



Lobbying Expenditures of Tobacco Interests in California

2009-2010 Election Cycle: January – March 2009

This policy report details the lobbying expenditures of tobacco interests for the first three months of the 2009-2010 election cycle. This report is one in a series of regular updates produced by the Center for Tobacco Policy & Organizing, a project of the American Lung Association in California.

Introduction

The first reporting quarter for lobbying expenditures nearly coincides with the beginning of the 2009-2010 legislative session for the California Legislature. With a new legislative session, hundreds of bills on a variety of issues were introduced, including many tobacco-related bills. From January 1, 2009 through March 31, 2009, tobacco interests spent nearly \$280,000 to lobby on seven tobacco-related bills. These tobacco-related bills included bills to increase the state tobacco tax and restrict eligibility for a state tobacco retailer license. Details about how much each tobacco interest spent on lobbying and what bills they lobbied during this quarter, as well as historical data on lobbying expenditures from 2001 to the present, are included in this report.

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 legislative session. The figures on lobbying expenditures in this update come from the first of eight quarterly disclosure reports in the 2009-2010 election cycle.

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.

www.Center4TobaccoPolicy.org

**Table 1: Lobbying Expenditures and Legislation Lobbied by Tobacco Interests
(January 1, 2009 – March 31, 2009)**

Table 1 shows the amount of money spent by each tobacco interest to lobby the California Legislature during the first reporting quarter of 2009 and which bills they lobbied. During this time, tobacco interests spent nearly \$280,000 and lobbied seven tobacco-related bills.

Altria Client Services Inc. and its Affiliates (Philip Morris USA Inc.)

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2009	\$139,111.71	AB 89 (Torlakson) Increasing the Tax on Cigarettes SB 53 (DeSaulnier) Authorizing Attorney General to Negotiate Amendments to the MSA SB 600 (Padilla) Increasing the State Tobacco Tax SB 601 (Padilla) Restricting Eligibility for State Tobacco Retailer License SB 602 (Padilla) Restricting State Tobacco Retailer Licenses SB 603 (Padilla) Creating Annual Fee for State Tobacco Retailer License
TOTAL	\$139,111.71	

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

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2009	\$56,697.73	AB 89 (Torlakson) Increasing the Tax on Cigarettes SB 600 (Padilla) Increasing the State Tobacco Tax
TOTAL	\$56,697.73	

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

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2009	\$70,500.00	AB 89 (Torlakson) Increasing the Tax on Cigarettes SB 600 (Padilla) Increasing the State Tobacco Tax
TOTAL	\$70,500.00	

California Distributors Association

Quarter	Amount Spent	Bills/Issues Lobbied
1st Quarter 2009	\$13,040.00	AB 89 (Torlakson) Increasing the Tax on Cigarettes AB 689 (Calderon) Changing the Definition of a Tobacco Product SB 600 (Padilla) Increasing the State Tobacco Tax SB 601 (Padilla) Restricting Eligibility for State Tobacco Retailer License SB 602 (Padilla) Restricting State Tobacco Retailer Licenses SB 603 (Padilla) Creating Annual Fee for State Tobacco Retailer License Board of Equalization: Excise Tax Issues
TOTAL	\$13,040.00	

**Table 2: Historical Lobbying Expenditures of Tobacco Interests
(January 1, 2001 – March 31, 2009)**

Table 2 shows the historical spending of tobacco interests on lobbying expenditures from 2001 through the first three months of 2009. During this time period, tobacco interests have spent more than \$11 million on lobbying expenditures.

Company	2001-2002	2003-2004	2005-2006	2007-2008	2009-2010 (1/1/09 - 3/31/09)	Totals
Altria Client Services Inc. and its Affiliates (Phillip Morris USA Inc.)	\$799,693	\$1,070,237	\$884,694	\$1,680,953	\$139,112	\$4,574,688
Reynolds American Inc. (R.J. Reynolds Tobacco Company)	\$615,058	\$489,916	\$598,507	\$469,646	\$56,698	\$2,229,824
UST Public Affairs, Inc. (US Smokeless Tobacco Company)	\$310,073	\$465,446	\$391,137	\$403,564	\$70,500	\$1,640,720
Lorillard Tobacco Company*	\$493,975	\$381,657	\$187,202	-	-	\$1,062,834
Brown & Williamson Tobacco Corporation**	\$587,781	\$304,239	-	-	-	\$892,020
California Distributors Association	\$87,537	\$95,378	\$99,324	\$104,353	\$13,040	\$399,632
Smokeless Tobacco Council, Inc.***	\$263,817	\$67,500	-	-	-	\$331,317
TOTALS	\$3,157,934	\$2,874,372	\$2,160,864	\$2,658,516	\$279,349	\$11,131,035

* Lorillard Tobacco Company terminated lobbying in December 2005. | ** Brown & Williamson Tobacco Corporation merged with RJ Reynolds Tobacco Company in August 2004. | *** Smokeless Tobacco Council, Inc. terminated lobbying in December 2003.