TOBACCO SETTLEMENT LEGISLATION
OFFERED BY REPRESENTATIVE SCOTTY BAESLER

1. Provisions for the future of the tobacco program. Establish by contract with tobacco companies and in legislation that the tobacco program will be perpetual and for the life of the comprehensive settlement with the tobacco industry.

2. Tobacco quotas. Agree by contract with the manufacturers and the farmers that the buying intentions will remain at a level equal to or exceeding the level set for 1997, which is 700 million pounds for burley tobacco, and at the 1997 support price. This contract between the companies and the farmers will be incorporated into the language of the legislation.

3. The federal program. The companies will agree by contract and legislation that they will pay of the cost of the tobacco program incurred by the federal government.

4. Crop insurance. Manufacturers will agree to assume all of the federal government's losses related to the federal crop insurance program.

5. Domestic content. Requiring cigarette companies to use up to 75 percent American-grown leaf in their product. Current law sets the U.S. percentage at 75 percent.

John Townsend

buy-out

Ethridge

— drafting

→ modeled after Ford

plan

— includes buy-out

— What price

— lower buy-out

— price

Feb 26

Legal — 15

Feb 18-21