Elizabeth Drye - DPC **Box #11**

Constitutional Issues
Tobacco - AG Humphrey
Tobacco Testimony
Health Groups Side-by-Sides
American Heart Association
American Cancer Society
American Lung Association
American Medical Association
Other Public Health Organizations
Side-by-Sides
Koop/Kessler Commission

<u>News Article Files</u>
Public Health Community
Industry Liability
Size of Deal
Document Disclosure
The State Suits
Legislative Activity
Minorities & Tobacco
White House Comments
Industry's Finances
Cigars
ETS
Advertising
FDA Regulation
Farmers/Employees
International Tobacco Issues
Kids & Tobacco

Meyer Koplow's testimony from 6/26 Sen. Judiciary Cmte. Hrg.

MR. KOPLOW: Good morning, Mr. Chairman. My name is Meyer Koplow. I am a partner of the firm of Wachtell, Lipton, Rosen, and Katz, and I represented Philip Morris in the tobacco negotiations with the attorneys general, representatives of the public health community, and private plaintiffs' lawyers. I am pleased to be here this morning to participate in the first congressional hearing into the proposals that resulted from our negotiations. Mr. Chairman, for four decades, the tobacco industry has been battling with its opponents in courtrooms and legislative arenas around the country.

These disputes have failed to produce an outcome that anyone would call acceptable. Right now the industry is at sword's point with 40 attorneys general around the United States. It is in litigation with a host of federal agencies. It's fighting 20 class action suits and has hundreds of individual actions pending against it. These companies do not want to spend every day litigating everywhere with everyone about everything. Even if they continue to prevail in virtually every action, continuing to litigate with all comers produces very little that is constructive.

While the companies will continue to litigate if they have to, there must be a better way to resolve the numerous issues that involve tobacco, a better way for these companies, for their shareholders, their employees, the tobacco growers, the public health community, government, and the citizens of America smokers and non-smokers alike. And the companies want to be able to continue to sell their product to adults who want to buy them.

When the negotiations which produced last Friday's proposal began, the companies were told by the other parties at the table that a new era would only come about if the industry fundamentally changed the way it did business. The proposal the industry is willing to accept will indeed cause massive changes in the way this industry does business. There will be no outdoor advertising, no branded non-tobacco merchandise, no cartoon characters or humans like Joe Camel and the Marlboro Man in advertisements, no vending machine sales. There will be cessation programs for every consumer of the product who wants to quit. There will be a massive anti-smoking public education campaign financed by the industry but independently managed.

There will be national licensing standards for retailers, with license suspensions for selling tobacco products to kids. There will be stark health warnings, taking up 25 percent of the front of packs, and 20 percent of ads. A penalty of up to $2 billion a year if under-age smoking isn't reduced by numbers that are greater than 30 percent in five years, 50 percent in seven, and 60 percent in 10 years. There will be extensive regulation of tobacco products by the Food and Drug Administration. The FDA will have authority to compel less-hazardous tobacco products. And the FDA will have extensive power to regulate the non-tobacco ingredients in the product. There will be minimum national standards for exposure to second-hand smoke. There will be a $10 billion payment by the industry on the enactment of legislation, and at current sales levels and before inflation, another $358.5 billion in payments over the first 25 years alone. These provisions would be embodied in law with stiff civil and criminal penalties for non-compliance, in consent decrees entered in the attorneys general actions, and in the companies's binding and enforceable contractual commitments to live up to the advertising and marketing restrictions, among others.

In return, the industry is to receive a measure of peace. The attorneys general suits and class actions that have not reached final judgment will be settled, and the industry will not face more in the future. Through the payment of $60 billion and other punitive provisions of the proposal, punitive damage claims for past conduct only are resolved. But individuals can continue to bring compensatory claims against the companies. Those claims will have to be individually litigated.

The proposal shows that this industry is prepared to effect huge changes in the way it does business, and that in particular, it agrees that kids should not smoke.

This is not a perfect solution to the decades of conflict and controversy. Compromises never are. No one achieves everything they want. This is especially true regarding an agreement of this size and scope involving an issue that has been fought by some many, so bitterly, for so long. The companies recognize that this compromise will not satisfy everyone. Many have questions and concerns about the provisions, and all views should be heard, as the president and the Congress move forward to consider the proposal.
We are very hopeful that, after careful consideration, the Congress and the president will enact into law the proposals, which will be put before you.
Thank you, Mr. Chairman.

18TH STORY of Level 1 printed in FULL format.

CNNFN

SHOW: IN THE GAME 09:00 am ET

June 27, 1997; Friday 9:41 am Eastern Time

Transcript # 97062708FN-102

TYPE: PACKAGE

SECTION: Business

LENGTH: 1140 words

HEADLINE: Tobacco Talks

BYLINE: Gene Randall, John Metaxas

BODY:

JOHN METAXAS, CNNfn ANCHOR, IN THE GAME: The landmark tobacco agreement is going through its first tough test on Capitol Hill and the tobacco industry is feeling the heat from lawmakers. CNN's Gene Randall has more.

(BEGIN VIDEOTAPE)

GENE RANDALL, CNNfn CORRESPONDENT (voice-over): A Senate Judiciary Committee hearing on the tobacco deal - at times, an ear-full for the industry.

US SENATOR JOSEPH BIDEN, (D-DE): I thing we're going to have a hearing where we actually have the CEOs and the tobacco companies come up and stand before us and say, we lied.

RANDALL (voice-over): While there was bi-partisan praise for the effort to achieve the agreement, an effort led by Mississippi Attorney General, Michael Moore, there was also skepticism about any industry commitment to a reformed way of thinking.

US SENATOR EDWARD KENNEDY, (D-MA): Cigarettes cause cancer. Can you say yes or no to that? We're under new corporate attitude of the big tobacco.

MEYER KOPLOW, PHILIP MORRIS ATTORNEY: I personally am not in a position to give you an answer to the precise question that you've asked.

RANDALL (voice-over): Republican Chairman Orrin Hatch of Utah said, this committee would take months to pass judgment on the agreement. But among the most serious questions along with how to cut down or underrate smoking is the issue of nicotine. Former FDA Commissioner David Kessler charges the agreement would actually weaken the agency's ability to deal with a nicotine content of cigarettes. Kessler co-chairs a panel charged with advising the White House on the tobacco agreement.

DR DAVID KESSLER, FORMER FDA COMMISSIONER: We have accomplished the first two very critical issues. The fact that FDA should have explicit and immediate authority to regulate nicotine and tobacco products without any restrictions.

RANDALL (voice-over): The tobacco attorney at Thursday's hearing, on why the companies don't produce nicotine on their own. Now.

KOPLOW: Nobody really knows whether we're going to be confirming a health benefit on folks. RANDALL (voice-over): If U.S. tobacco companies lose business at home, do they make it up overseas - another judiciary committee flash point.

US SENATOR MICHAEL DEWINE, (R-OH): I would certainly would think that this agreement is good enough for children in the United States and it ought to be good enough for children around the world.

RANDALL (on-camera): With so much questions being raised about so much of the tobacco agreement, there could be a long road ahead before anything like it becomes a legally binding done deal.

Gene Randall, CNN, Washington.

(END VIDEOTAPE)

END

LANGUAGE: ENGLISH

LOAD-DATE: June 27, 1997

11TH STORY of Level 1 printed in FULL format.

NBC News Transcripts

SHOW: NBC NIGHTLY NEWS (6:30 PM ET)

June 29, 1997, Sunday 12:11 PM

LENGTH: 276 words

HEADLINE: CONGRESSIONAL HEARINGS TO SCRUTINIZE PROPOSED TOBACCO SETTLEMENT; JOE CAMEL AND MARLBORO MAN ADS TO BE DISCONTINUED

REPORTERS: JOE JOHNS

BODY:

EDIE MAGNUS, co-anchor:

To Capitol Hill now and the tobacco settlement, which is supposed to guide Congress in writing new laws. NBC's Joe Johns reports the blueprint is already smudged.

JOE JOHNS reporting:

It could be months before Congress and the president give their last word on the $ 368 billion tobacco deal. But the start, last week, of congressional committee hearings left no doubt that there will be changes, perhaps major changes. An attorney for the tobacco industry said he was optimistic about compromise with Congress.

Mr. MEYER KOPLOW (Tobacco Company Attorney): Obviously there are parts of this that the industry might find unacceptable to lose and there are other provisions that the industry would find acceptable to see modified.

JOHNS: The deal prohibits use of images such as Joe Camel or the Marlboro Man in all tobacco product advertising. It bans outdoor advertising and would require stronger wording about the effects of smoking on health. But critics, including advisers to the president and some of the loudest tobacco opponents, have charged that the deal does not give the Food And Drug Administration enough power to regulate nicotine, that proposed penalties aren't stiff enough if smoking by young people isn't dramatically reduced, and that the deal limits the industry's legal liability too greatly. One of those who fashioned the deal said today, it only needs some fine tuning, not major surgery.

Mr. STAN CHESLEY (Tobacco Deal Negotiator): I think that everybody keeps looking at the loopholes, and, candidly, I don't think there are a lot of loopholes.

JOHNS: Earlier this month the point man for dozens of state attorneys general whose lawsuits helped bring the issue to a head, said too much tinkering could break the deal.

Mr. MIKE MOORE (Mississippi Attorney General): What I hope Congress doesn't do is try to reinvent the wheel. If they try to reinvent the wheel, frankly, the losers are gonna be the kids and the public health of this country.

JOHNS: But what is clear from these first few skirmishes is that Congress is not going to sign off on the deal without taking a very close look. Joe Johns, NBC News, the Capitol.

LANGUAGE: English

LOAD-DATE: June 30, 1997

4TH STORY of Level 1 printed in FULL format.

The Associated Press

June 27, 1997, Friday, PM cycle

SECTION: Business News

LENGTH: 635 words

HEADLINE: Senators lambaste tobacco lawyer

BYLINE: By LAURAN NEERGAARD, Associated Press Writer

DATELINE: WASHINGTON

BODY:

Tobacco companies must publicly admit cigarettes are addictive and deadly if Americans are to accept the proposed tobacco settlement, said senators who are preparing to question cigarette executives under oath.

Three years ago, in a defining moment in the antismoking movement, those executives swore to Congress that their products were not dangerous.

Under the settlement reached last week, companies agreed to labels warning that cigarettes kill but did not otherwise have to admit that fact. A Philip Morris lawyer drew senators' ire Thursday when he refused to make that admission.

How, said Sen. Edward Kennedy, D-Mass., could senators believe that the settlement signals "a new corporate attitude" if attorney Meyer Koplow could not make such a simple admission?

The attorney does not have the authority to make such a statement without his employer's permission, conceded Sen. Joseph Biden, D-Del. But his evasion will strike Americans as "repulsive," Biden said.

If the companies' new executives deny tobacco's dangers, "I think you're going to make the case for this settlement going down the tubes," Biden said.

The exchange was part of the first hearing on the tobacco settlement, which Congress must ratify to take effect. Before his Judiciary Committee makes any decisions on the deal, Sen. Orrin Hatch, R-Utah, said he would call tobacco executives to testify about those key questions.

Meanwhile, President Clinton reiterated his concern the settlement could limit the Food and Drug Administration's authority. "I just want to make sure they will still be able to do what is necessary to protect the public health," he said.

Senators from both parties demanded changes to the settlement Thursday. But aside from criticism of Koplow, they appeared open to some tobacco deal passing Congress.

"There is no question there will be some changes," said Hatch, who could oversee much of the deal. But "this is a very, very important thing. This is our chance to really do something that might bring about a sea change" in American tobacco use.

But Hatch said the deal faces "a rocky road." As evidence, he said an anonymous colleague had filed an objection to his information-only hearing even taking place.

Mississippi Attorney General Michael Moore, the deal's lead negotiator, was frustrated by the criticisms.

"You guys, and ladies, have had all types of chances, for years and years and years, to do many of the things that we keep hearing from people now that we should have done," he told the senators. "If we don't act now, the only thing we have to lose are our kids' lives and the public health of our country."

"I am looking to you for leadership," he told the senators.

Under the settlement, which would end 40 state lawsuits, tobacco companies agreed to pay $ 368 billion over 25 years, strictly curb their advertising and pay penalties if teen-age smoking does not drop. In return, they won a ban on any future class-action lawsuits, protection against punitive damages and some restrictions on government control of nicotine.

Already, top public health groups, led by former Surgeon General C. Everett Koop, have condemned the limits on government control of nicotine as a deal-killer and called the teen smoking penalties too low.

"Dr. Koop has great credibility with Americans and of course with this Congress," said Sen. Arlen Specter, R-Pa.

Sen. Mike DeWine, R-Ohio, demanded that Philip Morris, as a sign of good faith, implement the settlement's advertising curbs overseas even though no U.S. settlement has any legal force abroad.

Philip Morris will negotiate with foreign governments "to reduce kids' smoking in these countries," Koplow said. But it will not curb advertising abroad unless its competitors, including foreign firms, do also, he said.

LANGUAGE: ENGLISH

LOAD-DATE: June 27, 1997

Associated Press

Mississippi Atty. Gen. Mike Moore pleaded for quick approval of the deal, saying it could be the last chance.

L.A. Times; 6-27-97

Tobacco Deal Caught in Snag

■ Litigation: Before signing off on settlement, some senators want industry executives to admit nicotine is addictive.

By MYRON LEVIN
TIMES STAFF WRITER

WASHINGTON—A potential new obstacle to the giant tobacco peace accord surfaced Thursday at a Senate Judiciary Committee hearing, where several members voiced anger that tobacco executives still do not admit that their products are addictive.

The hearing was Congress' first formal discussion of the mega-deal, and at the end of a highly charged hearing that lasted nearly four hours, committee chairman Orrin Hatch (R-Utah) announced that he planned to call industry leaders before the panel.

"I do believe we're going to have to bring in [tobacco] executives to admit that they now know that nicotine is addictive," Hatch said.

Such testimony would raise thorny legal issues for the industry and would recall the fateful congressional hearing in April 1994 at which seven top tobacco executives stated under oath that they did not believe nicotine was addictive.

Please see TOBACCO, B6

Continued from B5

Almost immediately, previously secret documents were leaked suggesting that top executives of Brown & Williamson Tobacco Corp. and its corporate parent, BAT, knew by the early 1960s that nicotine was addictive. The apparent contradiction between the executives' testimony and the documents triggered a criminal probe of the industry by the Justice Department that is continuing.

The admissions sought by Hatch and other committee members would not only complicate the industry's defense of any future criminal indictments, but would leave the companies vulnerable in the types of civil suits still permitted under the settlement.

Even so, Sen. Joseph Biden (D-Del.), in a blistering attack on the companies, said he was unlikely to vote for any settlement that did not include admissions that they had lied in the past.

Thursday's hearing underscored the highly uncertain prospects facing the $368.5 billion tobacco deal, which requires approval by Congress and the White House.

The hearing also raised—but did not resolve—the question of whether the industry might reject conditions added by Congress and attempt to abandon the deal.

Asked by Sen. Patrick Leahy (D-Vt.) if the deal would be "down the tubes" if significantly strengthened by Congress, industry lawyer Meyer G. Koplow said it was "difficult to predict what would happen."

The landmark settlement, announced last Friday, was hammered out during three months of intensive negotiations between tobacco representatives, state attorneys general and private anti-tobacco lawyers.

At Thursday's hearing, committee members heard testimony from three witnesses deeply involved in the talks: Mississippi Atty. Gen. Mike Moore, lead negotiator for the anti-tobacco forces; Matt Myers, executive director of the National Center for Tobacco-Free Kids, and the only public health representative regularly at the bargaining table; and Koplow, a lead negotiator for the industry.

Several senators praised Moore and Myers for their roles in the accord, in which the industry agreed to accept—and in some cases, to finance—a series of health initiatives that would have been unimaginable just a few months ago.

But some provisions of the deal came under strong attack, with lawmakers suggesting the companies gave up too little for the liability protections they got.

Unlike a conventional settlement worked out between parties in a lawsuit, this one needs congressional approval because its constraints on future suits must be written into law.

The deal would rid the industry of pending lawsuits filed by 40 states and 20 private class action cases. Such claims would be barred in the future, but individual smokers could still sue the industry.

Tobacco firms sought the deal because they "do not want to spend every day, everywhere, litigating about everything with everyone," Koplow told the committee.

In return for relief from litigation, tobacco companies would pay a little more than $300 billion to the states over an initial 25 years to reimburse Medicaid funds used to treat sick smokers.

About $60 billion more would pay for health programs, including a massive anti-tobacco ad campaign and smoking cessation for those who want to quit. The money would also be used to establish nationwide licensing for tobacco retailers and to crack down on those who illegally sell to youths under 18.

Price increases of at about 50 cents per pack would pay for the settlement. The hikes alone would be expected to reduce smoking.

Under the accord, the industry also would accept a ban on smoking at most work sites and public places, and would agree to use larger and more ominous warning labels, eliminate billboards and other outdoor advertising, halt sponsorship of sporting events, and ban the distribution of caps, T-shirts and other items with tobacco logos that are thought to appeal to kids.

Until the issue of nicotine addiction arose Thursday, most criticism of the deal had focused on language that could make it hard for the Food and Drug Administration to order reductions in nicotine; allows the companies to treat settlement payments as tax-deductible expenses; and imposes inadequate penalties on the industry if targeted reductions in youth smoking are not achieved.

Committee members also raised these concerns—but then tore into the settlement's promise of a new "corporate culture" for tobacco.

Noting that one of the new labels reads: "WARNING: Cigarettes cause cancer," Sen. Edward M. Kennedy (D-Mass.) asked Koplow if he agreed with that statement.

"I personally am not in a position to give you a precise answer," Koplow replied.

"How about, 'Tobacco smoke can harm your children'?" asked Kennedy, reading another label. "Can you tell us whether you agree with that?"

"I'm not in a position to answer that question," Koplow said.

Biden lashed out at Koplow, telling him that without a settlement the industry could be destroyed or driven "offshore with the cocaine dealers."

Addressing Moore—who had filed the first of the state suits that pushed the industry to the bargaining table—Biden said that he had "done such a good job" of exposing "what liars the tobacco companies are," and that now his settlement is in peril.

But Moore pleaded for quick approval from Congress, and with a minimum of tinkering—arguing that the states could win all of their lawsuits without ever securing the public health measures contained in the deal. "Finally, we have an agreement that will begin to save lives now," he said.

On the other hand, said Moore, if Congress delays and trials go forward, the chance of a settlement could be lost forever.

Even now, Moore said, he and industry lawyers will have to reach a separate settlement of Mississippi's case or begin trial July 7.

Noting that the deal contains many anti-smoking programs measures that lawmakers had tried, but failed, to achieve, he said "You guys and ladies have had all kinds of chances."

"I think that's 'touche' in saying we haven't done much in Congress...and you have," Hatch replied.

Sen. Diane Feinstein (D-Ca.), while calling the deal "impressive," asked why it did not provide funds to municipalities, including the city and county of Los Angeles, San Francisco, and San Jose, which filed their own suits to recover smoking-related medical costs.

"Almost 10% [to] 12 % of all the monies will end up in California," said Moore, adding that he believes part of the state's share will go to the cities and counties.

The Senate Judiciary Committee, one of several committees likely to review the deal, will take it up again on July 16, said Hatch. He told the witnesses: "I know you're going to have to come back a number of times to help us with this."

THE GREEN SHEET 11

ASSOCIATED PRESS

Michael Moore *(left), Mississippi's attorney general, arrives to testify on the proposed settlement with the tobacco industry, in which he was the lead negotiator. At right is Matthew Myers, executive vice president and general counsel for the National Center for Tobacco-Free Kids.*

Balt. Sun; 6-27-97

Tobacco-deal lawyer draws fire on Hill

Won't admit cigarettes are addictive, deadly

ASSOCIATED PRESS

WASHINGTON — A tobacco lawyer drew the ire of senators yesterday when he refused to acknowledge — despite the industry's proposed settlement last week — that cigarettes are addictive and deadly.

Senate Republicans said they would call in the chief executives of top cigarette makers to answer that question — replaying a defining moment in the anti-tobacco campaign when, three years ago, tobacco chieftains swore to Congress that their products were not dangerous.

If the companies' new executives make those denials again, "I think you're going to make the case for this settlement going down the tubes," warned Democratic Sen. Joseph R. Biden Jr. of Delaware.

The New York attorney who negotiated the tobacco deal for Philip Morris, Meyer Koplow, refused to answer those questions yesterday in the first congressional hearing on the proposed settlement. Koplow said that as an outside attorney, he was not authorized to make such statements — even though he helped write into the deal new warnings for cigarette packs that will say smoking kills.

He said tobacco executives would answer those questions for Congress, and Republican Sen. Orrin G. Hatch of Utah, chairman of the Judiciary Committee, said he planned to call the executives.

But in a testy exchange, Democratic Sen. Edward M. Kennedy of Massachusetts said Koplow's remarks belied Big Tobacco's claim that the settlement introduces "a new corporate attitude," and Biden said average Americans would find the evasion "repulsive."

"Part of what the American public is looking for, in my view, is an acknowledgment ... that you all are such crumbs in the way in which you've dealt with the American public," Biden said.

Senators from both parties demanded changes to the settlement yesterday. But aside from the attacks on Koplow, they appeared open to a tobacco deal passing Congress.

Hope for 'a sea change'

"There is no question there will be some changes," said Hatch, who as chairman could oversee much of the deal. But "this is a very, very important thing. This is our chance to really do something that might bring about a sea change" in U.S. tobacco use.

Last week, tobacco companies agreed to settle 40 state lawsuits against the industry under a multibillion-dollar deal that would set national tobacco policy. Congress must ratify the agreement. But a visibly irritated Hatch said yesterday that the deal faces "a rocky road." As evidence, he said an anonymous colleague had filed an objection to the hearing's even taking place.

Mississippi Attorney General Michael Moore, the deal's lead negotiator, was frustrated by the criticisms.

"You guys, and ladies, have had all types of chances, for years and years and years, to do many of the things that we keep hearing from people now that we should have done," he told the senators. "If we don't act now, the only thing we have to lose are our kids' lives and the public health of our country.

"I am looking to you for leadership," he challenged the senators.

And Philip Morris' Koplow insisted the settlement "will indeed cause massive changes in the way this industry does business."

Settlement's details

Under the settlement, tobacco companies agreed to pay $368 billion over 25 years, strictly curb their advertising and pay penalties if teen-age smoking doesn't drop. In return, they won a ban on any future class action lawsuits, protection against punitive damages and some restrictions on government control of nicotine.

Already, top public health groups, led by former Surgeon General C. Everett Koop, have condemned the nicotine curbs as a deal-killer and called the teen smoking penalties too low.

"Dr. Koop has great credibility with Americans and, of course, with this Congress," said Sen. Arlen Specter, a Pennsylvania Republican.

THE GREEN SHEET

News About the U.S. Department of Health and Human Services

Vol. 44 No. 125 Friday, June 27, 1997

Wall St. Jrnl. 6-27-97

Studies Say Marijuana Affects Brain In Same Ways as Heroin and Cocaine

By ROBERT LANGRETH

Staff Reporter of THE WALL STREET JOURNAL

Marijuana use is on the rise, buoyed by its long-held reputation of being a comparatively benign recreational drug. But new research shows it affects the brain in the same ways that highly addictive drugs like heroin and cocaine do.

In two new studies, researchers found that marijuana hijacks the brain's "reward system" to produce a heroin-like euphoria, and also that it produces emotional withdrawal symptoms in the same way cocaine or alcohol does. Previously, scientists had assumed marijuana acted through different mechanisms from other drugs.

Scientists say the latest results culminate in a series of recent findings indicating that all abused drugs share a few basic brain mechanisms — a discovery that may eventually lead to versatile classes of drugs that can be used to treat most types of drug addiction.

"This tells us that marijuana has common brain mechanisms with other abused drugs," said Alan Leshner, director of the National Institute on Drug Abuse, which sponsored one of the two studies. "They suggest that marijuana use primes the brain for abuse of drugs like heroin and cocaine."

The new research comes at a time when marijuana use is soaring, especially among teenagers. Some 15.3% of eight graders and 33.6% of 10th graders used marijuana in 1996, compared respectively with just 6.2% and 16.5% in 1991, according to government-funded studies.

Overall, some 100,000 Americans seek treatment for marijuana dependence each year, government figures show, and untold more fall under its spell without searching out formal therapy. Other surveys indicate that teenagers who try marijuana are more likely to be dependent on it than teenagers who use cocaine.

The new findings, both published in this week's issue of the journal Science, may help explain why. In one study of more than 50 rats, scientists at the University of Cagliari in Italy showed that marijuana produces a surge of dopamine, a brain chemical associated with pleasure and euphoria, in a key brain region involved in producing emotions; such a dopamine surge has been documented in almost all other abused drugs and is believed to be responsible for the reinforcing mechanisms that send addicts scurrying back for more. High doses of THC, the active ingredient in marijuana, roughly doubled the dopamine levels in the rats — about the same increase as that produced by large amounts of heroin, the scientists in Italy reported.

The researchers theorize that marijuana may work indirectly by stimulating the release of natural "opiates" in the brain, which in turn cause dopamine discharge. "This explains why some people become addicted to marijuana," said team leader Gaetano Di Chiara.

The second report, by researchers from Complutense University in Spain and Scripps Research Institute in California, shows that marijuana can produce withdrawal symptoms by elevating levels of a brain hormone that causes stress. Many heavy users of marijuana feel anxious and experience other emotional problems when they stop. But such withdrawal symptoms are relatively mild compared with some other drugs, and have proven difficult to study in laboratory animals.

See DRUG ABUSE, p. 13

Wall St. Jrnl. 6-27-97

Senators Blast Terms of Tobacco Pact, Signaling Tough Sledding in Congress

By JEFFREY TAYLOR

Staff Reporter of THE WALL STREET JOURNAL

WASHINGTON — Negotiators of the proposed tobacco settlement endured withering criticism from members of the Senate Judiciary Committee in a renewed indication that the deal as crafted faces serious opposition in Congress.

"We've done all we can do," said Michael Moore, Mississippi's attorney general and lead negotiator, professing himself "frustrated" after a morning of harsh questioning by senators. "I don't have the power or the authority to put these people out of business. Only Congress has that authority."

Senators from both parties warned that the terms of the settlement will have to change significantly. They joined public-health groups in denouncing provisions of the deal they said give Big Tobacco new tools to thwart the Food and Drug Administration's ability to control nicotine content in cigarettes. And they said the settlement would fine tobacco companies far too little if they fail to reduce teen smoking in the future. Still, most of the senators said some version of the pact could be enacted if these perceived defects can be corrected.

The Senate rebukes came only a day after public-health groups, including three that had lauded the progress of negotiators during the talks, demanded that any deal protect the FDA's authority to regulate cigarettes. The health organizations make up a 22-member tobacco-policy task force, led by former FDA chief David Kessler and former Surgeon General C. Everett Koop, which is preparing a report on the settlement for the White House and Congress.

The hearing, convened by committee Chairman Orrin Hatch was transformed to a "briefing" — where witnesses aren't under oath — after an undisclosed senator filed an objection to block it. The Utah Republican interpreted the move as an expression of opposition to the deal, telling Mr. Moore and his fellow negotiators "the road you face to approval of your agreement is a rocky one."

The briefing featured the first extensive public statements about the agreement from a tobacco-industry representative. Meyer G. Koplow, a lawyer who negotiated for Philip Morris Cos. in the settlement talks. He said the deal provides "a measure of peace" for tobacco companies in exchange for their payment of penalties totaling \$368.5 billion and their commitment to sweeping restrictions on cigarette advertising and marketing.

"These companies do not want to spend every day litigating everywhere with everyone," Mr. Koplow said.

Two prominent Democrats, Joseph Biden of Delaware and Edward Kennedy of Massachusetts, launched especially harsh attacks on the deal. Sen. Kennedy, recalling that at a congressional hearing three years ago tobacco executives had denied that nicotine is addictive, pressed Mr. Koplow to say whether he now agreed with such proposed cigarette package warnings as "cigarettes are addictive" and "smoking can kill you." Mr. Koplow declined, but offered to have others in the industry respond later.

That drew an angry rebuke from Sen. Biden: "We're going to have the tobacco CEOs in to testify," he said. "If they answer as you did, I think that will pave the way for rejection of your settlement."

Republican Sen. Charles Grassley of Iowa challenged a part of the settlement

See TOBBACO PACT, p. 8

L.A. Times, 6-27-97

Democrats Tighten Welfare Reform's Rules on Working

By VIRGINIA ELLIS

TIMES STAFF WRITER

SACRAMENTO—Determined to avoid a revolt by moderates and hoping to attract more Republican support, Democratic legislators substantially modified a welfare reform plan Thursday to impose stricter work requirements on recipients.

After nearly a week of behind-the-scenes negotiations, a conference committee voted to align its plan closer to a proposal by Republican Gov. Pete Wilson, whose veto could prevent the issue from being resolved this year and force legislators to deal with it in an election year.

The changes came after a threatened uprising by moderate Democrats in the Assembly who complained that an earlier plan approved by the joint Senate-Assembly committee had several provisions that they considered too liberal.

To keep them from defecting, Assembly leaders, led by Speaker Cruz Bustamante (D-Fresno), proposed a series of changes that would reduce the safety net for families who still needed aid after five years, prevent certain drug felons from ever receiving assistance and tighten work requirements.

"I believe we have presented a document now that is not a liberal document," said Assemblywoman Valerie Brown (D-Kenwood), one of the leaders of the moderates. "I think we have come much closer to where the governor is."

Bustamante said: "This is a firm, fair and realistic solution that anyone serious about moving people from welfare to work should endorse."

The last-minute wrangling to produce a more moderate plan demonstrated how much the welfare issue has divided Democrats in the Legislature and how politically vulnerable many of them feel on the issue.

In their battles behind closed doors, one faction of Democrats had fought for a more liberal plan, arguing that it would allow them more room to bargain with the governor.

But the other faction, which ultimately won out, insisted that for Democrats in swing districts that strategy could be fatal because it would force them to go on record with votes that could become fodder for an opponent's campaign.

"They felt they needed to be able to take something back to their districts that they could defend and that would not be used against them when they were running for reelection and now I think they have that," said Sen. Diane Watson (D-Los Angeles), co-chairwoman of the committee.

She acknowledged, however, that for many liberals the new provisions in the plan were a bitter pill, especially the one that would set an absolute five-year lifetime limit for adults to receive assistance.

The earlier plan had provided that after five years families could continue to receive assistance at the same levels as long as the adults agreed to work in community service jobs.

Under the new proposal adopted by the committee, after five years the adults would lose assistance and counties would be given the option of providing aid to the children in the family either in the form of cash or non-cash vouchers.

"That's the one we really had to give on," said Watson. "But in working with 120 people [in the Legislature] and 18 members of the conference committee . . . I think among the Democrats this is the best we could get."

In his proposal, Wilson had also suggested a five-year lifetime limit that would cut adults off aid and provide only non-cash assistance to children.

Wilson, however, declined to comment on the committee's actions, saying through a spokesman that "we have not seen their proposal although we have been provided an outline. We will refrain from commenting until we have a chance to analyze it in depth."

Other provisions approved by the committee included a tightening of the time limits for recipients to move from welfare to work.

Under the previous plan, recipients could have as long as 33 months to move into jobs before they would lose aid. Under the new proposal, that time would be cut to 24 months, although a county could add six months to the limit if unemployment rates were high.

After recipients reach this limit, the new plan would allow them to continue receiving aid only if they participated in community service jobs.

The committee also voted to suspend a cost-of-living increase for recipients and extend for a year a 4.9% reduction in benefits that went into effect in January. Now that reduction would expire in November and a cost of living increase would go into effect next year.

In Los Angeles a mother and two children can now receive a maximum grant of \$565 a month. If the cut had been restored and the cost-of-living increase had been allowed to go into effect, that grant level would have risen to \$610 a month.

Assemblywoman Helen Thompson (D-Davis), a moderate who had objected to the original plan, said one important change for many Democratic legislators had been a toughening of the treatment of drug felons.

"I frankly don't think we should be funding on welfare people who run drugs or sell drugs," she said.

The earlier proposal had denied aid to those convicted of a felony for the manufacture, sale or transportation of drugs for a period equal to their jail sentence.

The new plan prohibits anyone convicted of those drug felonies from ever receiving aid.

THE GREEN SHEET

TOBACCO PACT, from p. 1

that would allow tobacco companies to deduct penalties as ordinary business expenses, calling it a tax cut that would cost the Treasury $129 billion over the next 25 years. Mr. Koplow disagreed, contending it would be "revenue neutral" because it would also force cigarette prices higher, generating more taxes.

Neither were senators especially gentle with Mr. Moore or his fellow public-health negotiator, Matthew Myers of the National Center for Tobacco-Free Kids. Mr. Moore was often reduced to lending support to something Mr. Koplow had said. And at one point, Democratic Sen. Richard Durbin of Illinois, a longtime tobacco foe, accused Mr. Myers of "selling out" by agreeing to sanctions that he said amount to only eight cents a pack if teen smoking doesn't decline 60% within 10 years.

THE GREEN SHEET

THE GREEN SHEET, a compilation of news that is of interest to the U.S. Department of Health and Human Services, is published by the Office of the Assistant Secretary for Public Affairs, on weekdays, except holidays.

Selected articles do not necessarily represent the Department's views.

ADDRESS INQUIRIES TO:

Ronald D. Steele
Production Manager
DHHS/OASPA/Media Div.
638-E, HHH Bldg
Washington, D.C. 20201
(202)690-6343
rsteele@dhhs.gov

By Win McNamee, Reuters

Show me: Sen. Edward Kennedy, D-Mass., asks Philip Morris lawyer Meyer Koplow at a Senate Judiciary Committee hearing Thursday for evidence that tobacco companies intend to change their 'corporate culture.'

USA Today; 6-27-97

Senators doubtful of tobacco dea

Panel seeks admission that nicotine can kill

By Jessica Lee
USA TODAY

WASHINGTON — Serious consideration of the $368 billion tobacco settlement should begin with a sworn admission by industry executives that nicotine can kill, senators insisted Thursday in the first congressional examination of the plan.

Negotiators on both sides of the settlement defended the deal, struck after three months of talks, in testimony before the Senate Judiciary Committee. But senators making their first formal review of the plan responded with skepticism.

"Part of what the public wants is some acknowledgement ... of how reprehensible you've been," Sen. Joe Biden, D-Del., told a lawyer for Philip Morris. Without such an acknowledgment, Biden warned, "I think you're going to make the case for this settlement going down the tubes."

Tobacco executives had testified last year that they knew of no evidence that nicotine is addictive. The proposed agreement would add a warning on cigarette packs that smoking can kill.

"There's no question there'll be some changes in what you've done," said committee Chairman Orrin Hatch, R-Utah. "And I do believe we are going to have to bring in the executives to admit that they now concede nicotine is addictive."

"Do you agree that tobacco smoke can harm your children," Sen. Edward Kennedy, D-Mass., asked Philip Morris lawyer Meyer Koplow.

Koplow responded by saying, "I personally am not in the position to give you a precise answer."

Statements from Hatch and Kennedy, co-sponsors of a plan to raise cigarette taxes 20 cents a pack, fired the opening shot in a round of congressional hearings expected to spotlight serious misgivings about the tobacco settlement agreed to last week by the attorneys general of 39 states and tobacco corporations.

Under the agreement, which requires congressional approval, tobacco companies would give $368 billion over 25 years as compensation for the health costs of tobacco-related illnesses. In exchange, the tobacco companies would be immune from future lawsuits on those cases.

The pact requires tobacco companies to combat tobacco use by children in the United States. But nothing in the pact requires companies to discourage smoking by teen-agers overseas, noted Sen. Mike DeWine, R-Ohio, adding, "If this agreement is good enough for children in the United States, it ought to be good enough for children around the world."

Mississippi Attorney General Michael Moore, who helped negotiate the deal, at one point told the committee, "You guys, and ladies, have had all types of chances for years and years. ... If we don't act now, the only thing we have to lose are our kids' lives and the public health of our country."

The pact will need approval by a variety of congressional committees. The process could easily stretch into 1998.