



Lobbying Expenditures of Tobacco Interests in California

2007-2008 Election Cycle: January – September 2007

Introduction

This policy report details spending by tobacco interests on lobbying expenditures for the first nine months, January 1, 2007, through September 30, 2007 of the 2007-2008 election cycle. The information on lobbying expenditures comes from the quarterly disclosure reports filed by the tobacco interests for the first three quarters of 2007. This report is one in a series of quarterly reports on tobacco industry campaign contributions and lobbying expenditures produced by the Center for Tobacco Policy & Organizing.

The third quarter reporting period runs from July through September 30, 2007 and nearly coincides with the end of the 2007 legislative session of the California Legislature. The last couple weeks of the legislative session are generally the busiest time of the year for floor votes in both the Assembly and the Senate as Members attempt to get their bills passed and sent to the Governor before the session is over. During the third quarter, the tobacco interests spent more than \$270,000 lobbying the California Legislature and relevant state agencies. So far in 2007, tobacco interests have spent more than \$850,000 on lobbying expenditures and have lobbied on seven different tobacco-related bills.

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, including reports for the first and second quarters of 2007, please visit The Center's website at www.Center4TobaccoPolicy.org.

**Table 1: Lobbying Expenditures and Legislation Lobbied by Tobacco Interests
(January 1, 2007 – September 30, 2007)**

Table 1 shows the amount each tobacco entity spent on lobbying and the bills or administrative actions they lobbied during the first three quarters of 2007.

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	\$161,546.64	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
TOTAL	\$453,289.26	

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
TOTAL	\$165,351.35	

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
TOTAL	\$205,690.80	

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 Regulation
2nd 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 – Taxation Regulation
TOTAL	\$39,412.91	

**Table 2: Historical Lobbying Expenditures of Tobacco Interests
(January 1, 1999 – September 30, 2007)**

Tobacco Interests have spent more than \$11 million on lobbying expenditures during the past four election cycles and first three quarters of the 2007-2008 election cycle. **Table 2** shows this historical spending from 1999 through the end of September 2007.

Company	1999-2000	2001-2002	2003-2004	2005-2006	2007-2008 (1/1/07 – 9/30/07)	Totals
Phillip Morris USA Inc.	\$714,986	\$799,693	\$1,070,237	\$884,694	\$453,289	\$3,922,899
RJ Reynolds Tobacco Company	\$472,184	\$615,058	\$489,916	\$598,507	\$165,351	\$2,341,016
UST Public Affairs, Inc. (US Smokeless Tobacco Company)	\$210,077	\$310,073	\$465,446	\$391,137	\$205,691	\$1,582,423
Brown & Williamson*	\$611,531	\$587,781	\$304,239	-	-	\$1,503,551
Lorillard Tobacco Company**	\$206,815	\$493,975	\$381,657	\$187,202	-	\$1,269,649
Smokeless Tobacco Council***	\$197,317	\$263,817	\$67,500	-	-	\$528,634
California Distributors Association****	\$20,564	\$87,537	\$95,378	\$99,324	\$39,413	\$342,216
TOTALS	\$2,433,474	\$3,157,934	\$2,874,372	\$2,160,864	\$863,744	\$11,490,388

* 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.

If you have questions about this analysis, please contact Justin Garrett (jgarrett@alac.org) or Paul Knepprath (pknepprath@alac.org) at (916) 554-5864 (LUNG).

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