.

Company	1999-2000	2001-2002	2003-2004	2005-2006	2007-2008 (1/1/07 – 3/31/08)	Totals
Phillip Morris USA Inc.	\$714,986	\$799,693	\$1,070,237	\$884,694	\$1,340,575	<b>\$4,810,185</b>
RJ Reynolds Tobacco Company	\$472,184	\$615,058	\$489,916	\$598,507	\$294,199	<b>\$2,469,864</b>
UST Public Affairs, Inc. (US Smokeless Tobacco Company)	\$210,077	\$310,073	\$465,446	\$391,137	\$307,264	<b>\$1,683,997</b>
Brown & Williamson*	\$611,531	\$587,781	\$304,239	-	-	<b>\$1,503,551</b>
Lorillard Tobacco Company**	\$206,815	\$493,975	\$381,657	\$187,202	-	<b>\$1,269,649</b>
Smokeless Tobacco Council***	\$197,317	\$263,817	\$67,500	-	-	<b>\$528,634</b>
California Distributors Association****	\$20,564	\$87,537	\$95,378	\$99,324	\$65,093	<b>\$367,896</b>
<b>Totals</b>	<b>\$2,433,474</b>	<b>\$3,157,934</b>	<b>\$2,874,372</b>	<b>\$2,160,864</b>	<b>\$2,007,132</b>	<b>\$12,633,776</b>

\* Brown & Williamson merged with RJ Reynolds in August 2004. | \*\* Lorillard terminated lobbying in December 2005. | \*\*\* Smokeless Tobacco Council terminated lobbying in December 2003. | \*\*\*\* California Distributors Association includes data from the last 2 quarters of 2000 to the present.

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