

May 28, 2013

The Honorable Marty Jackley, Attorney General of South Dakota The Honorable Chris Koster, Attorney General of Missouri Co-Chairs, Tobacco Committee National Association of Attorneys General 2030 M Street NW, 8th Floor Washington, DC 20036

Dear Attorneys General Jackley and Koster:

We are writing to alert you to an extensive advertising campaign the R.J. Reynolds Tobacco Company launched for its Camel Crush cigarettes in the April, May and June issues of at least 24 magazines, including several with large teen readerships. This is the first time R.J. Reynolds has advertised a cigarette brand in magazines since December 2007, when the company suspended its cigarette advertising in magazines while facing public and Congressional criticism and lawsuits by nine states for engaging in marketing that targeted kids.

We urge the state attorneys general to investigate whether the new ad campaign violates the 1998 Tobacco Master Settlement Agreement (MSA), specifically the provision of the MSA stating, "No Participating Manufacturer may take any action, directly or indirectly, to target Youth within any Settling State in the advertising, promotion or marketing of Tobacco Products."

The new ad can be viewed at <u>http://tfk.org/camelads2013</u>. A list of the magazines in which the ad has appeared is attached (Attachment 1).

We believe that R.J. Reynolds' new ad campaign does directly or indirectly target youth because the entire ad buy is reaching millions of youth and several of the individual magazines have large youth readerships. We are attaching (Attachment 2) publicly available data from GfK MRI, a consumer research firm, that show a total teen readership (12-17 years old) of 12.9 million for just nine of these magazines – *Entertainment Weekly, ESPN the Magazine, Sports Illustrated, Rolling Stone, People, Glamour, InStyle, US Weekly* and *Vogue*. The total teen readership for all 24 magazines would be millions more.

In addition, an analysis by one of our media buying partners tracked reach, frequency and gross ratings points (GRPs) – a measurement of media impressions in relation to the number of people in the audience for a specific advertising campaign. In just one month of activity, the Camel Crush ads were found to have reached more than 50 percent of 12-24 year olds, yielding more than 61 million impressions. The actual impression number may be even more, as data for some

of the publications in the media buy (*Outdoor Life, Field & Stream, Playboy*) were only available in the 18+ age group.

Several of these magazines individually have large teen readerships, including *People* with nearly 3.2 million teen readers, *ESPN the Magazine* with more than 2 million teen readers, and *Sports Illustrated* with more than 1.7 million teen readers.

We also believe an investigation is warranted given R.J. Reynolds' long history of targeting youth with magazine ads and other marketing for Camel cigarettes. Camel is one of the three most popular cigarette brands among youth smokers, with 15.1 percent preferring Camel, according to the 2011 National Survey on Drug Use and Health. To summarize its history:

- From 1987 to 1997, R.J. Reynolds marketed Camel cigarettes with a cartoon character, Joe Camel, including through magazine ads. Studies showed that Camel's share of the youth cigarette market soared after the campaign began, and Joe Camel at one point was nearly as recognizable to 6-year-olds as Mickey Mouse. R.J. Reynolds finally ended the Joe Camel campaign in 1997 in the face of lawsuits, Congressional scrutiny, a Federal Trade Commission investigation and public outrage.
- In 2001, the State of California sued R.J. Reynolds, alleging that the company's placement of cigarette ads in magazines with large numbers of teen readers violated the MSA's prohibition on targeting youth. In 2002, a California judge found R.J. Reynolds liable, a ruling upheld by a California Court of Appeal. Under a 2004 settlement of the case, R.J. Reynolds agreed to restrictions on its advertising in magazines with large teen readerships and paid \$17.25 million in civil penalties and costs.
- In 2007, R.J. Reynolds faced strong criticism from public health and women's organizations, members of Congress and newspaper editorials after it introduced Camel No. 9 cigarettes targeted to teenage girls and young women. Extensive advertising was placed in fashion magazines. U.S. Rep. Lois Capps (D-CA) called Camel No. 9 "the pink version of Joe Camel." A 2010 study published in the journal *Pediatrics* found "credible evidence that the Camel No. 9 cigarette advertising campaign has targeted under-aged girls. These findings suggest that the Camel No. 9 campaign may have been similar to the Joe Camel campaign in its targeting of under-aged youth."
- In November 2007, R.J. Reynolds again faced criticism for a large Camel ad in *Rolling Stone* that was wrapped around a cartoon insert. Nine states sued the company, alleging that it violated the MSA's prohibition on the use of cartoons in tobacco advertising.

Camel Crush is an extension of the Camel brand with a capsule in the filter that releases menthol flavoring when crushed. The new ad uses bold colors and graphics that highlight the crushable capsule, which could be particularly appealing to young people. R.J. Reynolds has long recognized the potential appeal of such products to youth, noting in one internal document that the ideal youth cigarette should include "some useful, demonstrable novelty in filter, mouthpiece, package or other aspect of the product system."

In addition, studies show that tobacco companies have used menthol to mask the harshness of smoking and attract new youth smokers. Studies also have shown that tobacco companies have targeted specific demographic groups, including youth and African-Americans, with marketing for menthol cigarettes.

We urge the state attorneys general to launch an investigation of R.J. Reynolds' new ad campaign – given the millions of teens it is reaching, the company's long history of targeting kids, and the particular qualities of Camel Crush that are likely to appeal to youth. The evidence also shows that R.J. Reynolds does not change its harmful marketing practices without public and legal pressure. R.J. Reynolds cannot be allowed to get away with yet another marketing campaign that entices America's kids into a deadly addiction.

Thank you for your attention to our concerns. Should you have questions, please contact Matthew Myers at the Campaign for Tobacco-Free Kids at 202-296-5469.

Sincerely,

American Cancer Society Cancer Action Network American Heart Association American Lung Association Campaign for Tobacco-Free Kids Legacy

Attachments:

- 1. List of magazines in which ad appears
- 2. Teen readership data of nine magazines

cc: Michael Herring William Lieblich