Tobacco - Jeffords B.

Schaefer Pleased By Armey Electricity Dereg Pledge

Include **House Commerce Energy and Power Subcommittee Chairman Dan Schaefer**, R-Colo., among those who were surprised by **Majority Leader Armey**'s decision this week to list electric utility deregulation as a top priority this year.

ENERGY

"I didn't expect that it was going to get priority [treatment]," Schaefer said in an interview Thursday, "[although] we pretty well knew that something was going to be tried and pushed out of committee and onto the floor."

Schaefer added that his staff has been working with Democrats for the last few months "trying to come up with a good consensus option" to the comprehensive electricity restructuring bill crafted last year by his staff.

Democratic aides said talks have been ongoing between the respective staffs, but indicated those talks have not resulted in the cooperative drafting of any new proposals.

No markup date has been set for the bill, but Schaefer indicated **House Commerce Chairman Bliley** will take his lead from him.

Bliley will schedule a markup when it becomes clear that "I have the votes," Schaefer said.

Among House Republicans, Schaefer said he is confident that support will be broad. "I know where our side is on this, and we have a number of votes already," he said.

But Schaefer conceded the provision of his bill designating a date certain by which all consumers would have access to a competitive market place will be a tough sell on both sides of the aisle. "We've got to make a persuasive argument," he said.

Schaefer also said the Dec. 15, 2000 target date specified in his legislation may slip, "but we must have a date certain. People don't want a patchwork type of situation in this country."

Schaefer scoffed at the notion that his bill would hurt "the little guy," a criticism leveled by public power and rural electric interests that want the states to take the lead on restructuring.

"I don't buy that argument about the 'little guy,'" Schaefer said. "If I did, then I wouldn't support the bill. They're grasping at straws."

Schaefer also dismissed the idea that a stand-alone measure to repeal the Public Utility Holding Company Act will get anywhere in the House, saying there is no reason to take such action outside the context of a larger bill.

House Democrats expressed cautious optimism on Schaefer's efforts, with one key staffer saying, "It's not impossible, but there's not a lot of time left."

In the Senate, reaction to Armey's decision has been mixed. Some Democrats believe action in the House could exert sufficient pressure on **Energy and Natural Resources Chairman Murkowski** to change his mind about holding off on moving a similar bill this year.

But a Murkowski spokesman said House action on the matter should have little bearing on the chairman's decisions.

Jeffords Introduces Measure To Reduce Teen Smoking

Senate Labor and Human Resources Chairman Jeffords Thursday unveiled his "Preventing Addiction To Smoking Among Teens Act" — the so-called PAST Act — that would reserve for Congress, and remove from the FDA, the ultimate authority to ban nicotine at some time in the future.

HEALTH

The bill, which addresses the public health aspects of the global tobacco settlement that are under the jurisdiction of Jeffords' committee, would allow the FDA to regulate nicotine as a separate category — removing the industry's challenge to the FDA's authority to regulate cigarettes under its device authority, as it does currently.

The bill also would impose drastically harsher penalties than the tobacco settlement for failure by tobacco companies to reduce teen smoking — with fines rising to $400 million for each percentage point if cigarette makers are more than 6 percent above the reduction target.

Although Jeffords would provide the same amount of money for public health programs as envisioned under the tobacco settlement — about $3 billion to $6 billion — an aide denied the provision indicates that Jeffords supports the amount of remuneration from the industry required under the settlement.

At a news conference, Jeffords made few comments on aspects of the settlement beyond his committee's jurisdiction, saying he did not have an opinion "to articulate" on the question of granting the industry immunity from civil suits.

However, Jeffords said he supports a bill offered by **Senate Judiciary Chairman Hatch** that would grant the industry the type of immunity it seeks.

The Jeffords bill is one of a series of documents requested by **Senate Majority Whip Nickles**, who is leading the official Republican tobacco effort, from the chairmen of committees with jurisdiction over the tobacco settlement.

Asked if the goal of the procedure was to cobble together a bill out of the various committee measures, Jeffords said, "That's what we want to do."

Nickles wants the proposals by March 16, and a Jeffords aide said the Senate panel will mark up the chairman's bill by that date.

Joining Jeffords Thursday at an afternoon press conference were two cosponsors of his bill: **Sens. Susan Collins**, R-Maine, and **Michael Enzi**, R-Wyo.

Enzi is developing what he calls a "Smoker's Compensation Fund" modeled on workers compensation funds that already exist in the states.

The fund would be designed to compel tobacco industry payments and direct those payments solely for funding the costs of smoker-related illnesses.