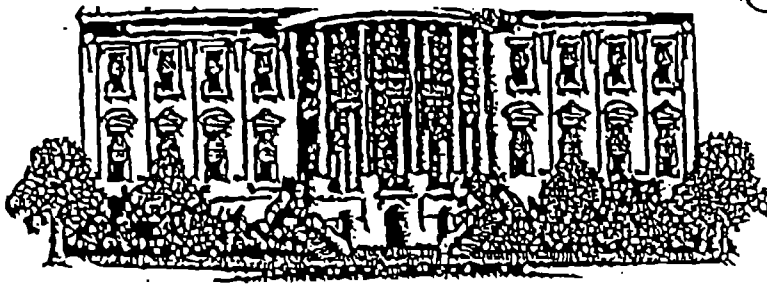


Tobacco – Smokeshops

PHOTOCOPY
PRESERVATION



CC: Eric G.
Mary Smith
Glenn

TORACCO

THE WHITE HOUSE

Smoking

Domestic Policy Council

DATE:

4/4

FACSIMILE FOR:

Anna Richter, Bruce Reed, Tim Kennedy
6-2878 6-6210

FAX:

PHONE:

FACSIMILE FROM:

Andrea Kane

FAX:

202-456-7431

PHONE:

202-456-5573

NUMBER OF PAGES (INCLUDING COVER):

3

COMMENTS:

Here's HUD's smoke shop release
that they didn't clear w/ US first -
though it looks basically consistent w/
what we agreed to + it only speaks for HUD,
not the Administration, + does not
reference any Administration-wide look @
this issue.
~~Still processing from Bond's release with~~
~~send separately~~ Bond's release also
attached.

04/04/00

15:06

HUD → 202 456 7431

hud NEWS

Department of Housing and Urban Development - Andrew Cuomo, Secretary
Office of Public Affairs, Washington, DC 20410

HUD No. 00-69
(202) 708-0685
<http://www.hud.gov/news.html>

FOR RELEASE
Tuesday
April 4, 2000

CUOMO ANNOUNCES SUPPORT OF LEGISLATION TO BAR HUD AID TO TOBACCO STORES

WASHINGTON - Housing and Urban Development Secretary Andrew Cuomo today announced he will support legislation to bar HUD economic development assistance to businesses primarily engaged in the sale of tobacco products. Cuomo has said since last year that passing legislation would be the best way of ending such assistance.

The proposed legislation - sponsored by Senator Christopher Bond of Missouri - would cover all HUD economic development programs, including Community Development Block Grants, Economic Development Initiative Grants, and Section 108 Loan Guarantees. HUD provides funding under these programs to help create jobs and spark economic development in communities around the country in need of revitalization.

"HUD assistance that improves the economic health of communities shouldn't be used to endanger the physical health of families living there," Cuomo said. "This legislation will give HUD the ability to refuse funding to tobacco stores in all parts of the United States."

Senator Frank Lautenberg of New Jersey, who is supportive of the legislation, said: "I applaud HUD and Secretary Cuomo for embracing this legislation to prevent federal dollars from being used to build stores that primarily sell tobacco. This legislation will allow HUD to prohibit tobacco stores from benefiting from government economic development grants. I hope for quick passage of this legislation to give HUD the authority to end this practice."

Robbie Callaway, Senior Vice President of the Boys & Girls Clubs of America said: "HUD's announcement is good news for anti-smoking advocates. Boys and Girls Clubs of America's mission is the positive youth development of the young people throughout the nation. Secretary Cuomo understands the critical importance of the physical health and well-being of our children, and we are pleased to work with him in this regard."

-more-

04/04/00

15:06

HUD - 202 456 7431

HUD No. 00-69

Page Two

The National Congress of American Indians had objected to federal funds being withheld from tribal "smoke shop" businesses alone, but said it supports a prohibition against the use of HUD funds for all tobacco-focused businesses.

Joanne Chase, Executive Director of National Congress of American Indians, said: "HUD's support of the legislation will treat Indian and non-Indian grantees alike. With the issue of discriminatory treatment off the table, we're glad to have this opportunity to stand up and be counted on this important public health issue."

HUD's Indian Community Development Block Grant Program has provided funds to one store on the Reno-Sparks Reservation in Nevada that depends on tobacco products as its primary source of income. In addition, HUD funding has gone to fewer than a dozen other businesses on Indian lands that are travel plazas or convenience stores that are primarily in the business of selling gasoline, food, gift items and other products, and also sell some tobacco products.

Tribes can use Indian Community Development Block Grants to provide direct assistance for economic development to businesses, and to provide indirect assistance through infrastructure construction and other improvements that make investment more attractive to businesses.

##

04/04/00

15:51

HUD → 202 456 7431

U.S. Senator for Missouri

Kit Bond
NEWS

For Immediate Release
Tuesday, April 4, 2000

Contact:

Dan Hubbard 202.224.7627

Mike Drone 202.224.0309

Bond Calls For Common-Sense At HUD With Budget Resolution Amendment To Forbid HUD Smoke Shop Funding

(Washington, DC) - As the U.S. Senate prepares to consider its annual budget resolution this week, U.S. Senator Kit Bond today joined a coalition of public health organizations to announce his plans to introduce an amendment to the budget resolution which would prohibit the Department of Housing and Urban Development (HUD) from using tax dollars to construct "smoke shops" where discount cigarettes are then sold.

As Chairman of the Senate Appropriations Subcommittee which oversees the annual budget for HUD, Bond earlier this year issued a report uncovering \$4.2 million in HUD expenditures for the construction of six "smoke shops" in Oklahoma and Nevada. These outlets were funded through the agency's Community Development Block Grant (CDBG) program, which issues the grant awards, enabling several Indian tribes to construct facilities for the retail sale of cigarettes and other tobacco products at discount prices.

Bond was joined by Matthew Meyers, President of the Campaign for Tobacco-Free Kids; Fran DuMelle, Executive Vice President of the American Lung Association; and representation from the American Cancer Society and the American Academy of Pediatrics. The group released a letter -- coordinated by the Campaign for Tobacco-Free Kids -- to HUD Secretary Andrew Cuomo urging him to forbid his agency from using federal dollars to support businesses that exist primarily to sell tobacco products.

"All of us believe that the reduction of teen smoking is a top priority," Bond began. "Indeed, the current Administration has repeatedly emphasized the need to reduce teen smoking. So today, we are here to ensure that some federal government agencies aren't working at cross-purposes with the Administration's efforts by subsidizing the sale of *cheaper* cigarettes."

Bond explained how he learned of HUD-funded "smoke shops." "Last summer, a doctor from Nevada informed me of a HUD-financed discount cigarette shop, called a 'smoke shop' in his home town. He was horrified that a store built to sell nothing more than cheap cigarettes was going up in his neighborhood, but he was outraged to learn that the federal government -- or more specifically, HUD -- was paying to build it. I didn't know what a 'smoke shop' was. So my staff combed HUD's records, got on the phone, and eventually boarded an airplane to go and see how HUD was spending taxpayer dollars

"We found not just one or two discount cigarette outlets, but six built at a total of \$4.2 million over the last three years," Bond said. "HUD's decision to finance construction of these smoke shops for the sale of discounted cigarettes is, in my mind, completely at odds with efforts to discourage and reduce teen smoking."

"This is a problem we cannot afford to ignore," Bond stated. "According to the Centers for Disease Control [CDC], some 40 percent -- almost half -- of high school kids in my home State of Missouri currently smoke cigarettes. That number is above the national average, so it is more important than ever that we work to reduce smoking, especially among young people. Why, then, has HUD apparently spent millions of federal taxpayer dollars to help Indian tribes sell cheap cigarettes?"

(More, more....)

04/04/00

15:51

HUD + 202 456 7431

005/005
NO. 905 003

Bond Release

Add One

"Frankly, I believe HUD has the clear authority to stop this practice, and I have told them as much. But clearly, this agency has shown an inability to apply a healthy dose of common-sense to its funding decisions, so we will have to legislate common-sense at HUD, and today, we will take a good first step in that direction.

"I am going to introduce my amendment to the budget resolution which says that HUD won't fund any more smoke shops. Later this year, I will include language in my HUD/VA Appropriations package which will also prohibit further HUD-funding of smoke shops. In the meantime, the letter authored by the Campaign For Tobacco-Free Kids and signed by several other public health leaders here with me today calls upon HUD to stop subsidizing smoke shop construction.

"I look forward to working with my colleagues in the Senate, the public health leaders here with me today, and everyone who believes that this is a bad idea whose time is past," Bond concluded. "Because it's just common-sense that no matter where it happens, awarding government subsidies to sell cheap cigarettes is a bad idea."

###



THE WHITE HOUSE

Domestic Policy Council

DATE: 4/4

FACSIMILE FOR: Bruce Reed, Anna Richter

FAX:

PHONE:

62878

FACSIMILE FROM: Andrea Kane

FAX: 202-456-7431

PHONE: 202-456-5573

NUMBER OF PAGES (INCLUDING COVER): 14

COMMENTS:

- Lautenberg statement
- Bonds Sense of the Senate language
- statements from ALA
- Jant letter from AAP
- AAP
- AAP
- ALA
- AAP
- Graphics on Smoke shops (from Bonds)

PROJECTS NOT FUNDED BECAUSE HUD FUNDED SMOKE SHOPS

Many Needed and Worthy Projects Were Forced Below the Funding Cut-off Line
Because HUD Funded High Volume Discount Cigarette Outlets Instead

<u>Year</u>	<u>Funded</u>	<u>Not Funded</u>
1997	1 Smoke Shop 2 Travel Plazas with Smoke Shops	Water Tower Housing Rehabilitation Multi-Purpose Community Center
1998	3 Travel Plazas with Smoke Shops	Elders Wellness Center
1999	2 Travel Plazas Smoke Shops Unconfirmed	Garage and Motor Pool Wellness Center Community & Family Life Center

04/04/00

16:05

HUD OFFICE OF THE SEC → 202 456 7431

Applicable Laws and Regulations Governing the Use of HUD Community Development Block Grants to Indians

- HUD spokesman Peter Ragone said the smoke shops fall within the provisions of the community development grant and a change in the law would be needed to block the funds from being used for a particular project
- There is no provision in the law which requires HUD to consider *only* economic factors when reviewing ICDBG project applications. Not only is a change in the law not required, HUD failed to follow the current law, their own regulations, and their own Notice of Funding Availability which calls for all ICDBG projects to provide a public benefit.

Applicable Law

42 U.S.C. 55303. Grants to states, units of general local government and Indian tribes

"The Secretary is authorized to make grants to states, units of general local government, and Indian tribes..."

42 U.S.C. 55306. Allocation and distribution of funds.

"(A)(1)...The Secretary shall provide for distribution of amounts under this paragraph to Indian tribes on the basis of a competition conducted pursuant to specific criteria for the selection of Indian tribes to receive such amounts. The criteria shall be contained in a regulation promulgated by the Secretary after notice and comment..."

42 U.S.C. 55305(e). Guidelines for evaluating and selecting economic development projects.

"(3) Public Benefit. The guidelines established under this subsection shall provide that public benefit provided by the activity is appropriate relative to the amount of assistance provided with the grant amounts under this title."

Applicable Regulations

24 C.F.R. 1003.302, Project specific threshold requirements.

"(c) Economic development projects. All applicants for economic development projects must provide an analysis which shows public benefit commensurate with the ICDBG assistance requested will result from the assisted project."

Applicable Notice of Funding Availability

64 Fed. Reg. 8692, 8696 (2) Application Review Process.

"(a) Threshold review. The area ONAP will review each application that passes the screening process to ensure that each applicant and each proposed project meets the applicable threshold requirements set forth in 24 CFR 1003.301(a) and 1003.302, as implemented by this NOFA. The Area ONAP will not accept your application for rating and ranking if you fail to meet any of the applicant-specific thresholds."



THE WHITE HOUSE

Domestic Policy Council

DATE:

4/4

FACSIMILE FOR:

Bruce Reed, Anna Richter

FAX:

62878

PHONE:

FACSIMILE FROM:

Andrea Kane

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AMA
ANA

- Joint letter from AAP

AAP
ANA
ALA
AMA

- Graphics on Senate shop (from Bond)

04/04/00 16:05 HUD OFFICE OF THE SEC → 202 456 7431



■ UNITED STATES SENATOR ■

Frank Lautenberg

NEW JERSEY

For Immediate Release
April 4, 2000**Contact: Retha Sherrod**
(202) 224-5885**STATEMENT OF SENATOR FRANK LAUTENBERG
ON SENATOR BOND'S
HUD-TOBACCO LEGISLATION**

Today Senator Frank R. Lautenberg released the following statement in support of Senator Bond's efforts to provide HUD the discretion to prevent grant funds from being used to construct tobacco outlets:

"This is a great example of how we can work together in a bipartisan manner to do something about teen smoking and reduce the devastation that tobacco causes to our society.

I want to thank Senator Bond for identifying this problem, and I want to thank Secretary Cuomo for moving quickly to embrace this legislation. Quick passage of this bill will give HUD the authority it needs to end this practice.

It is unacceptable for federal economic development funds to go to any business that primarily sells tobacco products. The only development tobacco is responsible for is the development of addiction and disease. The government should be working to stop it, not providing grants to help sell tobacco.

This bipartisan bill is one small step toward the larger goal this year of enacting common sense tobacco legislation that would give the Food and Drug Administration full jurisdiction over cigarettes and other tobacco products."

###

04/04/00 16:05 HUD OFFICE OF THE SEC → 202 456 7431

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S.L.C.

AMENDMENT NO. _____ Calendar No. _____

Purpose: To express the sense of the Senate against the
Federal funding of smoke shops.

IN THE SENATE OF THE UNITED STATES—106th Cong., 2d Sess.

S. CON. RES. 101

Setting forth the congressional budget for the United States
Government for fiscal years 2001 through 2005 and
revising the budgetary levels for fiscal year 2000.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENT intended to be proposed by Mr. BOND

Viz:

- 1 At the end of title III, add the following:
- 2 SEC. ____ SENSE OF THE SENATE AGAINST FEDERAL FUND-
- 3 ING OF SMOKE SHOPS.
- 4 (a) FINDINGS.—The Senate makes the following
- 5 findings:
- 6 (1) Smoking begun by children during their
- 7 teen years and even earlier turns the lives of far too
- 8 many Americans into nightmares decades later,
- 9 plagued by disease and premature death.
- 10 (2) The Federal Government should leave a leg-

04/04/00

16:05

HUD OFFICE OF THE SEC → 202 456 7431

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S.L.O.

2

1 any of more healthy Americans and fewer victims of
2 tobacco-related illness.

3 (3) Efforts by the Federal Government should
4 seek to protect young people from the dangers of
5 smoking.

6 (4) Discount tobacco stores, sometimes known
7 as smoke shops, operate to sell high volumes of ciga-
8 rettes and other tobacco products, often at signifi-
9 cantly reduced prices, with each tobacco outlet often
10 selling millions of discount cigarettes each year.

11 (5) Studies by the Surgeon General and the
12 Centers for Disease Control and Prevention dem-
13 onstrate that children are particularly susceptible to
14 price differentials in cigarettes, such as those avail-
15 able through smoke shop discounts.

16 (6) The Department of Housing and Urban De-
17 velopment is using Federal funds for grants to con-
18 struct not less than 6 smoke shops or facilities that
19 contain a smoke shop.

20 (b) SENSE OF THE SENATE.—It is the sense of the
21 Senate that the budget levels in this resolution assume
22 that no Federal funds may be used by the Department
23 of Housing and Urban Development to provide any grant
24 or other assistance to construct, operate, or otherwise ben-
25 efit a smoke shop or other tobacco outlet.

04/04/00

16:05

HUD OFFICE OF THE SEC → 202 456 7431

NEWS

**FOR IMMEDIATE RELEASE****CONTACT: Diane Maple
202/785-3355**

**End the Smoke Shop Subsidy
Statement of Fran Du Melle
Executive Vice President, American Lung Association
April 4, 2000
Washington, DC**

The American Lung Association is pleased to stand today with Senator Bond in his effort to end the U.S. taxpayer subsidy of cigarette sales through smoke shops. HUD should not be increasing the availability of tobacco products to children or adults.

The federal government should stop subsidizing and facilitating tobacco sales – now and forever. Tobacco use is addictive and kills hundreds of thousands of Americans each year.

Higher cigarette prices are an effective public health strategy for fighting tobacco use. As cigarette prices go up, some teens never start and cigarette smoking goes down overall as smokers quit or cut back. Economists tell us that for every 10% increase in cigarette price, youth smoking drops 7% and adult smoking drops 6%. Federal, state and local governments have taken action to deter tobacco use through higher excise taxes. Federal subsidies for smoke shops promote the availability of lower-priced cigarettes, undermining state and local efforts.

...more...

**When You Can't
Breathe,
Nothing Else
Matters®**

WASHINGTON OFFICE
1726 M Street, NW
Suite 802
Washington, DC 20036-4302
Fax: (202) 462-1805
Phone: (202) 785-3355

04/04/00

16:05

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End the Smoke Shop Subsidy/American Lung Association/2

While Senator Bond's report highlights the construction of smoke shops in Native American communities, the American Lung Association opposes the subsidy of smoke shops in ANY community. It is important to note, however, that Native Americans – adults and teens – have the highest smoking rates in the nation. In 1998, the U.S. Surgeon General reported that the tobacco industry has targeted Native American communities with its advertising and promotional activities. The Surgeon General called for effective strategies to prevent tobacco-related death and disease among Native Americans. Continued federal subsidies for smoke shops contradict that call for action.

The federal government needs a consistent policy against tobacco use in America. Ending block grants to subsidize smoke shops is an important step. We also call on Congress to pass legislation to grant the Food and Drug Administration full regulatory authority over tobacco products. There is still time for this Congress to do the right thing and protect all Americans from the tragedy of tobacco use.

#

The American Lung Association has been fighting lung disease for nearly 100 years. With the generous support of the public and the help of volunteers, the Lung Association has seen many advances against lung disease. However, the work is not finished. As the Lung Association looks forward to its second century, it will continue to strive to make breathing easier for everyone through programs of education, community services, advocacy, and research. American Lung Association® activities are supported by donations to Christmas Seals® and other voluntary contributions. You may obtain additional information at the American Lung Association web at <http://www.lungusa.org>.

04/04/00

16:05

HUD OFFICE OF THE SEC → 202 456 7431

American Medical Association

Physicians dedicated to the health of America

**Statement****FOR IMMEDIATE RELEASE****April 4, 2000****HUD GRANTS SHOULD BUILD COMMUNITIES –
NOT “SMOKE SHOPS”**

Statement attributable to:

**Randolph D. Smoak, Jr., MD
AMA President-elect**

"It is unconscionable that HUD is using taxpayer dollars to fund 'smoke shops' that sell the cheap cigarettes that are so attractive to children. HUD grants should build communities, not smoke shops."

"Increased availability of tobacco at reduced prices is clearly inconsistent with Administration efforts to reduce smoking and limit youth access to tobacco. Smoking kills more than 400,000 Americans each year, many from economically disadvantaged communities. HUD funds are for making communities stronger and better, not for tempting people into a life of addiction and disease. We can put our tax dollars to better use - and we must."

#

For more information, please call:**Brenda L. Craine
AMA Media, Washington
202/789-7447**

04/04/00

16:05

HUD OFFICE OF THE SEC → 202 456 7431

0008
NO.218 V10

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**Executive Vice President
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Communications**

**American Heart
Association.**

Fighting Heart Disease and Stroke

Office of Public Advocacy
1150 Connecticut Avenue, NW, Suite 810
Washington, D.C. 20036
Tel 202 785 7900
Fax 202 785 7852

April 4, 2000

The Honorable Andrew Cuomo
Secretary of Housing and Urban Development
451 Seventh Street, SW
Washington, D.C. 20410

Dear Secretary Cuomo:

The American Heart Association is concerned that millions of taxpayer dollars have been awarded through grants funded by the United States Department of Housing and Urban Development (HUD) to support businesses that exist primarily to sell tobacco products. We respectfully urge you to discontinue the policy of allowing community development funds awarded by HUD to be used for these types of businesses.

Tobacco use kills more than 430,000 Americans every year, and more than 3,000 children begin using tobacco every day. About one-third of them will ultimately die from the habit. Undoubtedly, the 500,000 discount cigarettes sold each day from HUD-funded tobacco shops help contribute to these grim statistics. Yet, HUD's position has been that there is no "direct causal relationship between HUD funding of commercial facilities which sell tobacco products and increased teen smoking."

Surely HUD grants can fund economic development projects that will help generate income for disadvantaged populations, while at the same time protect the public health of the citizens who live in those neighborhoods. Isn't it ironic that HUD wants to develop the economy of underprivileged communities at the expense of their health? This particular HUD policy seems entirely inconsistent with the increasing public awareness surrounding tobacco and health.

Thank you for considering our views as you contemplate HUD's policy toward economic development, tobacco and public health.

Sincerely,

M. Cass Wheeler

M. Cass Wheeler
Chief Executive Officer

J. Walter Sinclair

J. Walter Sinclair, Esq.
Chairman of the Board of Directors

Please remember the American Heart Association in your will.

04/04/00

16:05

HUD OFFICE OF THE SEC → 202 456 7431

April 4, 2000

The Honorable Andrew M. Cuomo
Secretary, Housing and Urban Development
451 Seventh Street, SW
Suite 10000
Washington, DC 20410

Dear Secretary Cuomo:

The undersigned groups urge that community development grants awarded by the Department of Housing and Urban Development (HUD) not be used to support businesses that exist primarily to sell tobacco products. Such grants are totally inconsistent with the Clinton Administration's efforts to curb youth smoking and reduce the terrible toll of tobacco.

The end result of supporting such businesses is the increased availability of tobacco products, often at reduced prices. This is at odds with the Clinton Administration's position that price increases reduce tobacco consumption, particularly among young people. The single most effective way to cut youth smoking is to raise the price of cigarettes.

The Housing and Community Development Act of 1974, as amended, makes clear that the amount of a community development grant must bear a reasonable relationship to the public benefits of the project to be funded. No project whose primary purpose is to sell tobacco can possibly satisfy that test. Whatever the economic benefits of a so-called "smokeshop" in an impoverished community, they are surely outweighed by the public health harms associated with tobacco. Smoking kills over 400,000 Americans each year, many of them from economically disadvantaged neighborhoods. Funding smokeshops is simply inconsistent with the Clinton Administration's efforts to reduce smoking and limit youth access to tobacco.

While the awarding of Community Development Block Grant funds to smokeshops on Indian reservations has been the subject of a report by Senator Bond and has received much attention our opposition is not limited to grants to Native American communities. We do not believe that grants to Native Americans should be singled out. We believe that no economic development funds from any government agency should be used to support smokeshops in any community.

Thank you for your consideration of our views.

Sincerely,

American Academy of Pediatrics
American Cancer Society
American Heart Association
American Lung Association
American Medical Association
Campaign for Tobacco-Free Kids

04/04/00

16:05

HUD OFFICE OF THE SEC + 202 456 7431

NO. 218
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P15



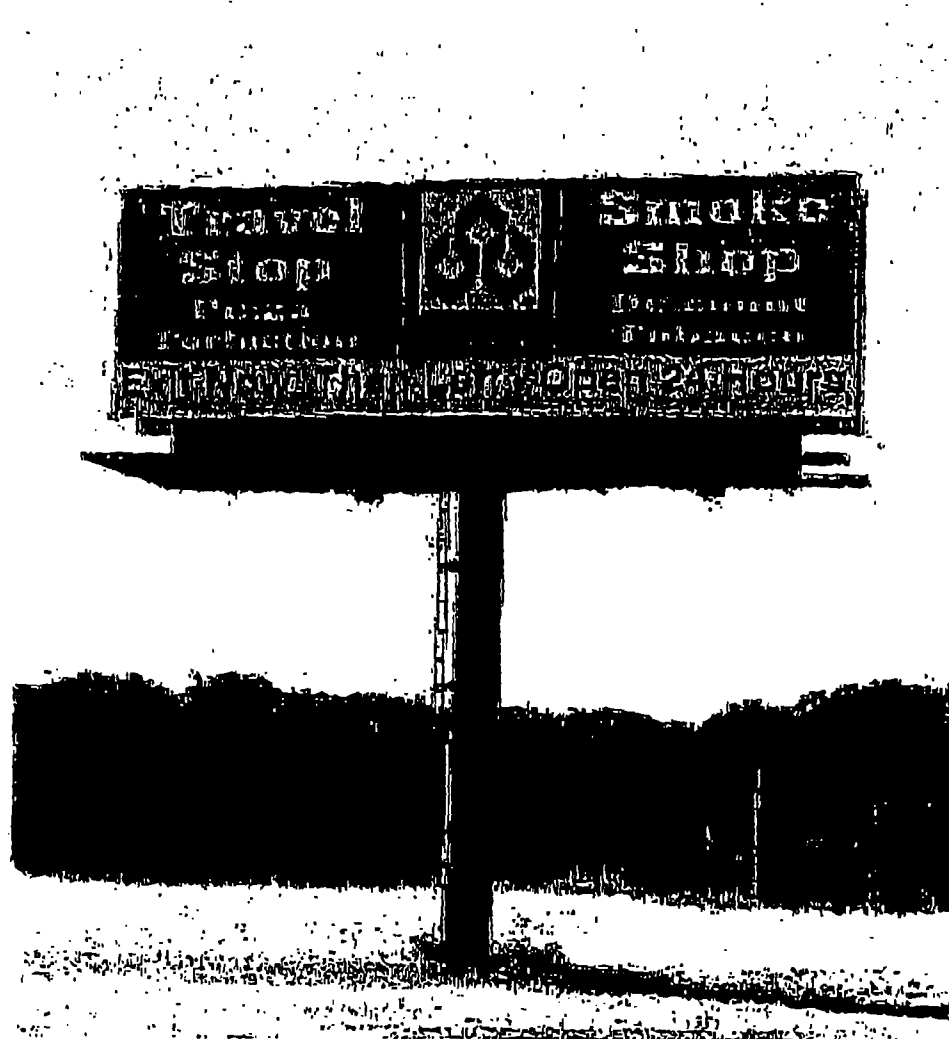
HUD-Funded Smoke Shop at Ada Travel Stop

04/04/00

16:05

HUD OFFICE OF THE SEC → 202 456 7431

011
NO. 218 016



Smoke Shop / Discount Tobacco Billboard for
HUD-Funded Smoke Stop at Thackerville Travel Stop

RENO-SPARKS INDIAN COLONY

SMOKE SHOPS

Over 300 Brands

Of Cigarettes

FIND THE BEST
DISCOUNT PRICES
ON ALL TOBACCO
PRODUCTS

Open 7 Days A Week

Smokeshop I

2001 E 2d 329 0275

Smokeshop II

901 Golden Ln 329 6299

Smokeshop III

11450 S Virginia 852 4010

Smokeshop IV

Verdi 345 2620

PROJECTS NOT FUNDED BECAUSE HUD FUNDED SMOKE SHOPS

Many Needed and Worthy Projects Were Forced Below the Funding Cut-off Line
Because HUD Funded High Volume Discount Cigarette Outlets Instead

<u>Year</u>	<u>Funded</u>	<u>Not Funded</u>
1997	1 Smoke Shop 2 Travel Plazas with Smoke Shops	Water Tower Housing Rehabilitation Multi-Purpose Community Center
1998	3 Travel Plazas with Smoke Shops	Elders Wellness Center
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TERRELL

S. MURKIN

Honorable Christopher Bond
Committee on Appropriations
Chairman, Subcommittee on VA, HUD and Independent Agencies
United States Senate
Washington, DC 20510

Dear Mr. Chairman:

In accordance with your request for a legislative change, we have enclosed language that you could attach to HUD's Appropriations bill to prohibit Department funds from going to businesses that manufacture, distribute or sell tobacco or tobacco products. This change would apply to all of HUD's economic development programs including CDBG, EDI, and Section 108 loans.

Any policy to deny funding to businesses should apply to all assistance programs. This consistency is important to avoid negative effects that could result from differential treatment of funding recipients. In particular, given the objections of the Native American community, it would not be appropriate to place restrictions exclusively on funds provided to Indian Country. That is why the attached Appropriations language applies to all HUD assistance programs.

The Department will not oppose the inclusion of this language – or another even-handed legislative proposal to address this issue – in its Appropriations bill.

Sincerely,

Hal DeCell

Enclosure

cc: Honorable Christopher S. Bond
Honorable Barbara A. Milkulski

3/23/00

Draft for inclusion as an Administrative
Provision in title II of the FY 2001
VA/HUD appropriations bill

PROHIBITION ON USE OF FUNDS

At an appropriate place in title II of the “Departments of Veterans Affairs and
Housing and Urban Development, and Independent Agencies Appropriations Act, 2001”

insert the following new Administrative Provision:

“PROHIBITION ON USE OF FUNDS

“SEC. ____ . None of the amounts made available in this title may be used by a
recipient of such amounts (including a subrecipient thereof) to provide assistance to or for
a business or other for-profit entity who is or will derive revenue from the manufacture,
distribution, or sale of tobacco or tobacco products.”.

h:\gll\2001-leg.pro\tobacco-tds

Honorable Christopher Bond
Committee on Appropriations
Chairman, Subcommittee on VA, HUD and Independent Agencies
United States Senate
Washington, DC 20510

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