

① let us go first

② "Reck compromise"

③ Find Alternatives

-  
-  
-

④ prioritize

⑤ starts

⑥

44 - boy-futures

Dallas - Here is a further revised version with the incentive clauses - I amended (e), added a new (f), and took the existing (f) and made it (g) --Terry Jackson, June 10, 1998

#### Draft of Legislative Language to Implement LEAF-LUGAR Compromise

Not later than 6 months after the date of enactment of this Act, the Secretary of Agriculture shall develop and submit to Congress a report addressing and weighing legislative options to provide long-term economic assistance to tobacco farmers and tobacco dependent communities.

(a) CONSULTATION. -- In carrying out this subtitle, the Secretary shall consult with tobacco growers, warehousemen, governors of tobacco states, Congress, and appropriate local officials. In addition, consideration should be given to comments by other interested parties as may be submitted at public meetings or in response to notices issued by the Secretary requesting such comment.

(b) CONSIDERATIONS. -- In developing the report and making recommendations for legislative change, the Secretary shall consider:

- (1) The economic impact upon tobacco farmers and tobacco dependent communities of reduced tobacco consumption and changes in national tobacco policy as reflected in the National Tobacco Policy and Youth Smoking Reduction Act.
- (2) Long-standing federal and state policies to promote and support the cultivation of tobacco.
- (3) The impact of lower tobacco prices on public health and the achievement of the purposes of this Act.
- (4) Fairness to non-tobacco commodity growers and agriculturally dependent communities.
- (5) The competing needs that may apply between different kinds and types of tobacco.

(c) ECONOMIC IMPACT.-- To the extent practicable, the options addressed in the report shall emphasize, and be limited to, those proposals that would:

- (1) Contain measures to mitigate the economic impact of reduced tobacco consumption and changes in national tobacco policy upon farmers and tobacco dependent communities, including, but not limited to, measures that would provide for appropriate and cost-effective worker assistance and education, and would provide for community development in tobacco-dependent areas;
- (2) Provide for an appropriate buy-out of tobacco quotas which now apply under the current price support system for tobacco as operated under the Agricultural Act of 1949, as amended, and the Agricultural Adjustment Act of 1938, as amended;
- (3) Help achieve the purposes of the National Tobacco Policy and Youth Smoking Reduction Act.

(d) LIMITATIONS. -- Further, the report shall, to the extent practicable, focus on, and be limited to, options for legislative improvements for tobacco that would:

- (1) Expend for the benefit of tobacco farmers and their communities, because of their status as parties with an interest in tobacco, not more than \$25 billion over 25 years.
- (2) For any option which would terminate the price support program for tobacco, allow price support to continue for at least seven years.
- (3) For any option that does not set a definite time to end the price support program for tobacco, assume annual review of the price support program for tobacco by the Secretary and expedited consideration of termination legislation should the Secretary recommend termination at some later date so long as the recommended termination date is a date which would fall at least seven years after the date of enactment of this Act.

(e) EXPEDITED CONSIDERATION.-- It is the sense of Congress that the Congress should consider, expeditiously, upon the issuance of the Secretary's report, whether legislative change to

the tobacco program is needed. Such expedition will help insure a full and appropriate resolution of issues dealing with tobacco as contemplated by this Act and will avoid the implementation of subsection (f) in the event that there is a more favored resolution of tobacco issues available. As reflected in subsection (f), it is the sense of Congress that such period of consideration by the Congress, following the issuance of the report of the Secretary, should not exceed 90 days.

(f) MODIFICATION OF PRICE SUPPORT PROVISIONS AND NO NET COST PROVISIONS IN THE EVENT OF INACTION FOLLOWING THE ISSUANCE OF THE SECRETARY'S REPORT. -- Notwithstanding any other provision of law, effective on that date which is 90 days after the date on which the Secretary issues the report provided for in this Act:

- (1) The Secretary shall, as soon as practicable, reinstitute or continue, as the case might be, the price support program for tobacco as was in effect as of January 1, 1998, and shall, for each kind or type of tobacco for which price support was in effect on January 1, 1998, provide support for each such tobacco at a rate which is equal to the the rate that was in effect for the tobacco as of that date plus 50 cents per hundredweight; provided further that such rate of price support shall, for each such tobacco, be increased by fifty cents per hundredweight for each succeeding crop.
- (2) Any losses on loan tobacco which are attributable to any increase in the price support level as provided for in clause (i) shall not be covered by past, present, or future "no net cost" assessments, any other assessment or by funds available under previous legislation including (but not limited to) the National Tobacco Policy and Youth Smoking Reduction Act, but shall be covered using the funds and facilities of the Commodity Credit Corporation. The Secretary shall, at the beginning of each fiscal year determine the

amount of such expected losses and shall commit an appropriate sum of Corporation funds to the "no net cost" account or funds for each of the respective tobaccos for which such determination is made. Such Corporation funds as are so committed by the Secretary shall remain in those accounts or funds until needed or until a correction is made by legislative action later taken.

(g) FUNDING.--The amounts reserved under the National Tobacco Policy and Youth Smoking Reduction Act shall remain available to implement legislative proposals for tobacco which may enacted after, and in connection with, the report issued by the Secretary under this Act.

the Secretary of Agriculture shall develop and submit to Congress a report addressing and weighing legislative options to provide long-term economic assistance to tobacco farmers and tobacco dependent communities.

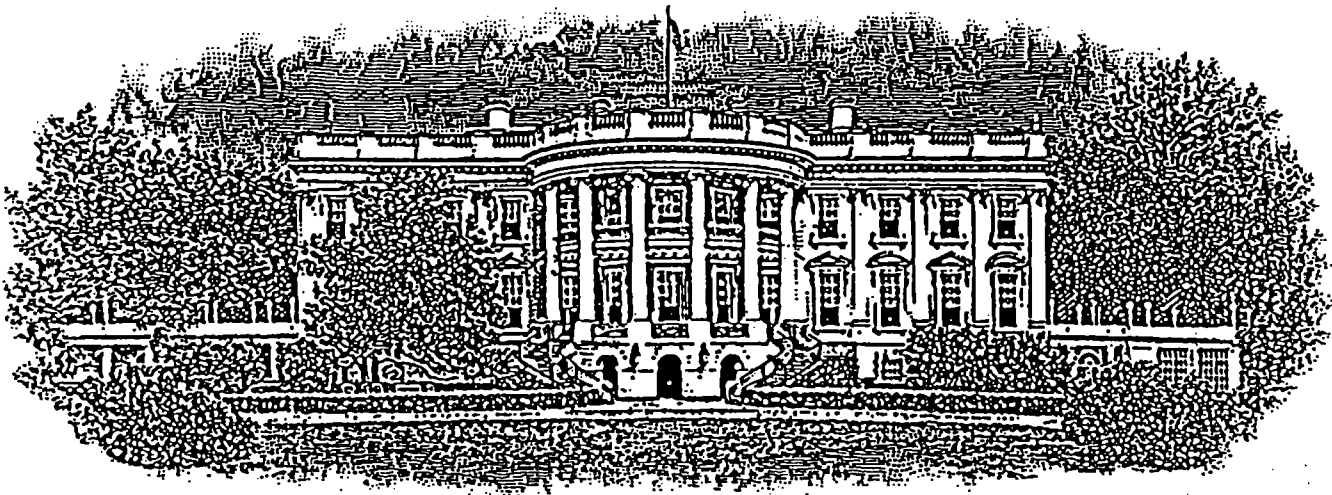
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- (4) Fairness to non-tobacco commodity growers and agriculturally dependent communities.
- (5) The competing needs that may apply between different kinds and types of tobacco.

(c) ECONOMIC IMPACT.-- To the extent practicable, the options addressed in the report shall emphasize, and be limited to, those proposals that would:

# The White House



DOMESTIC POLICY

## FACSIMILE TRANSMISSION COVER SHEET

TO: Roy Murray / Dave Rogers

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TELEPHONE NUMBER: \_\_\_\_\_

FROM: \_\_\_\_\_

TELEPHONE NUMBER: Tom Freebman

PAGES (INCLUDING COVER): 4

COMMENTS: \_\_\_\_\_

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## Draft of Legislative Language to Implement LEAF-LUGAR Compromise

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(e) EXPEDITED CONSIDERATION.-- It is the sense of Congress that upon filing of the report by the Secretary, the Congress should act expeditiously to consider legislative

changes for tobacco and that such period of consideration by the Congress should not be greater than three months.

(f) FUNDING.--The amounts reserved under the National Tobacco Policy and Youth Smoking Reduction Act shall remain available to implement legislative proposals for tobacco which may enacted after, and in connection with, the report issued by the Secretary under this Act.

## FAX COVER SHEET

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## FROM:

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COMMENTS: *Tom - I have resubmitted yesterday's version and included today's version which includes language to provide an incentive to Congress to act on "Tobacco Farmer" legislation later. There are several ways to structure this provision. This language reflects only one of those approaches. If the concept is sound but this approach is problematic, let me know and I can rework*

Dallas — here is my revised version of your draft in which I have done a few edits in addition to those that I listed in my last email to you — Terry Jackson, June 9, 1998

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