- Crop insurance admin reimbursement —
- PL-480. — Titles II, III —

Title I — bills $100 M over president's request — export subsidy program.

- Harkin — Marketing Assessment on growers and handlers of tobacco. —

— USDA

—

Ann Ford

296-5469

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 17, 1997

THE DIRECTOR

The Honorable Ted Stevens
Chairman
Committee of Appropriations
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 1998, as reported by the Subcommittee. As the Committee develops its version of the bill, your consideration of the Administration's views would be appreciated. These views are based on incomplete information and are, therefore, necessarily preliminary.

The Subcommittee has developed a bill that provides requested funding for many of the Administration's priorities. As discussed below, the Administration will seek restoration of certain of the Subcommittee's reductions to the President's requests. We recognize that it will not be possible in all cases to attain the Administration's full request and will work with the Committee toward achieving acceptable funding levels.

The Administration is committed to working with the Committee to identify reductions in the bill in order to find offsets for the restoration of funds that the Administration seeks. For example, unrequested funds have been provided to the P.L. 480 Title I account, and the Administration's proposed user fees for meat and poultry inspection and new user fees for the Food and Drug Administration have not been adopted. In addition, while we commend the Subcommittee for including the requested discretionary funds to operate the Crop Insurance program, the Subcommittee has added $53 million more than requested for this purpose. These additional discretionary resources could be used to fund higher priority programs. We urge the Committee to reduce funding for lower priority programs, or for programs that would be adequately funded at the requested level, and to redirect funding to programs of higher priority.

Women, Infants, and Children Program

The Subcommittee bill would fund the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at $3.9 billion, $180 million below the President's request. The Subcommittee's mark is intended to support a participation level of 7.4 million women, infants, and children, the anticipated FY 1997 end-of-year caseload level. The President's FY 1998 Budget request would allow program participation to grow modestly -- to 7.5 million by

September 1998 -- and fulfills the bipartisan commitment to fully fund WIC. The request also includes a $100 million contingency reserve to ensure that unanticipated food price increases do not cause participation decreases.

The Administration appreciates the recent action by the Congress to provide supplemental funding to ensure stable WIC participation in FY 1997. We also appreciate that the Subcommittee bill provides needed flexibility in allocating WIC funding to States. However, we are disappointed that the Subcommittee mark does not provide funding for the contingency reserve and for the modest increase in participation proposed in the President's budget. These two provisions would allow WIC to reach and maintain the bipartisan commitment to full program participation.

The Administration shares the Subcommittee's concern that WIC be able to maintain its successful cost containment efforts. The Administration strongly supports the Subcommittee's inclusion of a provision to ensure competitive contracting of infant formula based on the lowest net wholesale cost. Without such a provision, infant formula costs could rise dramatically, increasing WIC's total costs and putting budgetary pressure on other programs funded by Agriculture appropriations.

Food Stamps

Unlike other major Federal entitlement programs such as Supplemental Security Income and Medicaid, the Food Stamp appropriation does not include an indefinite authority that would provide funding in the event of an economic recession or estimating errors. Instead, the Congress has traditionally provided a benefit reserve, or "cushion." While less than the requested level, the Administration appreciates that the Subcommittee recognized the need for a benefit reserve by providing $1 billion for this purpose and urges the Committee to provide the requested level of $2.5 billion, to the extent possible.

Food and Drug Administration

The Subcommittee action would result in a total program level for the Food and Drug Administration (FDA) of $1.0 billion: $913 million in budget authority and $113 million in user fees. This level of funding for fees is, in total, a net $132 million below the President's request. It is appropriate that regulated industries that derive valuable benefits from some FDA activities contribute an appropriate share of FDA's cost of ensuring the safety and effectiveness of their products. The Administration urges the Committee to fund FDA at the requested program level of $1.1 billion, offset by the proposed user fees.

The Administration is also very concerned that the Subcommittee bill apparently does not include the full $34 million requested to enforce FDA's rule intended to reduce children's access to tobacco products and make the public aware of the requirements. The Federal Government should move as quickly as possible to reduce children's access to tobacco, and not make enforcement contingent upon approval of a national settlement with the tobacco industry. Full funding is essential to meet the Administration's goal of significantly reducing under-age tobacco use.

Rental Housing Programs

We commend the Subcommittee for including requested funds for single-family housing direct loans. However, the Subcommittee has reduced requested overall funding for the Rental Assistance Program (RAP) by $69 million. It appears the Subcommittee has failed to include RAP funds needed to subsidize rents for new or rehabilitated units constructed through the Section 515 multi-family housing loan program. Without these rental subsidies, more than 3,500 low- and very low-income rural households would be unable to afford the rents in new projects, and the projects themselves might not be viable. In addition, we ask the Committee to restore, to the extent possible, the $52 million requested for RAP to convert expiring HUD Section 8 rental assistance in USDA-financed rental properties to RAP assistance. While Section 8 assistance is renewed annually, RAP generally provides five-year contracts for rental assistance. On an annualized basis, RAP assistance costs less than Section 8 assistance, and over five years the conversion of these units in FY 1998 would save taxpayers $46 million.

Rural Development Programs

The Administration strongly supports and commends the Subcommittee action that would adopt the Administration's request to implement the Rural Community Advancement Program (RCAP), as authorized in the 1996 Farm Bill. This flexible delivery mechanism would allow States and localities to tailor rural development assistance more effectively to meet unique local conditions and needs. However, we urge the Committee to include funds for grants to States, as authorized, in order to give States and localities the opportunity to better tailor a portion of this assistance to their particular priorities.

Agricultural Research Programs

While we commend the Subcommittee for including $1.25 million of the $2 million requested for important Everglades restoration research, the Subcommittee bill does not appear to provide sufficient funding for a number of important agricultural research initiatives. Only $8 million of the $12 million requested is included for the Administration's Human Nutrition Research Initiative, a multi-year initiative to improve the understanding of the nutrition needs of diverse populations, notably children, but also including the elderly, pregnant women, and healthy adults. The Subcommittee bill provides $100 million for the National Research Initiative (NRI) competitive grants program, a $6 million increase over FY 1997 but a $30 million reduction from the President's request. In order to provide funding for these important activities, the Administration urges the Committee to reduce funds included for unrequested, earmarked research grants.

Food Safety Initiative

While we commend the Subcommittee's action to fully fund the FDA portion of the request for the President's Food Safety Initiative that is within the Subcommittee's jurisdiction, only $5 million of the $9 million requested through the Department of Agriculture (USDA) has been funded. In May, the Administration announced a detailed plan to strengthen America's food safety through this initiative, including establishing a national early warning system for outbreaks of food-borne illnesses; improving meat, poultry, and seafood inspections; increasing research to develop new tests to detect food-borne pathogens and to assess risks in the food supply; and, establishing public-private partnerships to improve the public's understanding of safe food practices. We urge the Committee to fully fund this important initiative.

Food and Consumer Service Studies and Evaluations

The Administration appreciates the Subcommittee action to provide the requested level for Food Stamp, Child Nutrition, and WIC program research. The challenge of ensuring the success of welfare reform has increased the importance of practical, applied, and timely research. The Subcommittee's action would ensure that the Food and Consumer Service research function maintains its close connection to all facets of program operation, and its core of highly-skilled professional career researchers with a well-recognized track record of conducting and managing effective, objective program evaluations.

Outreach for Socially Disadvantaged Farmers and Ranchers

The Subcommittee bill would significantly limit USDA's initiative to improve efforts to ensure equal access for all clientele to training, technical assistance, and other agriculture-related services intended to assist low-income farm families in becoming successful producers. The Secretary of Agriculture has stated his commitment to improving the Department's outreach to and relations with its minority and socially disadvantaged clientele. The Subcommittee has provided only $2 million of the requested $4 million increase for this important component of USDA's Civil Rights initiative. We urge the Committee to increase funds for this priority program to the extent possible.

Micromanagement

The Administration objects to the inappropriate micromanagement of Executive Branch authorities that the Subcommittee bill would impose, which would impede the ability of the Department to operate effectively. The Subcommittee bill would block facility closings of the Agricultural Research Service (ARS), which are needed in order to channel resources effectively to improve the overall impact and quality of ARS research. The bill also would limit funds for advisory committees, task forces, panels, and commissions to $1 million, which is insufficient to support ongoing and new committees, including those required by the 1996 Farm Bill. We recommend that the limitation on expenditures for these purposes be lifted.

The Subcommittee bill would also prohibit FDA from consolidating two laboratories: St. Louis and Baltimore. These consolidations are part of FDA's overall streamlining efforts and are consistent with FDA's goal to consolidate its field laboratory operations. The provision would force FDA to spend funds on infrastructure that could otherwise be used more directly to protect public health. The Administration urges the Committee to delete this provision.

Packer Concentration

The FY 1998 Budget proposes a $1.6 million increase for monitoring and analyzing meat packer market competition and the implications of structural changes and behavioral practices in the meat-packing industry. We urge the Committee to increase funds to the maximum extent possible so that USDA can maintain continuous, systematic collection and analysis of data along with aggressive investigative activities to address these issues effectively.

Nutrition Education and Training

The FY 1998 Budget proposes $10 million for the Nutrition Education and Training program. The Welfare Reform bill enacted last year replaced mandatory funding for this program with an authorization for discretionary appropriations. The Administration is disappointed that the Subcommittee has not provided the requested funding for this valuable resource to the child nutrition programs. We urge the Committee to fund this important program to the maximum extent possible.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Franklin D. Raines
Director

Identical Letter Sent to The Honorable Ted Stevens,
The Honorable Robert C. Byrd, The Honorable Thad Cochran,
and The Honorable Dale Bumpers

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

July 9, 1997

THE DIRECTOR

The Honorable Bob Livingston
Chairman
Committee of Appropriations
U.S. House of Representatives
Washington, D.C. 20515

Dear Mr. Chairman:

The purpose of this letter is to provide the Administration's views on the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Bill, FY 1998, as reported by the Subcommittee. As the Committee develops its version of the bill, your consideration of the Administration's views would be appreciated.

The Subcommittee has developed a bill that provides requested funding for many of the Administration's priorities. For example, we commend the Subcommittee for including the additional funds required to operate the Crop Insurance program effectively. As discussed below, the Administration will seek restoration of certain of the Subcommittee's reductions to the President's requests. We recognize that it will not be possible in all cases to attain the Administration's full request and will work with the Committee toward achieving acceptable funding levels.

The Administration is committed to working with the Committee to identify reductions in the bill in order to find offsets for the restoration of funds that the Administration seeks. For example, unrequested funds have been provided to the P.L. 480 Title I account, and the Administration's proposed user fees for meat and poultry inspection and new user fees for the Food and Drug Administration have not been adopted. We urge the Committee to reduce funding for lower priority programs, or for programs that would be adequately funded at the requested level, and to redirect funding to programs of higher priority.

Women, Infants, and Children Program

The Subcommittee bill would fund the Special Supplemental Nutrition Program for Women, Infants, and Children (WIC) at $3.9 billion, $184 million below the President's request. The Subcommittee's mark is intended to support a participation level of 7.4 million women, infants, and children, the anticipated FY 1997 end-of-year caseload level. The President's FY 1998 Budget request would allow program participation to grow modestly to 7.5 million by September 1998 and fulfills the bipartisan commitment to fully fund WIC. It also includes a $100 million contingency reserve to ensure that unanticipated food price increases do not cause participation decreases.

The Administration appreciates the Committee's recent action to provide supplemental funding to ensure stable WIC participation in FY 1997. We are disappointed that the Subcommittee mark does not provide funding for the contingency reserve and for the modest increase in participation proposed in the President's budget. These two provisions would allow WIC to reach and maintain the bipartisan commitment to full program participation.

The Administration shares the Committee's concern that WIC be able to maintain its successful cost containment efforts. The Administration strongly supports the Subcommittee's inclusion of a provision to ensure competitive contracting of infant formula based on the lowest net wholesale cost. Without such a provision, infant formula costs could rise dramatically, increasing WIC's total costs and putting budgetary pressure on other programs funded by Agriculture appropriations.

Food and Consumer Service Studies and Evaluations

The Subcommittee has transferred all funding ($18.5 million in FY 1998) for studies and evaluations from the Food Stamp, Child Nutrition, and WIC programs to the Economic Research Service (ERS). ERS is directed to manage all studies and evaluations in consultation with the Food and Consumer Service. The Administration strongly opposes the proposed transfer of functions and funding.

The challenge of ensuring the success of welfare reform has increased the importance of practical, applied, and timely research. This research is most appropriately managed by the Food and Consumer Service, the organization closest to and most knowledgeable of Federal nutrition programs. The Food and Consumer Service has highly skilled professional career researchers with a well-recognized track record of conducting and managing effective, objective program evaluations. The Subcommittee proposal is an inappropriate congressional intrusion into the Administration's prerogative to manage programs in the most effective manner.

Food and Drug Administration

The Subcommittee action would result in a total program level for the Food and Drug Administration (FDA) of $1.0 billion: $907 million in budget authority and $113 million in user fees. This level of funding is, in total, a net $132 million below the President's request. On March 28, 1997, the Administration transmitted to the Congress legislation for the authorization of $237 million in new and reauthorized fees. It is appropriate that regulated industries that derive valuable benefits from some FDA activities contribute an appropriate share of FDA's cost of ensuring the safety and effectiveness of their products.

The Subcommittee would provide $15.3 million for the costs associated with implementing the FDA's final rule for the regulation of nicotine-containing tobacco products, $18.7 million below the President's request. The tobacco regulation promotes and protects the health of the Nation's youth by reducing the easy access and appeal of tobacco products to children. Full funding is essential to meet the Administration's goal of significantly reducing under-age tobacco use.

The Administration urges the Committee to fund FDA at the requested program level of $1.1 billion, offset by the proposed user fees.

Food Safety Initiative

The Subcommittee has funded only one-half of the request for the President's Food Safety Initiative that is within the Subcommittee's jurisdiction. This includes $14 million of the $24 million requested through the Food and Drug Administration, and $3 million of the $9 million requested through the Department of Agriculture (USDA). In May, the Vice President announced the Administration's detailed plan to strengthen America's food safety through this initiative, including establishing a national early warning system for outbreaks of foodborn illnesses; improving meat, poultry, and seafood inspections; increasing research to develop new tests to detect food-borne pathogens and to assess risks in the food supply; and, establishing public-private partnerships to improve the public's understanding of safe food practices. We urge the Committee to fully fund this important initiative.

Rental Housing Programs

The Subcommittee has reduced requested funding for the Rental Assistance Program (RAP) by $99 million. The Subcommittee has failed to include RAP funds needed to subsidize rents for new or rehabilitated units constructed through the Section 515 multi-family housing loan program. Without these rental subsidies, more than 3,500 low- and very low-income rural households would be unable to afford the rents in new projects, and the projects themselves might not be viable. In addition, we ask the Committee to restore, to the extent possible, the $52 million requested for RAP to convert expiring HUD Section 8 rental assistance in USDA-financed rental properties to RAP assistance. While Section 8 assistance is renewed annually, RAP generally provides five-year contracts for rental assistance. On an annualized basis, RAP assistance costs less than Section 8 assistance, and over five years the conversion of these units in FY 1998 would save taxpayers $46 million.

While the Administration appreciates the increase in single-family housing loans over the FY 1997 level, the Committee is urged to include funding, to the extent possible, for the full $1 billion in direct loans requested. This program has experienced a significant reduction in recent years, and additional funds are required to meet some of the backlogged demand for homeownership assistance to low-income rural Americans. The $50 million reduction made by the Subcommittee bill would deny over 1,000 rural families the opportunity to become homeowners.

Rural Development Programs

The Administration commends the Subcommittee for providing adequate funding for rural development programs. However, the Subcommittee has not adopted the Administration's request to implement the Rural Community Advancement Program, as authorized in the 1996

Farm Bill. This flexible delivery mechanism would allow States and localities to tailor rural development assistance more effectively to meet unique local conditions and needs. We urge the Committee to permit this innovative funding mechanism to go forward.

Agricultural Research Programs

The Subcommittee bill does not provide sufficient funding for a number of important agricultural research initiatives. Only $5 million of the $12 million requested is included for the Administration's Human Nutrition Research Initiative, a multi-year initiative to improve the understanding of the nutrition needs of diverse populations, notably children, but also including the elderly, pregnant women, and healthy adults. The Subcommittee bill provides $105.7 million for the National Research Initiative (NRI) competitive grants program, an $11.5 million increase over FY 1997 but a $24.7 million reduction from the President's request. The bill also includes inappropriate programmatic earmarks within the NRI, a program from which grants are to be awarded based on scientific merit and a peer-review process. We urge the Committee to allow the NRI to function in the manner authorized. In order to provide funding for these important activities, the Administration urges the Committee to reduce the $27.5 million in funding included for 73 unrequested, earmarked research grants.

Conservation Programs

The Subcommittee bill does not include $18 million requested for the Resource Conservation and Development Program for local coordinators to assist communities in preparing watershed and rangeland plans. The goal of the new funding is to implement successful, locally-led rangeland and watershed planning efforts, such as by the Malpais Borderland Group, the Quincy Library Group, and the Big Darby Watershed, in environmental-priority areas, including the salmon recovery area of the Pacific Northwest. The Subcommittee bill also reduces funds for Conservation Operations, which could constrain improvements in conservation program implementation such as through the Geographic Information Systems and the digitizing of soils maps. In addition, only $2 million of the $5 million requested for the Outreach for Socially Disadvantaged Farmers program has been provided. These funds are small in relation to the critical importance of the program's goal of assisting these low-income farm families in becoming successful producers. We urge the Committee to increase funds for these priority programs to the extent possible.

Department of Agriculture Micromanagement

The Administration objects to the inappropriate micromanagement of Executive Branch authorities that the Subcommittee bill would impose, which would impede the ability of the Department to operate effectively. For example, the Subcommittee bill includes highly objectionable language that would terminate the authority of the Secretary of Agriculture to have a Western Director and a special assistant in the West, who facilitate the resolution of complex issues and provide important feedback to the Secretary about concerns of Western States and citizens. The Subcommittee bill would further micromanage by blocking facility closings of the

Agricultural Research Service. The bill also limits funds for advisory committees, task forces, panels, and commissions to $1 million, which is insufficient, particularly in light of the need to fund the operation of the Commission on 21st Century Production Agriculture, required by the 1996 Farm Bill. We recommend the limitation on expenditures for these purposes be lifted.

Packer Concentration

The FY 1998 Budget proposes a $1.6 million increase for monitoring and analyzing meat packer market competition and the implications of structural changes and behavioral practices in the meat-packing industry. USDA must maintain continuous, systematic collection and analysis of data along with aggressive investigative activities to address these issues effectively, which will be threatened unless the Subcommittee bill's funding level for the Packers and Stockyards program is increased.

We look forward to working with the Committee to address our mutual concerns.

Sincerely,

Franklin D. Raines
Director

Identical Letter Sent to The Honorable Bob Livingston,
The Honorable David R. Obey, The Honorable Joseph Skeen,
and The Honorable Marcy Kaptur

Howard Dendurant —

The Honorable Bob Livingston
Chairman
Committee of Appropriations
U.S. House of Representatives
Washington, D.C. 20515

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Questions about Tobacco Settlement Budget

Budget is divided into three major pools:

1. Lump-sum payment to states: $10 billion
2. Public Health Trust Fund: $25 billion
3. Base Payments: $333.5 billion

The Base Payments, in the budget part of the Agreement, are divided into:

- Various public health programs (a little over $1 billion per year; $30.8 billion over 25)
- Cessation programs ($1 billion per year; $35.5 billion over 25)
- Teams' endorsement compensation ($75 million per year; $1.8 billion over 25) and
- Unspecified "other" ($4 billion per year (increasing); $265.4 billion over 25).

QUESTIONS:

- How much of the unspecified "other" if Federal? If it 57% of all of the "other" funds or 57% after you subtract out civil liabilites plus workers' displacement funds, etc.?
- Does the "33% of annual industry base payment" for civil liabilities come out of this fund? (p. 40-41)
- If there are funds for worker displacement, does that come from these "other" funds?
- Is the retail licensing program, with minimum Federal standards, funded from the "other" funds (p. 12)?
- Does the funding for the Indians come from the "other" funds or the public health / HHS funding? "a portion of the settlement funds to which a state is otherwise entitled shall be paid to HHS for distribution to the Indian tribes". (p. 47).
- How binding are the recommendations? Is children's health an implicitly agreed-upon use of the "other" funds?
- Does Mississippi settlement affect these funds?

TOBACCO SETTLEMENT: WITH FIRST-YEAR FUNDING INCREASED BY INFLATION

YEAR	LUMP SUM	BASE	Public Health Uses Reduce Use	FDA	ASSIST	Research	Education	Cessation Fund	Teams Fund	Other	PH Trust Fund	TOTAL	Civil Liabilities	"OTHER" State Share	Federal Share	Hatch-Kennedy
1	10.000	**6.000**	0.125	0.300	0.075	0.100	0.500	1.000	0.000	3.900	**2.500**	**18.500**	1.287	1.124	1.489	3
2		**6.255**	0.129	0.309	0.077	0.103	0.515	1.030	0.075	4.017	**2.500**	**8.755**	1.326	1.157	1.534	3
3		**6.443**	0.133	0.318	0.080	0.106	0.530	1.061	0.077	4.138	**3.500**	**9.943**	1.365	1.192	1.580	4
4		**6.636**	0.137	0.328	0.082	0.109	0.546	1.093	0.080	4.262	**4.000**	**10.636**	1.406	1.228	1.628	5
5		**7.209**	0.141	0.338	0.084	0.113	0.563	1.500	0.082	4.389	**5.000**	**12.209**	1.449	1.265	1.676	5
5-Yr Total		***32.543***	***0.664***	***1.593***	***0.398***	***0.531***	***2.655***	***5.684***	***0.314***	***20.706***	***17.500***	***60.043***	***6.833***	***5.775***	***7.907***	***20***
6		**7.426**	0.145	0.348	0.087	0.116	0.580	1.545	0.084	4.521	**2.500**	**9.926**	1.492	1.303	1.727	
7		**7.649**	0.149	0.358	0.090	0.119	0.597	1.591	0.087	4.657	**2.500**	**10.149**	1.537	1.342	1.778	
8		**7.878**	0.154	0.369	0.092	0.123	0.615	1.639	0.090	4.797	**2.500**	**10.378**	1.583	1.382	1.832	
9		**8.114**	0.158	0.380	0.095	0.127	0.633	1.688	0.092	4.940		**8.114**	1.630	1.423	1.887	
10		**8.358**	0.163	0.391	0.098	0.130	0.652	1.739	0.095	5.089		**8.358**	1.679	1.466	1.943	
11		**8.609**	0.168	0.403	0.101	0.134	0.672	1.791	0.098	5.241		**8.609**	1.730	1.510	2.002	
12		**8.867**	0.173	0.415	0.104	0.138	0.692	1.845	0.101	5.399		**8.867**	1.782	1.555	2.062	
13		**9.133**	0.178	0.428	0.107	0.143	0.713	1.900	0.104	5.560		**9.133**	1.835	1.602	2.124	
14		**9.407**	0.184	0.441	0.110	0.147	0.734	1.957	0.107	5.727		**9.407**	1.890	1.650	2.187	
15		**9.689**	0.189	0.454	0.113	0.151	0.756	2.016	0.110	5.899		**9.689**	1.947	1.700	2.253	
16		**9.980**	0.195	0.467	0.117	0.156	0.779	2.076	0.113	6.076		**9.980**	2.005	1.751	2.320	
17		**10.279**	0.201	0.481	0.120	0.160	0.802	2.139	0.117	6.258		**10.279**	2.065	1.803	2.390	
18		**10.587**	0.207	0.496	0.124	0.165	0.826	2.203	0.120	6.446		**10.587**	2.127	1.857	2.462	
19		**10.905**	0.213	0.511	0.128	0.170	0.851	2.269	0.124	6.639		**10.905**	2.191	1.913	2.536	
20		**11.232**	0.219	0.526	0.132	0.175	0.877	2.337	0.128	6.839		**11.232**	2.257	1.970	2.612	
21		**11.569**	0.226	0.542	0.135	0.181	0.903	2.407	0.132	7.044		**11.569**	2.324	2.029	2.690	
22		**11.916**	0.233	0.558	0.140	0.186	0.930	2.479	0.135	7.255		**11.916**	2.394	2.090	2.771	
23		**12.274**	0.240	0.575	0.144	0.192	0.958	2.554	0.140	7.473		**12.274**	2.466	2.153	2.854	
24		**12.642**	0.247	0.592	0.148	0.197	0.987	2.630	0.144	7.697		**12.642**	2.540	2.218	2.939	
25		**13.021**	0.254	0.610	0.152	0.203	1.016	2.709	0.148	7.928		**13.021**	2.616	2.284	3.028	
TOTAL	**10.000**	**232.077**	**4.557**	**10.938**	**2.734**	**3.646**	**18.230**	**47.198**	**2.582**	**142.191**	**25.000**	**267.077**	**46.923**	**40.965**	**54.303**	

TOBACCO SETTLEMENT: AS WRITTEN

YEAR	LUMP SUM	BASE	Public Health Uses					Cessation	Teams	Other	PH Trust	TOTAL	Civil	"OTHER"		Hatch-
			Reduce Use	FDA	ASSIST	Research	Education	Fund	Fund		Fund		Liabilities	State Share	Federal Share	Kennedy
1	10.000	6.000	0.125	0.300	0.075	0.100	0.500	1.000	0.000	3.900	2.500	18.500	1.287	1.124	1.489	3
2		7.000	0.125	0.300	0.075	0.100	0.500	1.000	0.075	4.825	2.500	9.500	1.592	1.390	1.843	3
3		8.000	0.125	0.300	0.100	0.100	0.500	1.000	0.075	5.800	3.500	11.500	1.914	1.671	2.215	4
4		10.000	0.225	0.300	0.125	0.100	0.500	1.000	0.075	7.675	4.000	14.000	2.533	2.211	2.931	5
5		10.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	7.175	5.000	15.000	2.368	2.067	2.740	5
5-Yr Total		***41.000***	***0.825***	***1.500***	***0.500***	***0.500***	***2.500***	***5.500***	***0.300***	***29.375***	***17.500***	***68.500***	***9.694***	***5.775***	***11.218***	***20***
6		12.500	0.225	0.300	0.125	0.100	0.500	1.500	0.075	9.675	2.500	15.000	3.193	2.787	3.695	
7		12.500	0.225	0.300	0.125	0.100	0.500	1.500	0.075	9.675	2.500	15.000	3.193	2.787	3.695	
8		12.500	0.225	0.300	0.125	0.100	0.500	1.500	0.075	9.675	2.500	15.000	3.193	2.787	3.695	
9		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
10		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
11		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
12		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
13		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
14		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
15		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
16		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
17		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
18		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
19		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
20		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
21		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
22		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
23		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
24		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
25		15.000	0.225	0.300	0.125	0.100	0.500	1.500	0.075	12.175		15.000	4.018	3.508	4.650	
TOTAL	10.000	333.500	5.325	7.500	3.000	2.500	12.500	35.500	1.800	265.375	25.000	368.500	87.574	76.455	101.347	

1.	6	2.5
2	7	2.5
3	8	3.5
4	10	4
5	10	5
6	12.5	2.5
7	12.5	2.5
8	12.5	2.5
9	15	~~[illegible]~~

25.0

308
35
25

	HHS	C	T	Med.		
6 -	1	1	0	4	2.1	(3)
7	1	1	.5	4.5	2.7	3
8	1	1	1	5		4
10	1	1	1.5	6.5		~~5~~
10	~~1~~	~~1~~	~~1~~	~~8~~ 6.5		5
12.5	1½	1½	1½	8		
12.5						
12.5						

average 9 cigarettes

$\boxed{1.4 \text{ to ten}}$

4.5
.60
2700

6.5
60
3900

.6
.3
1.0
1.1
1.1
4.1

If the

FDA budget

subcommittee

$13.7 B assumed

$13.65 B got.

Markup 6/25

Full Cmte 7/9

current appropriation amount (

- appropriated amount same as last year

get number

- fill ins in $130 million below last years appropriated funds

- say fund food safety and tobacco out of existing funds.

HHS/FDA/INDUSTRY lobbied well. on $

Tobacco — doing some lobbying Ann Ford campaign's legislative person.

Tobacco budget request

food safety As much as 1/2
tobacco

Subcmt. - dept. of Ag - has FDA w/in its jurisdiction

-

- reform legislation on separate track
- the subcomittee has to make up $ in appropriated funds

- Also have shortfall in WIC program of several hundred

McCurry statement? - no direct contacts out of The White House -

HHS/FDA staff contacts? -

- A lot of member contacts on food safety
- zero on tobacco. -

- Under budget agreement -
- consistent w/Administration's understanding on the budget deal

(R) Joe (D) Marie
Skeen / Captor - Hilley / Cew. -
Kiefer's office?

- Rosa DeLauro - Tobacco } Donna - call Them today
- Vic Fazio - Food safety } - set. -

McCurry
- Tobacco - stmt. in context. -

Pad work with
S

get calls made
- Melissa - calls were made. -

Tim Sanders —

— Kessler - statements —

Erskine / Frank / Bruce —
Elena — any way we can send signals now on priority before [illegible] road?
— Approps cmte. works w/our budget —
what they're doing now is considering [illegible] how it conforms with POTUS budget request.

Nancy not returning phone calls. —

Subc.

No letter to committee —

— PAD work w/staff; Secretaries calls —

— Has to be DeLauro's #1 priority