

RJR
SECRET

ADDRESSEE ONLY

No. 426 By _____

PROJECT SPA

REVOLUTIONARY NEW CIGARETTE PRODUCT

- BIGGEST CHANGE IN CIGARETTE DESIGN SINCE THE FILTER.
- UNIQUE NEW TECHNOLOGY THAT PROVIDES TASTE AND SATISFACTION WITHOUT BURNING TOBACCO.
- CONTROLLED HEAT SOURCE PRODUCES A THERMALLY GENERATED AEROSOL.
- CONSUMER SMOKES IT LIKE A CONVENTIONAL CIGARETTE.

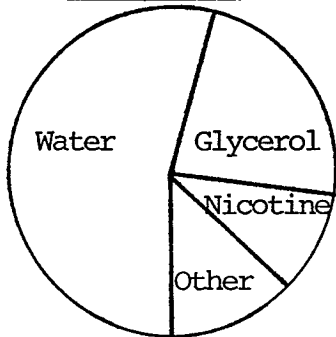
CONSTRUCTION

- SAME OVERALL PHYSICAL APPEARANCE AS CONVENTIONAL CIGARETTE.
- PRODUCT CONTAINS:
 - CARBON FUEL CELL SURROUNDED WITH GLASS FIBER
 - ALUMINUM CAPSULE WITH SUBSTRATE MATERIAL
 - SUBSTRATE MATERIAL IMPREGNATED WITH GLYCEROL AND FLAVORINGS
 - TOBACCO JACKET AROUND FUEL CAPSULE
 - COOLING PASSAGE
 - FILTER

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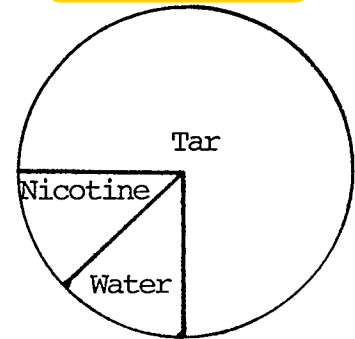
SPA VS. TRADITIONAL CIGARETTE

SPA AEROSOL



- GLYCEROL - LONG HISTORY OF MULTIPLE USES
- OTHER - ADDED FLAVORS
 - NATURAL TOBACCO FLAVORS
 - F/S BINDER PRODUCTS

TOBACCO SMOKE



- TAR - TOBACCO PYROLYSIS AND COMBUSTION PRODUCTS
 - NATURAL TOBACCO FLAVORS
 - ADDED FLAVOR

FFLT CIGARETTE

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| <ul style="list-style-type: none"> ● LESS THAN 250 COMPOUNDS ● COMPREHENSIVELY CHEMICALLY CHARACTERIZED ● PARTICULATE MATTER NONCONTROVERSIAL DISEASE AS DELIVERED (EXC. NICOTINE) ● NICOTINE ● CO ● "NON-MUTAGENIC" | <ul style="list-style-type: none"> ● 10,000+ COMPOUNDS (REPORTED) ● MANY IDENTIFIED ● MANY REMAIN UNIDENTIFIED ● SOME REPORTED TO CAUSE ● NICOTINE ● CO ● "MUTAGENIC" |
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● SPA CONTAINS "TAR" AS MEASURED BY FTC:

<p>SPA "9 +/- MG PRODUCT"</p> <hr/> <p>6 MG GLYCEROL 1 MG H₂O 1 MG: - ADDED FLAVORS - NATURAL TOBACCO FLAVORS (VOLATILIZED) - FUEL SOURCE BINDER (PYROLIZED) 1 MG: - UNIDENTIFIED (GLYCEROL OR FLAVORS)</p>	<p>TRADITIONAL CIGARETTE "9 MG PRODUCT"</p> <hr/> <p>2 MG GLYCEROL 7 MG BY-PRODUCTS OF TOBACCO COMBUSTION AND MANY CHEMICAL COMPOUNDS IDENTIFIED AND UNIDENTIFIED LESS THAN 1 MG: - ADDED FLAVORS (VOLATILIZED, PYROLIZED)</p>
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PRODUCT CHARACTERISTICS

- SCIENTISTS AND THE MEDICAL COMMUNITY HAVE ALLEGED THAT CIGARETTES CAUSE DISEASE. CONSUMERS PERCEIVE THAT CIGARETTES ARE HARMFUL. IN RESPONSE TO THESE PERCEPTIONS SPA WAS CREATED.
- THE PRODUCTS OF INCOMPLETE TOBACCO COMBUSTION (BURNING TOBACCO) ARE ALLEGED TO REPRESENT PRIMARY FOCUS OF SMOKING AND HEALTH CONTROVERSY GIVEN:
 - CHEMICAL COMPLEXITY OF TOBACCO COMBUSTION BY-PRODUCTS.
 - A NUMBER OF IDENTIFIED COMPOUNDS ALLEGED TO CAUSE DISEASE.
 - MANY COMPOUNDS RELEASED ARE UNIDENTIFIED.
- SPA IS A TECHNOLOGICAL BREAKTHROUGH.
 - CARBON FUEL CELL PRODUCES A WARM AEROSOL THAT PASSES THROUGH NATURAL TOBACCOS AND TOBACCO FLAVORS.
 - RICH TOBACCO FLAVOR AND AROMA COME THROUGH.
 - HOWEVER, SINCE SPA'S REVOLUTIONARY NEW SMOKING SYSTEM DOES NOT BURN TOBACCO, THERE ARE NO CONSTITUENTS PRODUCED AS A CONSEQUENCE OF THE INCOMPLETE COMBUSTION OF TOBACCO THAT ARE ALLEGED IN TRADITIONAL CIGARETTE PRODUCTS TO CAUSE DISEASE OR CONTRIBUTE TO DISEASE CAUSATION IN HUMANS.
- FURTHER, TRADITIONAL CIGARETTE SMOKE CONDENSATE IS ALLEGED TO CAUSE "ADVERSE BIOLOGICAL ACTIVITY."
 - "ADVERSE BIOLOGICAL ACTIVITY" BELIEVED TO CAUSE DISEASE BY MANY SCIENTISTS.
 - SPA HAS NO ADVERSE BIOLOGICAL ACTIVITY.
- PRINCIPAL FORM OF "ADVERSE BIOLOGICAL ACTIVITY" ASSOCIATED WITH DISEASE CAUSATION IN CIGARETTES IS "MUTAGENICITY."
 - TRADITIONAL CIGARETTES ARE "MUTAGENIC."
 - SPA HAS NO "MUTAGENICITY."

PRODUCT CHARACTERISTICS

- FURTHER, SPA'S SMOKE AEROSOL IS RELATIVELY SIMPLE.
 - CONTAINS LESS THAN 250 COMPOUNDS (MOST OF WHICH ARE NATURAL OR ADDED FLAVORS.)
 - OTHER THAN CO AND NICOTINE, ALL OF THE CHEMICAL COMPONENTS AS DELIVERED WILL BE NONCONTROVERSIAL FROM STANDPOINT OF SCIENTIFIC/MEDICAL COMMUNITY.
 - "CLEANLINESS" OF SPA "SMOKE" CAN BE DEMONSTRABLY COMPARED ON FILTER END AND IN CAMBRIDGE PAD.
- CO AND NICOTINE ARE CONTROVERSIAL FROM A MEDICAL AND SCIENTIFIC STANDPOINT AND VIEWED TO BE SECONDARY IN THE SMOKING AND HEALTH CONTROVERSY.
 - PRODUCTS OF BURNING TOBACCO -- 75-80% OF CONTROVERSY
 - CO AND NICOTINE -- 20-25% OF CONTROVERSY
- SPA WILL CONTAIN CO AND NICOTINE:
 - AT LEVELS EQUAL TO LOW TAR CIGARETTES.
 - CO AND NICOTINE WILL BE ADDRESSED IN TESTING PROTOCOL AND MORE BALANCED UNDERSTANDING OF THESE SECONDARY ISSUES WILL BE OBTAINED.
 - GIVEN CONTROVERSIAL NATURE OF CO/NICOTINE, SPA WILL CARRY SURGEON GENERAL WARNINGS AND NICOTINE WILL BE REPORTED IN THE SAME MANNER AS REQUIRED FOR TRADITIONAL CIGARETTES.
- SMOKERS WILL HAVE A NEW CHOICE IN SELECTING THEIR SMOKING PRODUCTS.

THOSE CONCERNED ABOUT THE CONTROVERSY ASSOCIATED WITH TRADITIONAL CIGARETTES WILL BE ABLE TO CHOOSE SPA--A PRODUCT THAT IS NOT MUTAGENIC, PRODUCES NO "ADVERSE BIOLOGICAL ACTIVITY," AND DELIVERS FULL SMOKING SATISFACTION WITHOUT BURNING TOBACCO.

PRODUCT CHARACTERISTICS

- GIVEN INHALED SMOKE AS DELIVERED IS NONCONTROVERSIAL FROM A MEDICAL AND SCIENTIFIC STANDPOINT, EXHALED SMOKE IS SIMILARLY NONCONTROVERSIAL (PASSIVE SMOKE ISSUE).
- NO SIDESTREAM TOBACCO SMOKE.
- LOW IGNITION PROPENSITY.
- NO STAINING.
- REDUCED OBJECTIONABLE ODOR.
- NO ASH.

COMMENT ABOUT SCIENTIFIC TESTING AND SUPPORT

- HOW DO WE KNOW OUR SCIENTIFIC FACTS ARE ACCURATE AND WILL SUPPORT PRODUCT CLAIMS?
 - EXTENSIVE AND COMPREHENSIVE BIOLOGICAL TESTING.
 - TESTS CONDUCTED BY HIGHLY REGARDED INDEPENDENT TESTING LABORATORIES.
 - SMOKE CHEMISTRY COMPREHENSIVELY CHARACTERIZED AND CONFIRMED BY INDEPENDENT SCIENTIFIC CONSULTANTS.
 - STANDARDS BASED ON SCIENTIFICALLY ACCEPTED METHODOLOGIES.

- IN ANY TESTING PROTOCOL QUESTION OF WHAT IS "0" OR WHAT IS "NONE" IS A MATTER OF SCIENTIFIC DEFINITION.

- IT MAY BE POSSIBLE TO INCREASE THE TESTING SENSITIVITY TO UNREALISTIC LEVELS AND TO IDENTIFY THE PRESENCE OF ONE OR MORE CONTROVERSIAL CHEMICALS AT BIOLOGICALLY INSIGNIFICANT LEVELS IN ANY ENVIRONMENT (EVEN IN AIR).

- HOWEVER, IT IS BELIEVED THAT TESTING PROTOCOL WILL CONFIRM STATED BENEFIT STATEMENTS REVIEWED, IMPORTANTLY THE STATEMENT OF NO "ADVERSE BIOLOGICAL ACTIVITY" (E.G., NO MUTAGENICITY) AND PROVIDE SUPPORT WHICH IS "BEYOND A REASONABLE DOUBT" TO REASONABLE AND OBJECTIVE SCIENTISTS AND IN ACCORDANCE WITH ACCEPTABLE METHODOLOGY ESTABLISHED WITHIN THE SCIENTIFIC COMMUNITY.

PUBLIC RELATIONS/PUBLIC AFFAIRS

LARGE PART OF COMMUNICATION EFFORT

OBJECTIVES

- COMMUNICATE, TO EACH IDENTIFIED CONSTITUENCY:
 - THE EXISTENCE OF THE NEW PRODUCT.
 - PRODUCT'S PERFORMANCE CHARACTERISTICS AND THE CONSUMER PERCEPTIONS ADDRESSED.
 - THE RATIONALE AND SUPPORT FOR THE PERFORMANCE CLAIMS, TARGETED IN TERMS OF EACH CONSTITUENCIES' INTEREST.
- TO ENCOURAGE EACH CONSTITUENCY TO VIEW THE PRODUCT AS A POSITIVE DEVELOPMENT ON THE PART OF RJRT TO RESPOND TO PUBLIC PERCEPTIONS ABOUT CIGARETTE PRODUCTS AND TO ENCOURAGE FAVORABLE REACTION TO THE PRODUCT.

CONSTITUENCIES

- FEDERAL AGENCIES: - FTC
 - FDA/HHS
 - OMB
- SCIENTIFIC/MEDICAL COMMUNITY
- NEWS/COMMUNICATION MEDIA
- TOBACCO STATE FEDERAL LEGISLATORS
- KEY NON-TOBACCO STATE FEDERAL LEGISLATORS
- TOBACCO GROWERS/WAREHOUSEMEN
- FINANCIAL COMMUNITY
- RESTAURANT/BUSINESS OWNERS
- FIREMAN'S ASSOCIATIONS

STRATEGIES

- **FEDERAL AGENCIES (RJRT LAW DEPARTMENT):**



Privileged Material Redacted

- **THE SCIENTIFIC/MEDICAL COMMUNITY:**

- **COMMUNICATE THE APPROPRIATE SCIENTIFIC BACKGROUND TO THE SCIENTIFIC/MEDICAL COMMUNITY, INCLUDING THE CHEMICAL COMPOSITION OF THE MAINSTREAM AEROSOL, THE VERY LOW NUMBER OF CHEMICAL SPECIES WHICH APPEAR IN THE AEROSOL, AS WELL AS ITS ESSENTIALLY NON-EXISTENT MUTAGENIC POTENTIAL, IN ORDER TO GENERATE FAVORABLE REACTIONS AND ELICIT SUPPORT FOR INTRODUCTION.**

STRATEGIES

- NEWS/COMMUNICATION MEDIA:

- ANTICIPATE THE KIND OF INFORMATION THE MEDIA WILL WANT TO HAVE ABOUT THE PRODUCT, AND BROADLY DISSEMINATE THE INFORMATION ON A TIMELY BASIS IN ORDER TO GENERATE NEWS AND HENCE COVERAGE ON THE INTRODUCTION OF SPA, IN ORDER TO REACH THE MAXIMUM NUMBER OF PEOPLE WITH OUR MESSAGE AND TO GENERATE FAVORABLE IMPRESSIONS OF THE PRODUCT.

- TOBACCO STATE FEDERAL LEGISLATORS:

- THE INTRODUCTION OF SPA WILL BE PRESENTED TO TOBACCO STATE LEGISLATORS AS A POSITIVE DEVELOPMENT FOR GROWERS AND THE INDUSTRY.

- KEY NON-TOBACCO STATE FEDERAL LEGISLATORS:

- INFORMALLY CONTACT KEY COMMITTEE MEMBERS AND PRESENT THE SPA PROGRAM DETAILS. A THOROUGH UNDERSTANDING OF THE PROGRAM SHOULD RESULT IN NEUTRALIZING POSSIBLE UNFAVORABLE POLITICAL PRESSURE, AND MAY EVEN RESULT IN SUPPORT.

- TOBACCO GROWERS/WAREHOUSEMEN:

- PRESENT THE INTRODUCTION OF SPA TO GROWERS AND WAREHOUSEMEN AS A POSITIVE DEVELOPMENT FOR LONG-TERM FUTURE OF THE INDUSTRY RATHER THAN A SHORT-TERM THREAT TO THEIR ABILITY TO SELL TOBACCO. BECAUSE IT ADDRESSES SOME OF THE PERCEIVED CONCERNS, IT CAN HALT THE PRESENT DOWNWARD TREND IN CIGARETTE CONSUMPTION AND TOBACCO USE AND CAN THEREFORE SUSTAIN THE USE OF TOBACCO FOR AN INDEFINITE PERIOD.

STRATEGIES

- FINANCIAL COMMUNITY:

- PROVIDE KEY TOBACCO ANALYSTS WITH APPROPRIATE INFORMATION THAT PROPERLY POSITIONS THE PRODUCT WITHIN RJR FAMILY OF PRODUCTS.

- OTHER CONSTITUENCIES:

- INSURE THAT VARIOUS CONSTITUENCIES WHICH SHOULD HAVE AN INTEREST IN SPECIFIC PRODUCT CHARACTERISTICS ARE MADE AWARE OF THE PRODUCT SO THEY MIGHT TAKE THE OPPORTUNITY TO COMMENT FAVORABLY ON IT.