section shall be used to carry out--

(i) economic development activities described in subparagraph (E) or (F) of paragraph (1); or

(ii) agriculture-based rural development activities described in paragraph (1)(G).

(B) TECHNICAL ASSISTANCE ACTIVITIES.--Not less than 4 percent of the amounts received by a State under this section shall be used to carry out technical assistance activities described in paragraph (1)(G).

(C) TOBACCO-GROWING COUNTIES.--To be eligible to receive payments under this section, a State shall demonstrate to the Secretary that funding will be provided, during each 5-year period for which funding is provided under this section, for activities in each county in the State that has been determined under paragraph (2) to have in excess of $100,000 in income derived from the production of tobacco, in amounts that are at least equal to the product obtained by multiplying--

(i) the ratio that the tobacco production income in the county determined under paragraph (2) bears to the total tobacco production income for the State determined under subsection (c); by

(ii) 50 percent of the total amounts received by a State under this section during the 5-year period.

(f) PREFERENCES IN HIRING.--A State may require recipients of funds under this section to provide a preference in employment to--

(1) an individual who--

(A) during the 1996 calendar year, was employed in the manufacture, processing, or warehousing of tobacco or tobacco products, or resided, in a county described in subsection (e)(2); and

(B) is eligible for assistance under the tobacco worker transition program established under section 301; or

(2) an individual who--

(A) during the 1996 marketing year, carried out tobacco quota or relevant tobacco production activities in a county described in subsection (e)(2);

(B) is eligible for a farmer opportunity grant under subpart 9 of part A of title IV of the Higher Education Act of 1965; and

(C) has successfully completed a course of study at an institution of higher education.

!!SEC. 204. MODIFICATIONS IN FEDERAL TOBACCO PROGRAMS.!!

(a) PROGRAM REFERENDA.--Section 312(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1312(c)) is amended--

(1) by striking "(c) Within thirty" and inserting the following:

"(c) REFERENDA ON QUOTAS.--

"(1) IN GENERAL.--Not later than 30"; and

(2) by adding at the end the following:

"(2) REFERENDA ON PROGRAM CHANGES.--

"(A) IN GENERAL.--In the case of any kind of tobacco for which marketing quotas are in effect, on the receipt of a petition from more than 5 percent of the producers of that kind of tobacco in a State, the Secretary shall conduct a statewide referendum on any proposal related to the lease and transfer of tobacco quota within a State requested by the petition that is authorized under this part.

"(B) APPROVAL OF PROPOSALS.--If a majority of producers of the kind of tobacco in the State approve a proposal in a referendum conducted under subparagraph (A), the Secretary shall implement the proposal in a manner thatapplies to all producers and quota holders of that kind of tobacco in the State.".

(b) PURCHASE REQUIREMENTS.--Section 320B of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1314h) is amended--

(1) in subsection (c), by striking paragraph (1) and inserting the following:

"(1) 105 percent of the average market price for the kind of tobacco involved during the preceding marketing year; by"; and

(2) by striking subsection (d) and inserting the following:

"(d) USE OF PENALTY PAYMENTS.--An amount equivalent to each penalty collected by the Secretary under this section shall be transmitted by the Secretary to the Secretary of the Treasury for deposit in the Tobacco Community Revitalization Trust Fund established under section 101 of the LEAF Act.".

(c) ELIMINATION OF TOBACCO MARKETING ASSESSMENT.--

(1) IN GENERAL.--Section 106 of the Agricultural Act of 1949 (7 U.S.C. 1445(g)) is amended by striking subsection (g).

(2) CONFORMING AMENDMENT.--Section 422(c) of the Uruguay Round Agreements Act (Public Law 10309465; 7 U.S.C. 1445 note) is amended by striking "section 106(g), 106A, or 106B of the Agricultural Act of 1949 (7 U.S.C. 1445(g), 1445091, or 1445092)" and inserting "section 106A or 106B of the Agricultural Act of 1949 (7 U.S.C. 1445091, 1445092)".

!!TITLE III--FARMER AND WORKER TRANSITION ASSISTANCE!!

!!SEC. 301. TOBACCO WORKER TRANSITION PROGRAM.!!

(a) GROUP ELIGIBILITY REQUIREMENTS.--

(1) CRITERIA.--A group of workers (including workers in any firm or subdivision of a firm involved in the manufacture, processing, or warehousing of tobacco or tobacco products) shall be certified as eligible to apply for adjustment assistance under this section pursuant to a petition filed under subsection (b) if the Secretary of Labor determines that a significant number or proportion of the workers in such workers' firm or an appropriate subdivision of the firm have become totally or partially separated, or are threatened to become totally or partially separated, and--

(A) the sales or production, or both, of such firm or subdivision have decreased absolutely; and

(B) the implementation of the national tobacco settlement contributed importantly to such workers' separation or threat of separation and to the decline in the sales or production of such firm or subdivision.

(2) DEFINITION OF CONTRIBUTED IMPORTANTLY.--In paragraph (1)(B), the term "contributed importantly" means a cause that is important but not necessarily more important than any other cause.

(3) REGULATIONS.--The Secretary shall issue regulations relating to the application of the criteria described in paragraph (1) in making preliminary findings under subsection (b) and determinations under subsection (c).

(b) PRELIMINARY FINDINGS AND BASIC ASSISTANCE.--

(1) FILING OF PETITIONS.--A petition for certification of eligibility to apply for adjustment assistance under this section may be filed by a group of workers (including workers in any firm or subdivision of a firm involved in the manufacture, processing, or warehousing of tobacco or tobacco products) or by their certified or recognized union or other duly authorized representative with the Governor of the State in which such workers' firm or subdivision thereof is located.

(2) FINDINGS AND ASSISTANCE.--Upon receipt of a petition under paragraph (1), the Governor shall--

(A) notify the Secretary that the Governor has received the petition;

(B) within 10 days after receiving the petition--

(i) make a preliminary finding as to whether the petition meets the criteria described in subsection (a)(1); and

(ii) transmit the petition, together with a statement of the finding under clause (i) and reasons for the finding, to the Secretary for action under subsection (c); and

(C) if the preliminary finding under subparagraph (B)(i) is affirmative, ensure that rapid response and basic readjustment services authorized under other Federal laws are made available to the workers.

(c) REVIEW OF PETITIONS BY SECRETARY; CERTIFICATIONS.--

(1) IN GENERAL.--The Secretary, within 30 days after receiving a petition under subsection (b)(2)(B)(ii), shall determine whether the petition meets the criteria described in subsection (a)(1). Upon a determination that the petition meets such criteria, the Secretary shall issue to workers covered by the petition a certification of eligibility to apply for the assistance described in subsection (d).

(2) DENIAL OF CERTIFICATION.--Upon the denial of a certification with respect to a petition under paragraph (1), the Secretary shall review the petition in accordance with the requirements of other applicable assistance programs to determine if the workers may be certified under such other provisions.

(d) COMPREHENSIVE ASSISTANCE.--

(1) IN GENERAL.--Workers covered by a certification issued by the Secretary under subsection (c)(1) shall be provided with benefits and services described in paragraph (2) in the same manner and to the same extent as workers covered under a certification under subchapter A of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.), except that the total amount of payments under this section for any fiscal year shall not exceed $50,000,000.

(2) BENEFITS AND SERVICES.--The benefits and services described in this paragraph are the following:

(A) Employment services of the type described in section 235 of the Trade Act of 1974 (19 U.S.C. 2295).

(B) Training described in section 236 of the Trade Act of 1974 (19 U.S.C. 2296), except that notwithstanding the provisions of section 236(a)(2)(A) of such Act, the total amount of payments for training under this section for any fiscal year shall not exceed $25,000,000.

(C) Tobacco worker readjustment allowances, which shall be provided in the same manner as trade readjustment allowances are provided under part I of subchapter B of chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2291 et seq.), except that--

period; or

(II) the last daynd

231(c) of such Act (19 U.S.C. 2291(a)(5)(C), 2291(c)), authorizing the payment of trade readjustment allowances upon a finding that it is not feasible or appropriate to approve a training program for a worker, shall not be applicable to payment of allowances under this section; and

(ii) notwithstanding the provisions of section 233(b) of such Act (19 U.S.C. 2293(b)), in order for a worker to qualify for tobacco readjustment allowances under this section, the worker shall be enrolled in a training program approved by the Secretary of the type described in section 236(a) of such Act (19 U.S.C. 2296(a)) by the later of--

(I) the last day of the 16th week of such worker's initial unemployment compensation benefit period; or

(II) the last day of the 6th week after the week in which the Secretary issues a certification covering such worker.

In cases of extenuating circumstances relating to enrollment of a worker in a training program under this section, the Secretary may extend the time for enrollment for a period of not to exceed 30 days.

(D) Job search allowances of the type described in section 237 of the Trade Act of 1974 (19 U.S.C. 2297).

(E) Relocation allowances of the type described in section 238 of the Trade Act of 1974 (19 U.S.C. 2298).

(e) INELIGIBILITY OF INDIVIDUALS RECEIVING PAYMENTS FOR LOST TOBACCO QUOTA.--No benefits or services may be provided under this section to any individual who has received payments for lost tobacco quota under section 201.

(f) FUNDING.--Of the amounts in the Trust Fund, the Secretary may use not to exceed $50,000,000 for each of fiscal years 1999 through 2008 to provide assistance under this section.

(g) EFFECTIVE DATE.--This section shall take effect on the date that is the later of--

(1) October 1, 1998; or

(2) the date on which legislation implementing the national tobacco settlement is enacted.

(h) TERMINATION DATE.--No assistance, vouchers, allowances, or other payments may be provided under this section after the date that is the earlier of--

(1) the date that is 10 years after the effective date of this section under subsection (g); or

(2) the date on which legislation establishing a program providing dislocated workers with comprehensive assistance substantially similar to the assistance provided by this section becomes effective.

!!SEC. 302. FARMER OPPORTUNITY GRANTS.!!

Part A of title IV of the Higher Education Act of 1965 (20 U.S.C. 1070 et seq.) is amended by adding at the end the following:

!!"SUBPART 9--FARMER OPPORTUNITY GRANTS!!

!!"SEC. 420D. STATEMENT OF PURPOSE.!!

"It is the purpose of this subpart to assist in making available the benefits of postsecondary education to eligible students (determined in accordance with section 420F) in institutions of higher education by providing farmer opportunity grants to all eligible students.

!!"SEC. 420E. PROGRAM AUTHORITY; AMOUNT AND DETERMINATIONS; APPLICATIONS.!!

"(a) PROGRAM AUTHORITY AND METHOD OF DISTRIBUTION.--

"(1) PROGRAM AUTHORITY.--From amounts made available under section 101(d)(5) of the LEAF Act, the Secretary, during the period beginning July 1, 1999, and ending September 30, 2024, shall pay to each eligible institution such sums as may be necessary to pay to each eligible student (determined in accordance with section 420F) for each academic year during which that student is in attendance at an institution of higher education, as an undergraduate, a farmer opportunity grant in the amount for which that student is eligible, as determined pursuant to subsection (b). Not less than 85 percent of such sums shall be advanced to eligible institutions prior to the start of each payment period and shall be based upon an amount requested by the institution as needed to pay eligible students, except that this sentence shall not be construed to limit the authority of the Secretary to place an institution on a reimbursement system of payment.

"(2) CONSTRUCTION.--Nothing in this section shall be construed to prohibit the Secretary from paying directly to students, in advance of the beginning of the academic term, an amount for which the students are eligible, in cases where the eligible institution elects not to participate in the disbursement system required by paragraph (1).

"(3) DESIGNATION.--Grants made under this subpart shall be known as `farmer opportunity grants'.

"(b) AMOUNT OF GRANTS.--

"(1) AMOUNTS.--

"(A) IN GENERAL.--The amount of the grant for a student eligible under this subpart shall be--

"(i) $1,700 for each of the academic years 1999-2000 through 2003-2004;

"(ii) $2,000 for each of the academic years 2004-2005 through 2008-2009;

"(iii) $2,300 for each of the academic years 2009-2010 through 2013-2014;

"(iv) $2,600 for each of the academic years 2014-2015 through 2018-2019; and

"(v) $2,900 for each of the academic years 2019-2020 through 2023-2024.

"(B) PART-TIME RULE.--In any case where a student attends an institution of higher education on less than a full-time basis (including a student who attends an institution of higher education on less than a half-time basis) during any academic year, the amount of the grant for which that student is eligible shall be reduced in proportion to the degree to which that student is not so attending on a full-time basis, in accordance with a schedule of reductions established by the Secretary for the purposes of this subparagraph, computed in accordance with this subpart. Such schedule of reductions shall be established by regulation and published in the Federal Register.

"(2) MAXIMUM.--No grant under this subpart shall exceed the cost of attendance (as described in section 472) at the institution at which that student is in attendance. If, with respect to any student, it is determined that the amount of a grant exceeds the cost of attendance for that year, the amount of the grant shall be reduced to an amount equal to the cost of attendance at such institution.

"(3) PROHIBITION.--No grant shall be awarded under this subpart to any individual who is incarcerated in any Federal, State, or local penal institution.

"(c) PERIOD OF ELIGIBILITY FOR GRANTS.--

"(1) IN GENERAL.--The period during which a student may receive grants shall be the period required for the completion of the first undergraduate baccalaureate course of study being pursued by that student at the institution at which the student is in attendance, except that any period during which the student is enrolled in a noncredit or remedial course of study as described in paragraph (2) shall not be counted for the purpose of this paragraph.

"(2) CONSTRUCTION.--Nothing in this section shall be construed to--

"(A) exclude from eligibility courses of study that are noncredit or remedial in nature and that are determined by the institution to be necessary to help the student be prepared for the pursuit of a first undergraduate baccalaureate degree or certificate or, in the case of courses in English language instruction, to be necessary to enable the student to utilize already existing knowledge, training, or skills; and

"(B) exclude from eligibility programs of study abroad that are approved for credit by the home institution at which the student is enrolled.

"(3) PROHIBITION.--No student is entitled to receive farmer opportunity grant payments concurrently from more than 1 institution or from the Secretary and an institution.

"(d) APPLICATIONS FOR GRANTS.--

"(1) IN GENERAL.--The Secretary shall from time to time set dates by which students shall file applications for grants under this subpart. The filing of applications under this subpart shall be coordinated with the filing of applications under section 401(c).

"(2) INFORMATION AND ASSURANCES.--Each student desiring a grant for any year shall file with the Secretary an application for the grant containing such information and assurances as the Secretary may deem necessary to enable the Secretary to carry out the Secretary's functions and responsibilities under this subpart.

"(e) DISTRIBUTION OF GRANTS TO STUDENTS.--Payments under this section shall be made in accordance with regulations promulgated by the Secretary for such purpose, in such manner as will best accomplish the purpose of this section. Any disbursement allowed to be made by crediting the student's account shall be limited to tuition and fees and, in the case of institutionally owned housing, room and board. The student may elect to have the institution provide other such goods and services by crediting the student's account.

"(f) INSUFFICIENT FUNDING.--If, for any fiscal year, the funds made available to carry out this subpart from the Tobacco Community Revitalization Trust Fund are insufficient to satisfy fully all grants for students determined to be eligible under section 420F, the amount of the grant provided under subsection (b) shall be reduced on a pro rata basis among all eligible students.

"(g) TREATMENT OF INSTITUTIONS AND STUDENTS UNDER OTHER LAWS.--Any institution of higher education that enters into an agreement with the Secretary to disburse to students attending that institution the amounts those students are eligible to receive under this subpart shall not be deemed, by virtue of such agreement, to be a contractor maintaining a system of records to accomplish a function of the Secretary. Recipients of farmer opportunity grants shall not be considered to be individual grantees for purposes of the Drug-Free Workplace Act of 1988 (41 U.S.C. 701 et seq.).

!!"SEC. 420F. STUDENT ELIGIBILITY.!!

"(a) IN GENERAL.--In order to receive any grant under this subpart, a student shall--

"(1) be a member of a tobacco farm family in accordance with subsection (b);

"(2) be enrolled or accepted for enrollment in a degree, certificate, or other program (including a program of study abroad approved for credit by the eligible institution at which such student is enrolled) leading to a recognized educational credential at an institution of higher education that is an eligible institution in accordance with section 487, and not be enrolled in an elementary or secondary school;

"(3) if the student is presently enrolled at an institution of higher education, be maintaining satisfactory progress in the course of study the student is pursuing in accordance with subsection (c);

"(4) not owe a refund on grants previously received at any institution of higher education under this title, or be in default on any loan from a student loan fund at any institution provided for in part D, or a loan made, insured, or guaranteed by the Secretary under this title for attendance at any institution;

"(5) file with the institution of higher education that the student intends to attend, or is attending, a document, that need not be notarized, but that shall include--

"(A) a statement of educational purpose stating that the money attributable to such grant will be used solely for expenses related to attendance or continued attendance at such institution; and

"(B) such student's social security number; and

"(6) be a citizen of the United States.

"(b) TOBACCO FARM FAMILIES.--

"(1) IN GENERAL.--For the purpose of subsection (a)(1), a student is a member of a tobacco farm family if during calendar year 1996 the student was--

"(A) an individual who--

"(i) is an active tobacco producer (as defined in section 2 of the LEAF Act); or

"(ii) is otherwise actively engaged in the production of tobacco;

"(B) a spouse, son, daughter, stepson, or stepdaughter of an individual described in subparagraph (A);

"(C) an individual--

"(i) who was a brother, sister, stepbrother, stepsister, son-in-law, or daughter-in-law of an individual described in subparagraph (A); and

"(ii) whose principal place of residence was the

home of the individual described in subparagraph (A); or
"(D) an individual who was a dependent (within the meaning of section 152 of the Internal Revenue Code of 1986) of an individual described in subparagraph (A).

"(2) ADMINISTRATION.--On request, the Secretary of Agriculture shall provide to the Secretary such information as is necessary to carry out this subsection.

"(c) SATISFACTORY PROGRESS.--

"(1) IN GENERAL.--For the purpose of subsection (a)(3), a student is maintaining satisfactory progress if--

"(A) the institution at which the student is in attendance reviews the progress of the student at the end of each academic year, or its equivalent, as determined by the institution; and

"(B) the student has at least a cumulative C average or its equivalent, or academic standing consistent with the requirements for graduation, as determined by the institution, at the end of the second such academic year.

"(2) SPECIAL RULE.--Whenever a student fails to meet the eligibility requirements of subsection (a)(3) as a result of the application of this subsection and subsequent to that failure the student has academic standing consistent with the requirements for graduation, as determined by the institution, for any grading period, the student may, subject to this subsection, again be eligible under subsection (a)(3) for a grant under this subpart.

"(3) WAIVER.--Any institution of higher education at which the student is in attendance may waive paragraph (1) or (2) for undue hardship based on--

"(A) the death of a relative of the student;

"(B) the personal injury or illness of the student; or

"(C) special circumstances as determined by the institution.

"(d) STUDENTS WHO ARE NOT SECONDARY SCHOOL GRADUATES.--In order for a student who does not have a certificate of graduation from a school providing secondary education, or the recognized equivalent of such certificate, to be eligible for any assistance under this subpart, the student shall meet either 1 of the following standards:

"(1) EXAMINATION.--The student shall take an independently administered examination and shall achieve a score, specified by the Secretary, demonstrating that such student can benefit from the education or training being offered. Such examination shall be approved by the Secretary on the basis of compliance with such standards for development, administration, and scoring as the Secretary may prescribe in regulations.

"(2) DETERMINATION.--The student shall be determined as having the ability to benefit from the education or training in accordance with such process as the State shall prescribe. Any such process described or approved by a State for the purposes of this section shall be effective 6 months after the date of submission to the Secretary unless the Secretary disapproves such process. In determining whether to approve or disapprove such process, the Secretary shall take into account the effectiveness of such process in enabling students without secondary school diplomas or the recognized equivalent to benefit from the instruction offered by institutions utilizing such process, and shall also take into account the cultural diversity, economic circumstances, and educational preparation of the populations served by the institutions.

"(e) SPECIAL RULE FOR CORRESPONDENCE COURSES.--A student shall not be eligible to receive a grant under this subpart for a correspondence course unless such course is part of a program leading to an associate, bachelor, or graduate degree.

"(f) COURSES OFFERED THROUGH TELECOMMUNICATIONS.--

"(1) RELATION TO CORRESPONDENCE COURSES.--A student enrolled in a course of instruction at an eligible institution of higher education (other than an institute or school that meets the definition in section 521(4)(C) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C. 2471(4)(C))) that is offered in whole or in part through telecommunications and leads to a recognized associate, bachelor, or graduate degree conferred by such institution shall not be considered to be enrolled in correspondence courses unless the total amount of telecommunications and correspondence courses at such institution equals or exceeds 50 percent of such courses.

"(2) RESTRICTION OR REDUCTIONS OF FINANCIAL AID.--A student's eligibility to receive a grant under this subpart may be reduced if a financial aid officer determines under the discretionary authority provided in section 479A that telecommunications instruction results in a substantially reduced cost of attendance to such student.

"(3) DEFINITION.--For the purposes of this subsection, the term `telecommunications' means the use of television, audio, or computer transmission, including open broadcast, closed circuit, cable, microwave, or satellite, audio conferencing, computer conferencing, or video cassettes or discs, except that such term does not include a course that is delivered using video cassette or disc recordings at such institution and that is not delivered in person to other students of that institution.

"(g) STUDY ABROAD.--Nothing in this subpart shall be construed to limit or otherwise prohibit access to study abroad programs approved by the home institution at which a student is enrolled. An otherwise eligible student who is engaged in a program of study abroad approved for academic credit by the home institution at which the student is enrolled shall be eligible to receive a grant under this subpart, without regard to whether such study abroad program is required as part of the student's degree program.

"(h) VERIFICATION OF SOCIAL SECURITY NUMBER.--The Secretary, in cooperation with the Commissioner of Social Security, shall verify any social security number provided by a student to an eligible institution under subsection (a)(5)(B) and shall enforce the following conditions:

"(1) PENDING VERIFICATION.--Except as provided in paragraphs (2) and (3), an institution shall not deny, reduce, delay, or terminate a student's eligibility for assistance under this subpart because social security number verification is pending.

"(2) DENIAL OR TERMINATION.--If there is a determination by the Secretary that the social security number provided to an eligible institution by a student is incorrect, the institution shall deny or terminate the student's eligibility for any grant under this subpart until such time as the student provides documented evidence of a social security number that is determined by the institution to be correct.

"(3) CONSTRUCTION.--Nothing in this subsection shall be construed to permit the Secretary to take any compliance, disallowance, penalty, or other regulatory action against--

"(A) any institution of higher education with respect to any error in a social security number, unless such error was a result of fraud on the part of the institution; or

"(B) any student with respect to any error in a social security number, unless such error was a result of fraud on the part of the student.".

!!TITLE IV--IMMUNITY!!

!!SEC. 401. GENERAL IMMUNITY FOR TOBACCO PRODUCERS AND WAREHOUSERS.!!

Notwithstanding any other provision of this Act, an active tobacco producer, tobacco-related growers association, or tobacco warehouse owner or employee may not be subject to liability in any Federal or State court for any cause of action resulting from the failure of any tobacco product manufacturer, distributor, or retailer to comply with national tobacco settlement legislation.

There are no more items to read.

Enter one or more numbers or ALL to display item(s),
Enter another display command and one or more numbers or ALL,
Enter MARK or SAVE and one or more numbers to limit or save your set,
Enter SMARTMATCH and a number to find comparable items,
Or enter BACK, HELP, or STOP
>

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COMMITTEES
AGRICULTURE, NUTRITION, AND FORESTRY
FINANCE
BUDGET
INDIAN AFFAIRS

United States Senate

WASHINGTON, DC 20510-3403

October 29, 1997

The Honorable Donna Shalala
Secretary of Health and Human Services
200 Independence Ave SW
Washington, DC 20201-0004

Bruce Reed
Assistant to the President for Domestic Policy
The White House
Washington, DC 20500

Dear Secretary Shalala and Mr. Reed:

I am writing to thank you for briefing the Senate Democratic Task Force on Tobacco during the course of the Administration's review of the proposed tobacco settlement, and to seek your further assistance as the task force moves forward to draft comprehensive tobacco legislation.

As I have said, I believe the President was right to focus on youth smoking. If we are to be reasonably confident that comprehensive tobacco legislation will result in significant declines in youth smoking rates, it is essential that the task force better understand the effects of price increases and penalties on youth smoking, and the overall economic effects of such changes. The task force has heard a great deal of sometimes conflicting information on these points. In order to help clarify this set of issues, it would be most helpful if you could provide me with your analysis on the following issues:

1. The President has called for an increase in tobacco prices of $1.50 in a combination of price increases and penalties. The tobacco industry argues that a number of exogenous factors, including inflation, should be counted in determining the size of the price increase. However, most economists believe that only real price increases, not nominal price increases, should be included in this calculation. As the Administration analyzes the effects of price increases on tobacco consumption, the incidence of smoking, and the profitability of the tobacco industry and other industries in the tobacco supply chain, which price increases are relevant to the analysis? In particular, should inflation or exogenous price increases (for example, the ongoing trend of increased state and local sales and excise taxes) be taken into account, or should only those price increases directly attributable to the proposed settlement or comprehensive legislation be considered?

2. What are the implications of different levels of price increases on tobacco consumption, adult smoking rates, youth smoking rates, tobacco industry profitability and share prices, tobacco

farmer profitability, tobacco wholesalers and retailers, and state and local tax revenues? For example, what would be the effects of the proposed settlement? What would be the effects of a 75 cent per pack increase? $1.00 per pack? $1.25 per pack? $1.50 per pack? $1.75 per pack? $2.00 per pack? $3.00 per pack?

3. Some analysts suggest that sudden, dramatic price increases have a greater effect on smoking rates than a series of smaller price increases. How is the above analysis affected by the timing of the price increases?

4. The proposed settlement envisions companies paying per pack amounts into a settlement fund, and covering these payments through an increase in the price of tobacco products. The settlement contains an anti-trust exemption, in part to ensure that companies raise prices in concert. Others have suggested that the price increase should be effectuated through an increase in the Federal excise tax or through a public health user fee imposed on a per pack basis. What are the pros and cons of these three approaches?

5. If price were the only factor affecting smoking rates, how big a price increase would be required to achieve the youth smoking targets called for in the settlement? How much "credit" should be given for the non-price policy changes proposed in the settlement?

6. How big a price increase would be required to offset the costs of smoking-related illnesses to the Federal government (including Medicare, Medicaid, veterans benefits, CHAMPUS and FEHBP) over the next 25 years?

7. The President called for a $1.50 per pack increase in cigarette prices in a combination of price increases and penalties for missing the youth smoking targets. What are the implications for cigarette consumption, smoking rates, industry profitability, farmers, retailers and wholesalers of different combinations of price increases and penalties? For example, how do the effects of a $1.00 price increase and a 50 cent penalty differ from the effects of a 50 cent price increase and a $1.00 penalty? What about 75 cents each? Or a $1.25 price increase and 25 cent penalties?

8. Look-back penalties for missing the youth smoking targets could be structured in several different ways. The following questions would help the task force understand the implications of some potential options for look-back penalties:

A. What are the pros and cons of imposing penalties on an industry-wide, company specific, or brand specific basis? Would some combination of these approaches make more sense, and why? If the penalties are imposed on a company or brand specific basis, is there justification for a de minimis exemption? Does this create a potential loophole?

B. What are the implications of collecting this penalty as a tax increase collected on each pack sold in the year following a year in which the youth smoking target was missed versus a one-time payment in the following year assessed on the basis of a per pack charge for each pack sold during the year in which the target was missed? If the former option were adopted, would there be administrative difficulties with assessing different per pack taxes on different brands or computing the size of the tax in time to impose the tax at the beginning of a calendar year?

C. Penalties could be assessed as a flat fee or per pack charge that does not vary no matter how much the youth smoking target is missed, or it could be structured to ramp up steeply as the distance from the target increases. What are the pros and cons of different ways of graduating the penalty depending on the amount by which the target is missed?

Your input on these important economic questions will be most helpful to the task force.

In addition, it would be helpful if you could expand on the President's statement with respect to documents. Many members of our task force believe that the tobacco industry has abused the attorney client privilege to shield documents relating to public health, marketing to children, and the manipulation of nicotine levels. In their view, the document disclosure provisions in the proposed settlement are inadequate. However, many members of the task force are also concerned that removing this privilege might set a dangerous precedent for other situations where the attorney client privilege has been used appropriately. Do you have any suggestions for a system of disclosing important public health documents in the possession of the tobacco industry without undermining the attorney client privilege more generally?

Again, thank you for your helpful input into the task force process. I look forward to working closely with you as the task force proceeds with drafting comprehensive tobacco legislation.

Sincerely,

Kent Conrad

KENT CONRAD
United States Senate

KC:wtom

Waxman bills- all introduced prior to 10/1/97

> n

*** FULL REPORT -- DIGEST, LEGISLATIVE ACTION, COSPONSORS, SPEECHES ***

MEASURE: HR1771

SPONSOR: Waxman (D-CA)

BRIEF TITLE: Smoke Free Environment Act of 1997.

OFFICIAL TITLE: A bill to amend the Public Health Service Act to protect the public from health hazards caused by exposure to environmental tobacco smoke, and for other purposes.

QUICK REFERENCE: Ban smoking in all public buildings and on airline flights

INTRODUCED: 06/03/97

COSPONSORS: 5 (Dems: 4 Reps: 1 Ind: 0)

COMMITTEES: House Transportation and Infrastructure
House Commerce

RELATED BILLS: See S826

CQ BILLWATCH BRIEF:

By Emily Pierce, CQ Staff Writer

HR1771 would ban smoking in all public buildings and on all airline flights.

"This bill will help decrease the death rates from a toxic pollutant that exists in the air of our nation's factories, office buildings, retail stores and government facilities," said Frank R. Lautenberg, D-N.J., who sponsored the Senate companion bill (S826). "I am speaking of secondhand smoke ..., which kills tens of thousands of Americans each year." Lautenberg cited a Harvard University study that tracked 32,000 nonsmoking women for 10 years and found that regular exposure at home or at work to secondhand smoke nearly doubled their risk of heart attack.

The bill would require every building -- public or private -- to prohibit smoking, except in areas that are separately ventilated from the rest of the building.

Smoking on all flights from the United States, including international flights, would be banned. Currently, there is a ban on smoking on domestic flights of six hours or less.

CQ BILLWATCH INSIGHT:
No action has been scheduled on HR1771, which was referred to the House

Commerce Committee and Transportation and Infrastructure Committee.

SHORT TITLE AS INTRODUCED:
Smoke-Free Environment Act of 1997

CRS DIGEST:
Smoke-Free Environment Act of 1997 - Amends the Public Health Service Act to require the responsible entity for each public facility to prohibit smoking in the facility and on facility property in the immediate vicinity of the facility entrance. Allows designated smoking areas if: (1) the area is ventilated in accordance with certain specifications; (2) nonsmoking individuals do not have to enter the area for any purpose; and (3) children under 15 are prohibited from entering.

Allows an action to enforce this Act by any aggrieved person, any State or local government agency, or the Administrator of the Environmental Protection Agency. Allows injunctions and civil monetary penalties, but prohibits the award of damages of any kind.

Defines "public facility" as any building regularly entered by ten or more individuals at least one day per week, except for any building or portion thereof regularly used for residential purposes.

Amends Federal transportation law to prohibit smoking in an aircraft in scheduled interstate, intrastate, or foreign flights.

CRS SUBJECT INDEX TERMS:
Air pollution
Actions and defenses
Airline passenger traffic
Airlines
Children
Cigarettes
Communications
Drug abuse
Environmental protection
Federal installations
Federal office buildings
Fines (Penalties)
Indoor air pollution
Injunctions
Law
Legal fees
Medical care
Medicine
Passive smoking
Public buildings
Signs and signboards
Smoking
Smoking and youth
Transportation

CRS SIMILAR BILLS:

S826

LEGISLATIVE ACTION:

06/03/97 Referred to Committee on Commerce, Committee on Transportation and Infrastructure (for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned) (CR p. H3273)

06/03/97 *** Related measure (S826) introduced in Senate. ***

06/03/97 Original Cosponsor(s): 2
Hansen (R-UT) Meehan (D-MA)

09/22/97 Cosponsor(s) added: 3
Davis, D. (D-IL) Faleomavaega (D-AS) Pallone (D-NJ)

*** FULL REPORT -- DIGEST, LEGISLATIVE ACTION, COSPONSORS, SPEECHES ***

MEASURE: HR1772

SPONSOR: Waxman (D-CA)

BRIEF TITLE: NO Tobacco for Kids Act.

OFFICIAL TITLE: A bill to provide for the reduction in the number of children who use tobacco products, and for other purposes.

QUICK REFERENCE: Penalize tobacco companies for selling tobacco products to children

INTRODUCED: 06/03/97

COSPONSORS: 5 (Dems: 4 Reps: 1 Ind: 0)

COMMITTEES: House Commerce

RELATED BILLS: See S201, S828, HR762

CQ BILLWATCH BRIEF:
HR1772 would hold tobacco companies responsible for reducing the number of children who smoke its cigarettes.

The bill would direct the secretary of Health and Human Services to conduct a survey to determine the number of children who used each tobacco manufacturer's products within the previous 30 days.

Within a year, tobacco companies would have to reduce the number of kids who smoke its products by 20 percent. In the third year, it would have to be reduced by 40 percent, the fourth year by 60 percent, the fifth year by 80 percent and every subsequent year after that by 90 percent from the original number.

Manufacturers who fail to reduce the number of child smokers would have to pay a $1 compliance fee for every pack they sold, to anyone, in the previous year. The first $1 billion in fees would go into a fund for enforcement and public education to discourage kids from smoking, and any fees after that would go for deficit reduction.

Supporters said that the bill would give the tobacco companies an opportunity to prove that they are serious about reducing teen smoking. Many critics of the tobacco industry claim that ads that link sexual attraction, sophistication and athletic ability to smoking are meant to appeal to children.

CQ BILLWATCH INSIGHT:
No action has been scheduled on HR1772, which was referred to the House Commerce Committee.

No action is likely on the bill until Congress begins considering the $368.5 billion settlement reached in June 1997 between the tobacco industry and the attorneys general of 40 states suing the companies to recover Medicaid funds spent treating smoking-related illnesses. The agreement must be approved by Congress.

Part of the agreement would penalize the tobacco industry if tobacco use among minors fails to drop 30 percent in five years, 50 percent in 7 years and 60 percent in 10 years. The companies would have to pay $80 million per percentage point that is not achieved, with a maximum payment of $2 billion. The settlement's requirements would be slightly less stringent than HR1772.

SHORT TITLE AS INTRODUCED:
NO Tobacco for Kids Act

CRS DIGEST:
NO Tobacco for Kids Act - Directs the Secretary of Health and Human Services to conduct annual surveys to determine the number of children who used each manufacturer's tobacco products. Requires each such manufacturer to make specified annual reductions in child tobacco use, and provides penalties based upon total consumer use for failure to meet such requirements (with reductions for near compliance). Sets forth performance standards for new manufacturers.

Directs that specified amounts of fiscal year penalties shall go to a Tobacco Enforcement and Education Fund in the Treasury, with any excess to go to the Treasury.

Sets forth judicial review provisions.

CRS SUBJECT INDEX TERMS:
Drug abuse
Agriculture
Budgets
Business
Children
Cigarettes
Fines (Penalties)
Government trust funds

Health education
Health policy
Judicial review of administrative acts
Law
Medical care
Medicine
Smokeless tobacco
Smoking and youth
Surveys
Tobacco
Tobacco industry--Standards

CRS SIMILAR BILLS:
S828

LEGISLATIVE ACTION:

01/23/97 *** Related measure (S201) introduced in Senate. ***

02/13/97 *** Related measure (HR762) introduced in House. ***

06/03/97 Referred to Committee on Commerce (CR p. H3273)

06/03/97 *** Related measure (S828) introduced in Senate. ***

06/03/97 Original Cosponsor(s): 2
Hansen (R-UT) Meehan (D-MA)

09/22/97 Cosponsor(s) added: 3
Faleomavaega (D-AS) Lampson (D-TX) Maloney, C. (D-NY)

*** FULL REPORT -- DIGEST, LEGISLATIVE ACTION, COSPONSORS, SPEECHES ***

MEASURE: HR1881

SPONSOR: Waxman (D-CA)

BRIEF TITLE: Tobacco Accountability Act.

OFFICIAL TITLE: A bill to establish the Tobacco Accountability Board.

QUICK REFERENCE: Establish Tobacco Accountability Board

INTRODUCED: 06/12/97

COSPONSORS: 1 (Dems: 1 Reps: 0 Ind: 0)

COMMITTEES: House Commerce

CQ BILLWATCH BRIEF:

By Emily Pierce, CQ Staff Writer

HR1881 would establish the Tobacco Accountability Board to oversee activities at tobacco companies.

The board could require tobacco manufacturers to submit documents relating to the effects of tobacco use, control of nicotine levels, and marketing to children. Tobacco manufacturers also would have to allow a board-designated representative to attend and participate in companies' executive or board meetings.

The board would have to make tobacco company documents available to the public and investigate and report annually on all matters relating to the tobacco industry.

CQ BILLWATCH INSIGHT:
No action has been scheduled on HR1881, which was referred to the House Commerce Committee.

The bill's future is uncertain because of the June 20, 1997, agreement reached between the tobacco industry and the attorneys general of 40 states suing the companies for Medicaid funds spent to treat smoking-related illnesses. In the agreement, tobacco companies agreed to Food and Drug Administration regulation in exchange for immunity from future lawsuits. The agreement requires congressional approval for issues such as FDA regulation and restrictions on advertising. The fate of HR1881 likely will be on hold until Congress addresses the tobacco settlement.

SHORT TITLE AS INTRODUCED:
Tobacco Accountability Act

CRS DIGEST:
Tobacco Accountability Act - Establishes the Tobacco Accountability Board. Requires tobacco manufacturers to submit to the Board within a specified time all documents in their possession relating to: (1) health effects of tobacco use, including addiction; (2) control of nicotine in tobacco products; (3) tobacco product marketing to children; and (4) a specified legal action. Requires the Board to: (1) make such information available to the public within a specified time; and (2) investigate and report annually on all matters relating to the tobacco industry.

Requires tobacco manufacturers to permit a Board-designated representative to attend and participate in their board or executive meetings.

Amends the Federal Food, Drug, and Cosmetic Act to require compliance with this Act.

LEGISLATIVE ACTION:

06/12/97 Referred to Committee on Commerce (CR p. H3796)

09/24/97 Cosponsor(s) added: 1
Pallone (D-NJ)

Text

> n

HR1771 Waxman (D-CA) 06/03/97 (195 lines)
Introduced in House

To amend the Public Health Service Act to protect the public from health hazards caused by exposure to environmental tobacco smoke, and for other purposes.

Special typefaces used in this bill version:
// \\ Italic
!! !! Bold roman
Item Key: 3845

105TH CONGRESS
1ST SESSION

H. R. 1771

To amend the Public Health Service Act to protect the public from health hazards caused by exposure to environmental tobacco smoke, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

June 3, 1997

Mr. WAXMAN (for himself, Mr. HANSEN, and Mr. MEEHAN) introduced the following bill; which was referred to the Committee on Commerce, and in addition to the Committee on Transportation and Infrastructure, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

======================

A BILL

To amend the Public Health Service Act to protect the public from health hazards caused by exposure to environmental tobacco smoke, and for other purposes.

//Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,\\

!!SECTION 1. SHORT TITLE.!!

This Act may be cited as the "Smoke-Free Environment Act of 1997".

!!SEC. 2. SMOKE-FREE ENVIRONMENT POLICY.!!

The Public Health Service Act is amended by adding the following new title at the end thereof:

"TITLE XXVII--SMOKE-FREE ENVIRONMENTS

!!"SEC. 2701. SMOKE-FREE ENVIRONMENT POLICY.!!

"(a) POLICY REQUIRED.--In order to protect children and adults from cancer, respiratory disease, heart disease, and other adverse health effects from breathing environmental tobacco smoke, the responsible entity for each public facility shall adopt and implement at such facility a smoke-free environment policy which meets the requirements of subsection (b).

"(b) ELEMENTS OF POLICY.--Each smoke-free environment policy for a public facility shall--

"(1) prohibit the smoking of cigarettes, cigars, and pipes, and any other combustion of tobacco, within the facility and on facility property within the immediate vicinity of the entrance to the facility; and

"(2) post a clear and prominent notice of the smoking prohibition in appropriate and visible locations at the public facility.

The policy may provide an exception to the prohibition specified in paragraph (1) for one or more specially designated smoking areas within a public facility if such area or areas meet the requirements of subsection (c).

"(c) SPECIALLY DESIGNATED SMOKING AREAS.--A specially designated smoking area meets the requirements of this subsection if it satisfies each of the following conditions:

"(1) The area is ventilated in accordance with specifications promulgated by the Administrator that insure that air from the area is directly exhausted to the outside and does not recirculate or drift to other areas within the public facility.

"(2) Nonsmoking individuals do not have to enter the area for any purpose.

"(3) Children under the age of 15 are prohibited from entering the area.

!!"SEC. 2702. CITIZEN ACTIONS.!!

"(a) IN GENERAL.--An action may be brought to enforce the requirements of this title by any aggrieved person, any State or local government agency, or the Administrator.

"(b) VENUE.--Any action to enforce this title may be brought in any United States district court for the district in which the defendant resides or is doing business to enjoin any violation of this title or to impose a civil penalty for any such violation in the amount of not more than $5,000 per day of violation. The district courts shall have jurisdiction, without regard to the amount in controversy or the citizenship of the parties, to enforce this title and to impose civil penalties under this title.

"(c) NOTICE.--An aggrieved person shall give any alleged violator notice of at least 60 days prior to commencing an action under this section. No action may be commenced by an aggrieved person under this section if such alleged violator complies with the requirements of this title within such 60-day period and thereafter.

"(d) COSTS.--The court, in issuing any final order in any action brought pursuant to this section, may award costs of litigation (including reasonable attorney and expert witness fees) to any prevailing party, whenever the court determines such award is appropriate.

"(e) PENALTIES.--The court in any action under this section to apply civil penalties shall have discretion to order that such civil penalties be used for pr. REGULATIONS.!!

"The Administrator is authorized to promulgate such regulations as the Administrator deems necessary to carry out this title. ny such projects

"(f) DAMAGES.--No damages of any kind, whether compensatory or punitive, shall be awarded in actions brought pursuant to this title.

"(g) ISOLATED INCIDENTS.--Violations of the prohibition specified in section 2701(b)(1) by an individual within a public facility or on facility property shall not be considered violations of this title on the part of the responsible entity if such violations--

"(1) are isolated incidents that are not part of a pattern of violations of such prohibition; and

"(2) are not authorized by the responsible entity.

!!"SEC. 2703. PREEMPTION.!!

"Nothing in this title shall preempt or otherwise affect any other Federal, State or local law which provides protection from health hazards from environmental tobacco smoke.

!!"SEC. 2704. REGULATIONS.!!

"The Administrator is authorized to promulgate such regulations as the Administrator deems necessary to carry out this title.

!!"SEC. 2705. EFFECTIVE DATE.!!

"The requirements of this title shall take effect on the date one year after the date of the enactment of the Smoke-Free Environment Act of 1997.

!!"SEC. 2706. DEFINITIONS.!!

"As used in this title--

"(1) the term `Administrator' means the Administrator of the Environmental Protection Agency;

"(2) the term `public facility' means any building regularly entered by 10 or more individuals at least one day per week, including any such building owned by or leased to a Federal, State, or local government entity. Such term shall not include any building or portion thereof regularly used for residential purposes; and

"(3) the term `responsible entity' means, with respect to any public facility, the owner of such facility, except that in the case of any such facility or portion thereof which is leased, such term means the lessee.".

!!SEC. 3. PROHIBITIONS AGAINST SMOKING ON SCHEDULED FLIGHTS.!!

(a) IN GENERAL.--Section 41706 of title 49, United States Code, is amended to read as follows:

!!"S1A41706. Prohibitions against smoking on scheduled flights!!

"(a) SMOKING PROHIBITION IN INTRASTATE AND INTERSTATE AIR TRANSPORTATION.--An individual mhall
take effect aircraft on a
scheduled airline flight segment in interstate air transportation or intrastate air transportation.

"(b) SMOKING PROHIBITION IN FOREIGN AIR TRANSPORTATION.--The Secretary of Transportation shall require all air carriers and foreign air carriers to prohibit, on and after the 120th day following the date of the enactment of the Smoke-Free Environment Act of 1997, smoking in any aircraft on a scheduled airline flight segment within the United States or between a place in the United States and a place outside the United States.

"(c) LIMITATION ON APPLICABILITY.--With respect to an aircraft operated by a foreign air carrier, the smoking prohibitions contained in subsections (a) and (b) shall apply only to the passenger cabin and lavatory of the aircraft.

"(d) REGULATIONS.--The Secretary shall prescribe regulations necessary to carry out this section.".

(b) EFFECTIVE DATE.--The amendment made by subsection (a) shall take effect on the 60th day following the date of the enactment of this Act.

HR1772 Waxman (D-CA) 06/03/97 (182 lines)
Introduced in House

To provide for the reduction in the number of children who use tobacco products, and for other purposes.

Special typefaces used in this bill version:
// \\ Italic
!! !! Bold roman
Item Key: 3846

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105TH CONGRESS
1ST SESSION

H. R. 1772

To provide for the reduction in the number of children who use tobacco products, and for other purposes.

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IN THE HOUSE OF REPRESENTATIVES

June 3, 1997

Mr. WAXMAN (for himself, Mr. HANSEN, and Mr. MEEHAN) introduced the following bill; which was referred to the Committee on Commerce

======================

A BILL

To provide for the reduction in the number of children who use tobacco products, and for other purposes.

//Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,\\

!!SECTION 1. SHORT TITLE.!!

This Act may be cited as the "NO Tobacco for Kids Act".

!!SEC. 2. CHILD TOBACCO USE SURVEYS.!!

(a) ANNUAL PERFORMANCE SURVEY.--Within 1 yea, whichever is greater;

(2) the third annual performance survey is equal to or less than (A) 60 percent of the manufacturer's baseline level, or (B) the de minimis level, whichever is greater;

(3) the fourth annual performance survey is equal to or less than (A) 40 percent of the manufacturer's baseline level, or (B) the sed the tobacco products of such manufacturer in the first

annual performance survey.

!!SEC. 3. GRADUATED PERFORMANCE STANDARDS.!!

(a) PERFORMANCE STANDARDS FOR EXISTING MANUFACTURERS.--Each manufacturer which manufactured a tobacco product on or before the date of the enactment of this Act shall reduce the number of children who use its tobacco products such that the number of children determined to have used its tobacco products on the basis of--

(1) the second annual performance survey is equal to or less than (A) 80 percent of the manufacturer's baseline level, or (B) the de minimis level, whichever is greater;

(2) the third annual performance survey is equal to or less than (A) 60 percent of the manufacturer's baseline level, or (B) the de minimis level, whichever is greater;

(3) the fourth annual performance survey is equal to or less than (A) 40 percent of the manufacturer's baseline level, or (B) the de minimis level, whichever is greater;

(4) the fifth annual performance survey is equal to or less than (A) 20 percent of the manufacturer's baseline level, or (B) the de minimis level, whichever is greater; and

(5) the sixth annual performance survey and each annual performance survey conducted thereafter is equal to or less than (A) 10 percent of the manufacturer's baseline level, or (B) the de minimis level, whichever is greater.

(b) PERFORMANCE STANDARDS FOR NEW MANUFACTURERS.--Any manufacturer of a tobacco product which begins to manufacture a tobacco product after the date of the enactment of this Act shall ensure that the number of children determined to have used the manufacturer's tobacco products in each annual performance survey conducted after the manufacturer begins to manufacture tobacco products is equal to or less than the de minimis level.

(c) DE MINIMIS LEVEL.--The de minimis level shall be 0.5 percent of the total number of children determined to have used tobacco products in the first annual performance survey.

!!SEC. 4. NONCOMPLIANCE.!!

(a) FIRST VIOLATION.--If a manufacturer of a tobacco product violates a performance standard, the manufacturer shall pay a noncompliance fee of $1 for each unifacturer shall be paid on a quarterly basi
with theonsumer use in the year following the year in which the performance standard is violated.

(b) FEE INCREASE FOR SUBSEQUENT VIOLATIONS.--If a manufacturer violates the performance standards in 2 or more consecutive years, the noncompliance fee for such manufacturer shall be increased by $1 for each consecutive violation for each unit of its tobacco product which is distributed for consumer use.

(c) REDUCTION IN NONCOMPLIANCE FEE.--If a manufacturer achieves more than 90 percent of the reduction in the number of children who use its tobacco products that is required under the applicable performance standard, the noncompliance fee required to be paid by the manufacturer shall be reduced on a pro rata basis such that there shall be a noncompliance fee reduction of 10 percent for each percentage point over 90 percent achieved by the manufacturer.

(d) PAYMENT.--The noncompliance fee to be paid by a manufacturer shall be paid on a quarterly basis, with the payments due within 30 days after the end of each calendar quarter.

!!SEC. 5. USE OF NONCOMPLIANCE FEE.!!

(a) FUNDS FOR ENFORCEMENT AND EDUCATION.--The first $1,000,000,000 of noncompliance fees collected in any fiscal year shall go into a Tobacco Enforcement and Education Fund in the United States Treasury. Fees in such fund shall be available to the Secretary, without fiscal year limitation, to enforce this Act and other Federal laws relating to tobacco use by children and for public education to discourage children from using tobacco products.

(b) FUNDS FOR THE TREASURY.--Any amount of noncompliance fees collected in any fiscal year which exceeds $1,000,000,000 shall be paid into the United States Treasury.

!!SEC. 6. JUDICIAL REVIEW.!!

A manufacturer of tobacco products may seek judicial review of any action under this Act only after a noncompliance fee has been assessed and paid by the manufacturer and only in the United States District Court for the District of Columbia. In an action by a manufacturer seeking judicial review of an annual performance survey, the manufacturer may prevail--

(1) only if the manufacturer shows that the results of the performance survey were arbitrary and capricious; and

(2) only to the extent that the manufacturer shows that it would have been required to pay a lesser noncompliance feese tobacco that ntains or delivers nicotine and is intended for use by consumers in a cigarette.

(4) MANUFACTURE.--The term "manufacture", Drug, and Cosmetic Act (28 U.S.C. 331) is amended by adding at the end the following:

"(x) The failure to pay any noncompliance fee required under the NO Tobacco for Kids Act.".

!!SEC. 8. PREEMPTION.!!

Nothing in this Act shall preempt or otherwise affect any other Federal, State, or local law or regulation which reduces the use of tobacco products by children.

!!SEC. 9. DEFINITIONS.!!

For purposes of this Act:

(1) CHILDREN.--The term "children" means individuals under

the age of 18.

(2) CIGARETTE.--The term "cigarette" has the same meaning given such term by section 3(1) of the Federal Cigarette Labeling and Advertising Act (15 U.S.C. 1332(1)).

(3) CIGARETTE TOBACCO.--The term "cigarette tobacco" means any product that consists of loose tobacco that contains or delivers nicotine and is intended for use by consumers in a cigarette.

(4) MANUFACTURE.--The term "manufacture" means the manufacturing, including repacking or relabeling, fabrication, assembly, processing, labeling, or importing of a tobacco product.

(5) MANUFACTURER.--The term "manufacturer" means any person who manufactures a tobacco product.

(6) SECRETARY.--The term "Secretary" means the Secretary of Health and Human Services.

(7) SMOKELESS TOBACCO.--The term "smokeless tobacco" has the same meaning given such term by section 9(1) of the Comprehensive Smokeless Tobacco Education Act of 1986 (15 U.S.C. 4408(1)).

(8) TOBACCO PRODUCT.--The term "tobacco product" means a cigarette, cigarette tobacco, or smokeless tobacco.

(9) UNIT.--The term "unit" when used in connection with a tobacco product means 20 cigarettes in the case of cigarettes and the smallest amount of tobacco distributed by a manufacturer for consumer use in the case of any other tobacco product.

3 of 3 items CQ's WASHINGTON ALERT 11/13/97

HR1881 Waxman (D-CA) 06/12/97 (168 lines)
Introduced in House

To establish the Tobacco Accountability Board.

Special typefaces used in this bill version:
// \\ Italic
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Item Key: 4128

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105TH CONGRESS
1ST SESSION

H. R. 1881

To establish the Tobacco Accountability Board.

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IN THE HOUSE OF REPRESENTATIVES

ate of the

enactment of this Act. A member of the Board may be removed by the Secretary only for neglect of duty or malfeasance in office.

(c) TERM =======================

A BILL

To establish the Tobacco Accountability Board.

//Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,\\

!!SECTION 1. SHORT TITLE.!!

This Act may be cited as the "Tobacco Accountability Act".

!!SEC. 2. TOBACCO ACCOUNTABILITY BOARD.!!

(a) ESTABLISHMENT.--There is established an independent board to be known as the Tobacco Accountability Board.

(b) MEMBERSHIP.--The Board shall consist of 5 members with expertise relating to tobacco and public health. The members, including the chair, shall be appointed by the Secretary of Health and Human Services. The initial members of the Board shall be appointed by the Secretary within 30 days of the date of the enactment of this Act. A member of the Board may be removed by the Secretary only for neglect of duty or malfeasance in office.

(c) TERMS.--The term of office of a member of the Board shall be 6 years, except that the members first appointed shall have terms of 2, 3, 4, and 5 years, respectively, as determined by the Secretary.

!!SEC. 3. DISCLOSURE OF TOBACCO INDUSTRY DOCUMENTS.!!

(a) SUBMISSION BY MANUFACTURERS.--Not later than 3 months after the date of the enactment of this Act and thereafter as required by the Board, each tobacco manufacturer shall submit to the Board a copy of all documents in the manufacturer's possession--

(1) relating to--

(A) any health effects, including addiction, caused by the use of tobacco products;

(B) the manipulation or control of nicotine in tobacco products; or

(C) the sale or marketing of tobacco products to children; or

(2) produced, or ordered to be produced, by the tobacco manufacturer in the case entitled State of Minnesota v. Philip Morris, Inc, Civ. Action No. C1-94-8565 (Ramsey County, Minn.) including attorney-client and other documents produced or ordered to be produced for in camera inspection.

(b) DISCLOSURE BY THE BOARD.--Not later than 6 months after the date of the enactment of this Act and thereafter as required by the

Board, the Board shall any efforts by tobaion (c), make available to the public the documents submitted under subsection (a).

(c) PROTECTION OF TRADE SECRETS.--The Board, members of the Board, and staff of the Board shall not disclose information that is entitled to protection as a trade secret unless the Board determines that disclosure of such information is necessary to protect the public health. This subsection shall not prevent the disclosure of relevant information to other Federal agencies or to committees of the Congress.

!!SEC. 4. INVESTIGATION AND ANNUAL REPORTS.!!

The Board shall investigate all matters relating to the tobacco industry and public health and report annually on the results of the investigation to Congress. Each annual report to Congress shall, at a minimum, disclose--

(1) any efforts by tobacco manufacturers to conceal research relating to the adverse health effects or addiction caused by the use of tobacco products;

(2) any efforts by tobacco manufacturers to mislead the public or any Federal, State, or local elected body, agency, or court about the adverse health effects or addiction caused by the use of tobacco products;

(3) any efforts by tobacco manufacturers to sell or market tobacco products to children; and

(4) any efforts by tobacco manufacturers to circumvent, repeal, modify, impede the implementation of, or prevent the adoption of any Federal, State, or local law or regulation intended to reduce the adverse health effects or addiction caused by the use of tobacco products.

!!SEC. 5. TOBACCO MANUFACTURER BOARD MEETINGS.!!

Each tobacco manufacturer shall permit a representative designated by the Board to attend and participate in all meetings of the board of directors of the tobacco manufacturer, including any executive session or committee meetings thereof. Each tobacco manufacturer shall provide the representative designated by the Board a copy of all documents or other information provided by the tobacco manufacturer to any director of the manufacturer who is not an employee of the manufacturer.

!!SEC. 6. AUTHORITIES.!!

The Board, any member of the Board, or staff designated by the Board may hold hearings, administer oaths, require the testimony or deposition of witnesses, the production of documents, or the answering of interrogatories, or, upon presentation of the proper credentials, enter and inspect facilities.

!!SEC. 7. ENFORCEMENT.!!

(a) RESPONSIBILITIES OF TOBACCO MANUFACTURERS.--Notwithstanding any other provision of law, tobacco manufacturers shall provide any testimony, deposition, documents, or other information, answer any interr

(1) BOARD.--The term "Board" means the Tobacco Accountability Board.

(2) MANUFACTURE.--The term "manufacture" means the manufactuturer from complying with such requirement.

(b) PROHIBITED ACT.--Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding at the end the following:

"(x) The failure to comply with any requirement under the Tobacco Accountability Act.".

!!SEC. 8. ADMINISTRATION.!!

(a) STAFF.--The Chair shall exercise the executive and administrative functions of the Board and shall have the authority to hire such staff as may be necessary for the operation of the Board.

(b) SALARIES.--The members of the Board shall receive such salary and benefits as the Secretary deems necessary, except that the salary of the Chair shall not be less than level III of the Executive Schedule (5 U.S.C. 5314).

!!SEC. 9. DEFINITIONS.!!

For purposes of this Act:

(1) BOARD.--The term "Board" means the Tobacco Accountability Board.

(2) MANUFACTURE.--The term "manufacture" means the manufacturing, including repacking or relabeling, fabrication, assembly, processing, labeling, or importing of a tobacco product.

(3) TOBACCO MANUFACTURER.--The term "tobacco manufacturer" means--

(A) any person who manufactures a tobacco product; or

(B) the Tobacco Institute, the Council for Tobacco Research, the Smokeless Tobacco Council, the Center for Indoor Air Research, or any other trade association or entity that is primarily funded by persons who manufacture a tobacco product.

There are no more items to read.

Results: 3 items in BILLTEXT
Search criteria used:
RESEARCH BILL:HR1771 OR HR1772 OR HR1881
Results are:
Sorted by bill number with version in ascending order

SEARCH/DISPLAY OPTIONS

MEMORANDUM

TO: BRUCE REED, ELENA KAGAN

CC: CHRIS JENNINGS, ELIZABETH DRYE, JERRY MANDE, SARAH BIANCHI

FROM: TOM FREEDMAN, MARY L. SMITH

RE: TOBACCO BILLS

DATE: JULY 15, 1997

SUMMARY

This is a follow up to the previous memorandum dated July 9, 1997, that compiled tobacco bills from the 104th Congress and 105th Congress that offer new perspectives on the settlement. Below is a more detailed description of various bills, divided into the following eight topic areas: (1) farmers; (2) tax deductibility of advertising; (3) advertising aimed at youths; (4) warning labels; (5) performance standards; (6) tobacco state member bills; (7) Rep. Oberstar's bill regarding Medicaid; and (8) Rep. Meehan's bill regarding nicotine addiction.

I. BILLS REGARDING FARMERS

1. **S. 598 by Sen. Bradley (D-NJ) on 3-22-95 (one cosponsor, Sen. Lautenberg (D-NJ)). TOBACCO CONSUMPTION REDUCTION AND HEALTH IMPROVEMENT ACT OF 1995.** This bill amends Section 5701 of the Internal Revenue Code to increase taxes on cigarettes from $12 per thousand to $62 per thousand. It also increases taxes on cigars, cigarette papers, smokeless tobacco, and other tobacco products. This act would also impose taxes on tobacco products entering into the United States from a foreign trade zone. This bill also creates a "Tobacco Conversion Trust Fund" by amending Subchapter A of Chapter 98 of the Internal Revenue Code of 1986. The bill would transfer 3 percent of the net increase in revenues received by the increase in tobacco taxes to the trust fund. The funds would then be available to the Secretary of Agriculture for the following purposes:

(1) providing assistance to farmers in converting from tobacco to other crops and improving the access of such farmers to markets for other crops; and
(2) providing grants or loans to communities, and persons involved in the production or manufacture of tobacco or tobacco products, to support economic diversification plans that provide economic alternatives to tobacco to such communities and persons.

The bill provides that the "assistance" provided to farmers could include government purchase of tobacco allotments for purposes of retiring such allotments.

2. **S. 804 by Sen. Bradley (D-NJ) on 5-15-95 (no cosponsors). TOBACCO CONSUMPTION REDUCTION AND HEALTH IMPROVEMENT ACT OF 1995.** This bill is virtually identical S. 598 also introduced by Sen. Bradley.

II. BILLS REGARDING THE TAX DEDUCTIBILITY OF ADVERTISING

1. **H.R. 1323 by Rep. McHale (D-PA) on 4-15-97 (34 co-sponsors). TOBACCO ADVERTISING REFORM ACT.** This legislation amends Part IX of subchapter B of Chapter 1 of the Internal Revenue Code of 1986 which adds a section stating: "No deduction shall be allowed under this chapter for expenses for advertising cigars, cigarettes, smokeless tobacco, pipe tobacco, or any similar product."

2. **H.R. 2962 by Rep. McHale (D-PA) on 2-06-96 (22 co-sponsors).** This bill is identical to H.R. 1323 also introduced by Rep. McHale in the 105th Congress.

3. **S. 596 by Sen. Harkin (D-IA) on 3-22-95.** This bill is essentially identical to the two bills listed above.

III. BILL ON ADVERTISING AIMED AT YOUTHS

1. **H.R. 762 by Rep. Hansen (R-UT) on 2-13-97 (5 cosponsors). YOUTH PROTECTION FROM TOBACCO ADDICTION ACT OF 1997.** This legislation bans **all** advertising of tobacco products. It also prohibits the distribution of any free tobacco product, the sponsorship of any event in a brand name, the marketing of nontobacco products bearing a brand name, and the payment for any tobacco product or brand name to appear in movies, television, and other media or on any toy. This bill prescribes that advertising on tobacco product packages shall be in black and white and shall contain no human figures. Civil actions for injunctions for violations of this Act may be brought in district court.

IV. BILL ON WARNING LABELS

1. **S.527 by Sen. Lautenberg on 4-08-97 (5 cosponsors). TOBACCO DISCLOSURE AND WARNING ACT OF 1997.** This bill makes it unlawful to manufacture for sale any cigarette unless the package contains one of the following warnings:

WARNING: Cigarettes Kill
WARNING: Cigarettes Cause Lung Cancer and Emphysema
WARNING: Cigarettes Cause Infant Death
WARNING: Cigarettes Cause Heart Attacks and Stroke
WARNING: Cigarettes Are Addictive
WARNING: Nicotine Is An Addictive Drug
WARNING: Cigarette Smoking Harms Athletic Performance
WARNING: Smoking During Pregnancy Can Harm Your Baby
WARNING: Cigarette Smoke Is Harmful to Children

WARNING: Smoke from [brand name] Cigarettes Can Cause Cancer in Nonsmokers

- This legislation also requires labels or other tobacco products which are similar to the labels above. The labels must be placed in the two most prominent sides of the product package and be in a size not less than 33% of the side on which the label is placed. The bill requires the labels to be in black and white.
- This bill also requires a package insert detailing the substances posing a risk to HEALTH contained in the cigarettes.
- Manufacturers also must submit to the Government an annual report listing the nicotine, tar, and carbon monoxide intake for the average consumer.
- The Secretary will also establish a toll-free telephone number and a site on the Internet which shall make available additional information on the ingredients of cigarettes.
- The bill provides that any interested organization may seek to enjoin violations of the act in federal district court.

V. BILL ON PERFORMANCE STANDARDS

1. **S. 828 by Senator Durbin (D-IL) on 6-03-97 (2 cosponsors). NO TOBACCO FOR KIDS ACT.**

- Within one year after enactment, the Secretary of HHS will conduct a survey to determine the number of children who used each manufacturer's tobacco products within the previous 30 days.
- Manufacturers will face penalties if they do not reduce the number of children who use tobacco products by either a de minimis level (one-half percent of the current number of youth smokers) or by the following percentages:

S.828	Compare to settlement
Year 1: no standard; baseline survey is taken	
Year 2: 20% reduction from baseline	
Year 3: 40% reduction from baseline	
Year 4: 60% reduction from baseline	
Year 5: 80% reduction from baseline	Years 5-6: 30% reduction
Year 6: 90% reduction from baseline	
Subsequent years: 90% reduction from baseline	Years 7-9: 50% reduction
	Year 10 (and after): 60% reduction

- Under the Senate bill, if a manufacturer violates the performance standard, the manufacturer must pay a noncompliance fee of $1 per pack on all its tobacco sales in the subsequent year (not simply sales to youths). If a manufacturer violates the performance standard for two or more consecutive years, the noncompliance fee is increased by $1 for each consecutive year of violation. If the manufacturer is within 10% of the required reduction for a particular year, the noncompliance fee will be reduced on a pro rata basis. **Under the settlement:** There is a surcharge of $80 million for each percentage point difference between the required percentage reduction applicable to a given year and the percentage by which the incidence of underage use of cigarette products for that year is less than the base incidence percentage. (This amount reflects an approximation of the present value of the profit the cigarette industry would earn over the life of underage smokers in excess of the required reduction). <u>The surcharge may not exceed $2 billion in any year (as adjusted for inflation).</u>

- Under the Senate bill, the first $1 billion of noncompliance fees will fund enforcement and public education to discourage children from using tobacco products. Any additional fees will go the Treasury for deficit reduction. **Under the settlement:** 90% of the surcharge goes to state and local government to youth tobacco use.

VI. TOBACCO STATE MEMBER BILLS

1. **S.201 by Senator Ford (D-KY) on 1-23-97 (no cosponsors). TOBACCO PRODUCTS CONTROL ACT OF 1997.** This bill imposes limits on advertisements on billboards within 500 feet of any school; bans advertisements in magazines and newspapers if persons under the age of 18 constitute more than 15% of the total subscribership; prohibits ads in taxis, buses, trains, or in stations unless it is where cigarettes are sold; and bans the use of cigarettes in movies for a fee.

This legislation also amends Section 1926 of the Public Health Service Act (42 U.S.C. sec. 300x-26) to provide that the Secretary may make a grant to a state only if the state makes it unlawful, among other things, (1) to sell tobacco products to anyone under the age of 18 and to sell without verifying the age in face-to-face transactions; and (2) to operate a vending machine unless it is in plain view.

2. **H.R. 516 by Rep. Baesler (D-KY) on 2-04-97 (no cosponsors). YOUTH SMOKING PREVENTION ACT OF 1997.** This bill establishes the federal authority to regulate the sale, distribution, and advertising and promotion of tobacco and other products containing nicotine as a condition to the receipt by states of the Federal Preventive Health and Health Services Block Grant. Under the bill, the Secretary may only make a grant under section 1921 of the Public Health Service Act if the State has a law, that among other things, prohibits the sale of nicotine to minors; prohibits the purchase by minors; requires the posting of signs stating the minimum purchase age; requires retail employers to notify its employees about the laws regarding sales to minors; requires retail employees to sign forms that they have received notice; and requires the licensing of retail sellers of nicotine products .

3. **H.R. 2414 by Rep. Baesler (D-KY) on 9-28-95 (3 cosponsors): YOUTH SMOKING PREVENTION ACT OF 1995.** This bill is identical to H.R. 516 introduced by Rep. Baesler in the 105th Congress.

4. **H.R. 2653 by Rep. Charlie Rose (D-NC) on 2-06-96. TOBACCO AMENDMENTS ACT OF 1995.** The main sections of the Act are the following:

Sec. 2. Elimination of Federal Budgetary outlays for tobacco programs.
Sec. 3. Establishment of farm yield for flue-cured tobacco based on individual farm production history.
Sec. 4. Removal of farm reconstitution exception for burley tobacco.
Sec. 6. Expansion of types of tobacco subject to no net cost assessment.
Sec. 7. Repeal of reporting requirements relating to the export of tobacco.
Sec. 8. Repeal of limitation on reducing national marketing quota for flue-cured and burley tobacco.

5. **S. 1262 by Sen. Ford (D-KY) on 9-20-95. TOBACCO PRODUCT CONTROL ACT OF 1995.** This bill is basically an earlier version of S.201 introduced by Sen. Ford on 1-23-97, which is described above.

VII. BILL REGARDING MEDICAID BY REP. OBERSTAR

1. **H.R. 3779 by Rep. Oberstar (D-MN) on 7-10-96 (16 cosponsors): TOBACCO MEDICAID RECOVERY ACT OF 1996.** The purpose of this bill is to reward states that successfully recover the federal and state health care costs incurred under the Medicaid program for the treatment of individuals with diseases attributable to the use of tobacco products by providing increased funding for their Medicaid programs and to provide increased resources to the National Institute of Health. Section 1903(D) of the Social Security Act is amended to provide that if a state recovers amounts expended as medical assistance for the treatment of diseases attributable to tobacco, the Secretary shall determine the amount of federal expenditures attributable to the amounts recovered, based on the federal medical assistance percentage. The Secretary then will treat this amount as an overpayment and permit the state to retain one-third of such amount for the purpose of using the funds to meet the non-federal share of expenditures under the state plan and pay one-third of such amount to NIH.

VIII. BILL REGARDING NICOTINE ADDICTION BY REP. MEEHAN

1. **H.R. 1853 by Rep. Meehan (D-MA) on 6-15-95 (9 cosponsors): FREEDOM FROM NICOTINE ADDICTION ACT OF 1995.** This bill amends the FDCA to make it illegal to introduce into interstate commerce any tobacco product that contains nicotine in the following amounts per cigarette:

As of January 1. 1997	10.00 MG. Nicotine.
As of January 1, 1998	8.00 MG. Nicotine.
As of January 1, 1999	6.00 MG. Nicotine.
As of January 1, 2000	4.00 MG. Nicotine.
As of January 1, 2001	2.00 MG. Nicotine.
As of January 1, 2002	.05 MG. Nicotine.

NORTH CAROLINA DEPARTMENT OF AGRICULTURE • JAMES A. GRAHAM, COMMISSIONER

DIVISION OF MARKETING

Farmers

TOBACCO SECTION

P.O. BOX 27647
RALEIGH, NC 27611
PHONE: (919) 733-6152
FAX: (919) 733-0999 or (919) 715-0155

FAX NO.: SEE BELOW DATE: July 10, 1997

TO: SEE BELOW PAGES: 1 OF 2

FROM: COMMISSIONER JAMES A. GRAHAM

SUBJECT: POSITION ON CURRENT TOBACCO NEGOTIATIONS AS IT RELATES TO PRODUCTION

SEN. JESSE HELMS
SEN. LAUCH FAIRCLOTH
REP. BOB ETHERIDGE
REP. BILL HEFNER
REP. MIKE McINTYRE
CHARLIE RAWLS
ERSKINE BOWLES
BOB JENKINS
LIONIEL EDWARDS
SAM COLEY
PAUL DEW
CHARLIE HARVEY
ROBERT CALDWELL
MAC DUNKLEY
TOMMY BUNN
CHARLIE KING
LISA EDDINGTON
NCSU
USDA-AMS TOBACCO DIVISION - RALEIGH

MEMORANDUM

TO: BRUCE REED, ELENA KAGAN

FROM: TOM FREEDMAN, MARY L. SMITH

RE: POSSIBLE TOBACCO BILLS

DATE: JUNE 27, 1997

SUMMARY

The following is a summary of bills from the 104th Congress and 105th Congress that could be used to supplement or amend the tobacco proposal. These bills either affect the tobacco industry in economic terms or apply to tobacco farmers.

104th Congress

1. **S. 598**: Establishes in the Treasury a Tobacco Conversion Trust Fund. Funds from increased taxes on tobacco will be made available to:
   (1) assist farmers in converting from tobacco to other crops and improve their access to markets for other crops; and
   (2) provide grants and loans, including assistance to convert from tobacco production, to communities and persons involved in tobacco growing and tobacco product manufacture who are adversely affected by the tax increase.

2. **H.R. 2962.** Bill to amend the IRS Code to disallow deductions for advertising expenses for tobacco products.

105th Congress

1. **H.R. 1323**. A bill that amends the IRS Code to disallow deductions for advertising expenses for tobacco products.

2. **H.R. 1438, S. 643.** A bill to prohibit the Federal Government from providing insurance, reinsurance, or noninsured crop disaster assistance for tobacco.

3. **H.R. 1826.** A bill to increase deficit-reduction assessments for participants in the Federal price support program for tobacco and to extend the period during which such assessments will be collected.

4. **S.826.** A bill to amend the Public Health Service Act to protect the public from health hazards caused by exposure to environmental tobacco smoke.

Phase
price-support

tobacco legislation SW

MEMORANDUM

TO: TOM FREEDMAN, MARY SMITH

FROM: DREW MYLER, SKYE PHILBRICK, KEVIN BROWN

RE: COMMENTS ON TOBACCO SETTLMENT

DATE: OCTOBER 24, 1997

THIS LIST INCLUDES ALL OF THE COMMENTS WE HAVE GATHERED UNTIL OCTOBER 24, 1997.

THESE ARE THE PEOPLE WE HAVE COMMENTS FROM:

1. SENATOR LUGAR
2. SENATOR DURBIN
3. SENATOR WYDEN
4. SENATOR ROBB
5. SENATOR CONRAD
6. SENATOR HARKIN
7. SENATOR WELLSTONE
8. SENATOR KENNEDY
9. SENATOR NICKLES
10. SENATOR HATCH
11. SENATOR MACK
12. SENATOR LAUTENBERG
13. SENATOR FAIRCLOTH
14. MAJORITY LEADER LOTT
15. SENATOR DASCHLE
16. SENATOR HOLLINGS
17. SENATOR JEFFORDS
18. SENATOR MCCONNELL
19. SENATOR FORD
20. SENATOR MCCAIN
21. HOUSE SPEAKER GINGRICH
22. REP. BLILEY
23. REP. ROUKEMA
24. REP. BURR
25. REP. WAXMAN
26. REP. MEEHAN

Rep. Newt Gingrich (R-Georgia)	The Orlando Sentinel October 17, 1997 The Chattanooga Times (similar story) October 16, 1997	John Conyers (D-Michigan) has accused Newt Gingrich of hypocrisy for blasting the President on his acceptance of funding from special interests while Gingrich attempted to slip a $50 billion tax break for the tobacco industry in the balanced budget deal.
	International Herald Tribune - Neuilly-sur-Sienne, France October 3, 1997	"There's a broad consensus that we want to make sure that children don't smoke."
	Sacramento Bee October 3, 1997	"We're not cutting a break for the tobacco folks. I would certainly encourage my colleagues to vote to take it out." -- not directly quoted in article -- taken from other sound bites

Senator Wendell Ford (D-Kentucky)	USA Today October 24, 1997	Senator Ford led a proposal that would offer $28.5 billion in subsidies to tobacco growers, and would also allow them to keep farming. "It's time to move our tobacco farmers to the front of the line," Ford said.
	The Washington Times October 15, 1997	"I understand the health problem. I started [smoking] when I was 15, and so I understand the tobacco problems. And I have raised it, been a farmer."
	The Courier-Journal (Louisville, KY) October 12, 1997	Senator Ford supported the federal tobacco price-support program in response to legislation proposed by Senator Richard Lugar (R-Indiana), which would end the program and buy out tobacco farmers.
	The Richmond Times Dispatch October 10, 1997	"Senator Wendell Ford... extolled the golden leaf and its historical significance to Virginia. He said he realized the tobacco industry is in trouble --'tobacco is tough,' but he added, 'we have to fight the good fight.'"

Senator Mitch McConnell (R-Kentucky)	The Des Moines Register October 17, 1997	"Even Republican Senator Mitch McConnell... has himself wondered if the [federal tobacco] program may have reached the end of the line."
	Los Angeles Times October 11, 1997	"Tobacco state lawmakers, including... Mitch McConnell, said almost immediately after the settlement was announced that they would seek to ensure that tobacco growers are compensated for any loss of business or for the cost of switching crops."
Senator Edward Kennedy (D-Massachusetts)	The Richmond Times Dispatch October 10, 1997	Senator Kennedy stated that tobacco companies "have denied and covered up the overwhelming evidence of the deadly effects of smoking and their cynical campaigns to see that children are addicted as early as possible. If those attitudes are changing, (the) statements hardly prove it."
	News & Record - Greensboro, NC October 5, 1997	"A study has shown that the single most powerful deterrent to smoking is raising the price of a pack of cigarettes, says Sen. Edward Kennedy, D-Mass."
	Chicago Tribune October 3, 1997	"Sens. Orrin Hatch and Edward Kennedy succeeded in increasing the federal excise tax on cigarettes from 24 cents per pack to 34 cents per pack in 2000, and by another nickel in 2002."

Senator Orrin Hatch (R-Utah)	The Richmond Times Dispatch October 10, 1997	Of Philip Morris' pledge to support new health warnings that cigarettes are addictive and deadly -- "this is a positive development which I believe enhances Congress' ability to move forward with the global tobacco settlement proposed in June."

Senator Lugar (R-Indiana)	The Courier-Journal (KY), September 23, 1997	Sen.Lugar is moving ahead with his proposal to phase out the tobacco price support program but concedes he doesn't know how much support it will have in the Senate. "If the farmers object, it won't become law." Aide to Sen. Helms (R-NC) said Helms will oppose Lugar's plan. However, Sen. McConnell (R-KY) said farmers should consider Lugar's plan. Lugar wants to end the price support program, and compensate the farmers out of money paid by the tobacco companies under any national settlement approved by Congress. He hopes to have the bill ready before Congress' year-end adjournment, likely the first or second week of November. Lugar says the American public "will be increasingly uncomfortable with policies that promote tobacco production at the same time that other government policies are discouraging tobacco use. Mixed messages are not good public policy, especially when young people are involved."

Senator Durbin (D-ILL)	The Virginia Pilot, September 21, 1997	"I can say that I would vote for an agreement. My thinking gets down to a basic fact: Today 3,000 kids in America started smoking. The sooner we do something about that, the better." Durbin thinks a deal may be better than decades of continuing litigation.
	Congress Daily, September 18, 1997	Durbin predicted tobacco companies would not walk away from Clinton's proposal, saying there was too much money on the table and that there would continue to be too many lawsuits against them.
	Congressional Press Releases, September 17, 1997	"Tobacco companies have claimed they were turning over a new leaf, but they have continued their old, tired ways of doing business - cutting deals in the dark, undermining efforts to reduce teen smoking and refusing to release documents. This industry continues to have a very serious credibility problem, both in Washington and back home." Durbin said the tobacco industry must face the reality of higher prices and increased penalties. Durbin said the President has moved goal posts back where they belong."

Senator Wyden (D-OR)	Congress Daily, September 18, 1997 Congressional Press Releases, September 17, 1997	Wyden commended Clinton for his effective leadership. "We need presidential leadership to have an effective blockade against the tobacco lobbies that try to target our youngsters. I think we got that effective leadership today."
Senator Robb (D-VA)	Congress Daily, September 18, 1997	Sen. Robb praised the president's decision to weigh in, though Robb declined to indicate whether he would support Clinton's call for stiffer penalties in the deal.
Senator Conrad (D-ND)	Congress Daily, September 18, 1997	"We will have different views but in the end, I think we can accomplish a legislative product. That, after all, is the work of a legislative body."
Senator Harkin (D-Iowa)	Congressional Press Releases, September 17, 1997	"Let me just say at the outset that the president's announcement today, I think, puts us on a stronger starting point here in Congress. It is not the end, but it does put us at a stronger starting point. I also believe the president's action will help galvanize public opinion behind any possible legislation that truly cuts back on youth smoking."

Tobacco
– Legislation
– [illegible]

Comprehensive Tobacco Proposals

March 12, 1998

Research, Public Health & Other Program Investments

PROVISION	JUNE 1997 PROPOSED SETTLEMENT	McCAIN (S1415) Universal Tobacco Settlement Act	JEFFORDS (S1648) "Preventing Addiction to Smoking Among Teens Act" (PAST Act)	HATCH (S1530) Placing "Restraints on Tobacco's Endangerment of Children and Teens Act" (PROTECT Act)	KENNEDY (S1492) "Healthy and Smoke Free Children Act"	CONRAD (S 1638) "Healthy Kids Act"	HARKIN/CHAFEE/ GRAHAM (Tentative)	PRESIDENT'S BUDGET
RECEIPTS								
Total funding available and source of revenues.	Provides $368.5 billion in *gross* payments over 25 years, including $68.5 million by 2003, subject to adjustments for inflation, volume reduction, credits for settlement of individual cases, and penalties. Net receipts probably would be significantly less as Treasury and JCT generally estimate that increased excise taxes and related payments reduce other receipts somewhat.	Refers to a Settlement Trust Fund. No specific revenue source or amount is provided, and except for a Tobacco Community Revitalization Trust Fund, no specific funding levels are given for programs authorized. Another version of the bill (S1414) creates a National Tobacco Settlement Trust Fund in the U.S. Treasury. The trustees of the Trust Fund shall be the Commissioner of FDA and the Secretary of HHS. S1414 includes revenue and spending amounts consistent with the June 1997 Settlement, except does not provide payments in perpetuity beyond 25 years, and provides $28.5 billion for growers. Other variations are noted below.	Funding made available from Tobacco Settlement Trust Fund, fees and penalties. No details are provided in the bill about total funding assumed available from Tobacco Settlement Trust Fund.	Establishes a Trust Fund from payments made by tobacco manufacturers. Trustees would be the Attorney General, and Secretaries of Treasury and HHS. Fund would have two accounts -- State and Federal. Portions of the total funds are earmarked in the Federal Account for assistance to farmers, asbestos-related litigation, and new program to enhance Native American Health. Remaining funds are split equally between the State and Federal Accounts. Provides $408 billion over 25 years ($79 billion over five years) including an initial payment of $10 billion.	Estimates based on a $1.50 per pack increase in three installments, using the JCT estimates of the Conrad bill. Includes net revenues of $67 billion over 5 years. All funding assumed to begin in 1999.	Estimates based on a $1.50 per pack increase in three installments and a $15 billion up-front payment (not tax deductible) that is assumed to occur in FY 99. Proponents estimate 25 year total at $500 billion in net new receipts. Since 1999 includes a $15 billion initial payment, funding decreases in 2000. Funding generally stabilizes in 2001, the last year with a sizeable assessment increase.	Estimates based on a $1.50 per pack increase in two installments ($1.00 the first year'$.50 the second year). Increases would be achieved through annual industry payments totaling $20 billion in year one and $25 billion annually thereafter, adjusted for inflation. Also requires industry to make an initial payment of $10 billion.	Provides $9.8 billion for 1999; $65.5 billion total by 2003 in tobacco legislation receipts.
RESEARCH (See Next Page)								

PROVISION	JUNE 1997 PROPOSED SETTLEMENT	McCAIN (S1415) Universal Tobacco Settlement Act	JEFFORDS (S1648) "Preventing Addiction to Smoking Among Teens Act" (PAST Act)	HATCH (S1530) Placing "Restraints on Tobacco's Endangerment of Children and Teens Act" (PROTECT Act)	KENNEDY (S1492) "Healthy and Smoke Free Children Act"	CONRAD (S 1638) "Healthy Kids Act"	HARKIN/CHAFEE/ GRAHAM (Tentative)	PRESIDENT'S BUDGET
NIH	Recommends $25 billion, to be paid over 8 years ($17.5 billion over the first five years), for a Public Health Trust Fund. Calls for a Presidential Commission to be appointed to include representatives of the public health community, Attorney General, Castano attorneys and others to determine the specific tobacco-related medical research. While funds are not specifically earmarked for NIH, a substantial portion of this could be expected to fund NIH activities.	No provision	Provides $2.5 billion annually for ten years to NIH for tobacco-related research. Not less than 40% of funds are to be made available to NCI; not less than 30% to NIDA.	Establishes a NIH Trust Fund for Health Research which reflects the settlement of punitive damages. Provides $2.1 billion in first year; $4 billion in year five and thereafter; $95 billion over first 25 years. Requires Directors or Administrators of NIH, CDC, FDA, SAMHSA, and ONDCP to devise National Tobacco and Other Abused Substances Research Agenda. Funds expended as follows: OD – 2% Facilities – 2% Communications – 1% Cancer – 10% ICDs – 85% in same proportions as annual NIH appropriations bill. Grants and contracts from the Trust are to be fully funded in the first year. Trust is to be excluded for budget enforcement purposes. § 521	Provides $1.57 billion in 1999; $4.53 in 2001 for basic research. While there is an assumption that most would be used at NIH, funding would also be available for NSF and other institutions, potentially including AHCPR and CDC. Operates as a trust fund outside of the appropriations process. Also provides $160 million in 1999 ($450 million in 2001) for child development research, much of which would be in NIH.	**Total:** Provides $1.1 billion in 1999, increasing to $4.5 billion in 2001, for NIH research activities. Total NIH funding peaks in 2002 at $5 billion, then drops to $3.6 in 2003. **Cancer:** $80 million in 1999 ($350 million in 2001) is earmarked for cancer research. **Tobacco:** $80 million in 1999 ($350 million in 2001) is earmarked for tobacco-related research focusing on relationship between tobacco use and diseases, and behavior research on the addictive effects of nicotine.	Establishes a National Fund for Health Research to provide resources over and above those provided to the NIH in the annual appropriations process. Provides $3.2 billion annually, distributed to ICD in accordance with appropriation allocation formulas. Directs ICD to give appropriate priority to tobacco-related research.	The budget increases NIH $1.15 billion in 1999. 2001 funding would be $3.0 billion above 1998. Increases total $17 billion over five years. While cancer research is expected to grow 10% in 1999, there is no legislative earmark proposed.
CDC	No recommendation	No provision	See surveillance below	No provision.	See NIH above	$10 million in 1999, increasing to $50 million in 2001 is provided for CDC prevention research.	Not clear . See Other HHS Research.	Budget provides $25 million in 1999; $138 million over five years for CDC prevention research.
AHCPR	No recommendation	No provision	To be determined by National Tobacco Task Force.	No provision	See NIH above	$10 million in 1999, increasing to $50 million in 2001.	Not clear. See Other HHS Research	Budget uses tobacco funding, through the RFA, for $46 million in 1999 and $254 million over five years. The program level increase is $25 million in 1999 and $147 million over five years.

PROVISION	JUNE 1997 PROPOSED SETTLEMENT	McCAIN (S1415) Universal Tobacco Settlement Act	JEFFORDS (S1648) "Preventing Addiction to Smoking Among Teens Act" (PAST Act)	HATCH (S1530) Placing "Restraints on Tobacco's Endangerment of Children and Teens Act" (PROTECT Act)	KENNEDY (S1492) "Healthy and Smoke Free Children Act"	CONRAD (S 1638) "Healthy Kids Act"	HARKIN/CHAFEE/ GRAHAM (Tentative)	PRESIDENT'S BUDGET
Cancer clinical trials	No provision	No provision	No provision	No provision	No provision	Provides $250 million annually from 1999 to 2001.	Not clear.	Provides $200 million in 1999; $800 million total by 2001 for demonstration project.
Other HHS Research	Recommends $100 million annually to fund research and development of methods for how to discourage individuals from starting to use and how to help individuals to quit using.	Similar to June Settlement, establishes "National Cessation Research Program." S1414 provided $100 million annually.	Provides $750,000 for IOM study on the framework for a research agenda to be used by Task Force.	No provision	Provides $100 million, adjusted for inflation, for use reduction and addiction prevention research.	**Smoking Patterns**: Provides $268 million in 1999 ($200 million in 2001) for smoking pattern research focusing on minorities and women. Not clear which agency is expected to conduct research.	Provides $625 million annually for prevention and cessation research.	See other uses below.
Non-HHS research	No recommendation	No provision	No recommendation	No provision	See NIH above	No recommendation	Not clear	Budget allocates $3.6 billion for research in 1999, of which $1.2 billion funds increases in HHS programs. Over five years, the budget allocates $25 billion for research, compared to HHS research increases that total $17 billion. The remainder funds research in NSF, Agriculture, Commerce, Education, Energy, HUD, Interior, VA, and EPA.
PUBLIC HEALTH								
Public Health	No dedicated funds for public health programs; however, Attorneys General recommend to the President and Congress public health programs and funding levels.	No specific amounts are provided. Establishes "Public Health Trust Fund" created within National Tobacco Settlement Trust Fund for block grants to States. Also Establishes Federal public health programs consistent with June Settlement recommendations. S1414	Funding made available from Tobacco Settlement Trust Fund unless otherwise noted.	Provides $1.1 billion in first year; $4 billion in year six; $92 billion over first 25 years for public health programs. Specific program funding is not provided, except for State block grants described below. § 522	Funding for some public health programs are derived as a percent of excise revenues.	Excluding IHS programs, and FDA outreach and enforcement, funding for public health programs are derived as a percent of excise revenues.	Provides funding for various public health programs described below.	Funding for a number of public health activities is not specifically addressed. Instead, there is an allocation for other uses (see below) that include a number of public health activities.

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State tobacco block grants	Programs are funded directly, described below. **"Lookback " Surcharge**: Not less than 90% of surcharge funds will be transferred as grants to States and local authorities to fund additional efforts to reduce underage use.	No specific funding amount provided. S1414 provides $25 billion, to be paid over 8 years ($17.5 billion over the first five years), then $2.5 billion annually thereafter to reimburse States for tobacco-related expenditures, <u>including the establishment of liability settlement fund.</u> All programs must be approved by Secretary. **Lookback " Surcharge**: Sane as June Settlement.	Programs are funded directly, described below.	No less than 50% of public health funds are to be made available to states for anti-tobacco use and cessation program block grants.	Provides $1.1 billion increasing to $1.8 billion, adjusted for inflation, by 2009. For cessation school/ community-based programs, information campaigns, event sponsorship. **§ 2812, 2826**	Programs are funded directly, described below.	Provides $193.5 billion over 25 years for States. Of these funds, 50% is to be used for tobacco prevention, education and cessation, and the expansion of existing public health or children'shealth programs. Also see Other Funds for States. Provides $500 million annually for "Performance Bonus Pool" for states that meet or exceed the reduction targets within their own borders. Baselines and targets would be developed by CDC	Programs are funded directly, described below.

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Cessation	Recommends for the first 4 years, $1 billion, and thereafter, $1.5 billion of the total amount paid by the tobacco industry shall be paid into a Trust Fund to be used to assist individuals who want to quit using tobacco to do so. Secretary shall promulgate regulations to govern establishment of criteria of and a procedure for the approval of cessation programs and devices for which payment may be made under the program.	Same as June Settlement. S1414 provides $1 billion for the first 4 years, and $1.5 billion of thereafter.	Provides $1 billion increasing to $1.5 billion in 2008, terminating in 2009, for <u>State and Community Cessation Programs</u>. Requires States to submit a plan for approval to the Secretary which may include provisions for science-based programs designed to assist individuals quit their use of tobacco products; training in cessation intervention methods for health plans and professionals; programs to encourage health insurers to provide coverage for cessation; planning administration, monitoring and evaluation. State plan must be consistent with cessation guidelines issued by AHCPR. **§ 2841-2849**	Directs CDC to inform tobacco consumers of effective therapies for ceasing consumption. Such actions shall be consistent with AHCPR guidelines. Directs Secretary to establish a model smoking cessation program that may be used by States. No specific amount provided for these activities.	Included in State tobacco block grants described above.	Provides $884 million in 1999; $650 million in 2001.	Provides $1.5 billion when fully implemented for programs designed to enhance existing employer-based initiatives, and those which target uninsured and under-served populations.	See other uses below

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Tobacco Use Prevention Programs (school & community based)	Recommends $75 million for first two years, $100 million in the third year, and $125 million annually thereafter to fund state and local tobacco control community based efforts modeled on the ASSIST program, designed to encourage community involvement in reducing tobacco use. Recommends $125 million for the first three years and $225 million annually thereafter to the Secretary of HHS to accomplish the reduction of tobacco usage through media and non-media based education prevention and cessation campaigns; research and development and public dissemination of technologies and methods to reduce the risk of dependence and injury from tobacco usage; testing and evaluation of health effects of tobacco; and promulgation of rules necessary to carry out the provision of this Act.	Same as June Settlement. S1414 provides $75 million for first two years, $100 million in the third year, and $125 million annually thereafter. Same as June Settlement. S1414 provides $125 million for the first three years and $225 million annually thereafter.	Provides $145 million in 1999 and 2000 increasing to $440 million in 2008, and terminated in 2009, for <u>State and Community Action Program</u> Requires States to submit to the Secretary, acting through the CDC Office of Smoking and Health for approval a plan which may include provisions for evidence-based community initiatives for tobacco use prevention and control; infrastructure development modeled after ASSIST program; counter-advertising; school-based efforts to prevent tobacco use and addiction; planning, administration, monitoring and evaluation of these activities. **§ 2831-2839**	Directs Secretary, through the CDC to develop model curricula to educate the public about the health risks associated with tobacco use. Materials should be designed to influence behavior of young Americans. Directs CDC to provide technical assistance to State and local public health and educational officials, and parent-teacher and other civic organizations in developing age effective anti-tobacco curricula. Establishes program to develop educational materials for chronic users. No agency or organization directed to develop program. No specific amount provided for these activities.	Provides $60 million increasing to $100 million in 2003 (adjusted for inflation) for CDC Tobacco Use Prevention Programs. Additional fund for States included in block grants described above.	Provides $402 million in 1999 ($290 million in 2001) for CDC tobacco use prevention programs including community and school-based education and prevention programs.	Provides $1.4 billion to states for community and school-based prevention activities. A portion of these funds will assist minority and low-income communities.	Provides $74 million in 1999 for CDC tobacco control programs. Also see other uses below.

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Surveillance	Not specifically addressed.	Same as June Settlement.	For tobacco-related activities, provides $290 million increasing to $345 million by year 4 of provision then decreasing to $145 million by year 10. Funds are to be used for tobacco-related surveillance, epidemiological studies, and the development of tobacco control prevention strategies, to be conducted by CDC in coordination with National Tobacco Task Force comprised of SG, and Dir. of CDC-OSH, AHCPR, NIH and other representatives.	Requires Secretary to use the Monitoring the Future Survey or such other comparable index, as determined appropriate by the Secretary, and that uses identical methodology. No specific amount provided for this activity. Surcharges imposed for failure to meet national goals are to be used to further the purposes of this Act. Manufacturers may apply for abatements equal to 100% plus interest of surcharges if good faith and compliance is proven. §311-3178	Requires child tobacco use surveys and other measures, though does not provide specific funding levels for these activities, but instead provides 25% of non-compliance fees to addiction and prevention research grants and for grants under the national tobacco usage reduction and education program which includes surveillance activities.	$134 million in 1999; $98 million in 2001.	Not clear	See other uses below.
Counter-advertising	Recommends $500 million be spent annually in such multi-media campaigns designed to discourage and de-glamorize the use of tobacco products; to be carried out by an independent non-profit organization with a Board made up of prestigious individuals and the leaders of major public health organizations	Same as June Settlement. S1414 provides $500 million to be spent annually.	Provides $500 million annually for 10 years, for public health education and promotion. Contracts awarded to public and nonprofit private entities to carry out educational activities designed to reduce the use of tobacco. **§ 2861**	Directs Secretary to carry out a mass media public education campaign. No specific amount provided for this activity.	Provides $500 million annually, adjusted for inflation, for Federal counter-advertising campaign	Provides $669 million in 1999; $490 million in 2001, for media counter-advertising and non-media prevention and cessation campaign.	Provides $750 million annually for a nationwide campaign with national, state and local components.	See other uses below

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Product regulation, enforcement of youth access restrictions and retailer outreach	Recommends $300 million annually for the FDA to carry out obligations under this Act, including for grants to states to assist in enforcement.	Same as June Settlement. S1414 provides $300 million annually.	Provides $100 million for regulation and control of tobacco products. Funding derived from fee assessed on manufacturers based on their individual market shares. **§ 901-913** Provides $65 million annually from 1999 to 2008, augmented by penalties and surcharges; allows rebates to manufacturers if national reduction targets are surpassed. Licenses retailers, requires photo ID's, face-to-face transactions, location of products in areas where customers do not have access, no out of package distribution, no samples, imposes civil penalty on retailers and assesses surcharges on manufacturers if national targets are not met. **§ 2801-2817, 2821-2825**	Directs Secretary to provides funds for the administration and implementation of the public health and regulatory provisions of the Act, including funds for the CDC and FDA. No specific amount provided for these activities.	Provides $300 million, adjusted for inflation, for FDA tobacco outreach and enforcement activities.	Provides $300 million annually for FDA outreach and enforcement activities including regulation on tribal lands, and to examine drug and cessation devices for effectiveness, and to approve effective cessation programs and devices.	Maintains FDA authority, but prohibits banning the sale of tobacco products to adults. Specific funding amount to FDA is not clear.	Provides $134 million for FDA enforcement activities in 1999, increasing to $292 million in 2003.
Alcohol & Drug Reduction	No provision	Same as June Settlement.	No provision	No specific provision. See research section described above for details on National Tobacco and Other Abused Substances research agenda.	No provision	Provides $134 million in 1999; $100 million in 2001.	Not clear.	See other uses below.

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International tobacco control	No provision	Same as June Settlement.	No provision	No provision	No provision	Provides $54 million in 1999 ($40 million in 2001) for governmental programs, and $27 million in 1999 ($20 million in 2001) for non-governmental programs.	Provides $100 million annually for global education efforts. Terminates all support for tobacco promotion overseas by the US Government. Provides $300 million annually to strengthen federal anti-smuggling activities, both domestically and internationally.	See other uses below.
PROGRAMS FOR NATIVE AMERICANS								
IHS programs	No specific provision	Same as June Settlement.	No provision	Provides $200 million annually for anti-tobacco-related consumption and cessation activities including clinic and facility construction, renovation, and improvement; provider services; community sanitation associated with clinic construction and improvement; inpatient and outpatient services, or other programs provided through the IHS. § 101,901	No provision	Provides $200 million annually for anti-tobacco-related consumption and cessation activities including clinic and facility construction, renovation, and improvement; provider services; community sanitation associated with clinic construction and improvement; inpatient and outpatient services, or other programs provided through the IHS. § 901	Not clear.	See other uses below.

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Other programs for Native Americans	States must reserve a portion of their Tobacco Block Grant funds for their Indian tribes under regulations determined by the Secretary of HHS. In response to a Tribe's request, the Secretary may provide its share of the State's Block Grant funding directly, reducing the amount which the State would have otherwise received. Requirements for the use of funds by Tribes is the same as it is for States. Appendix III	Same as June Settlement **§ 402, 403, 902**	No provision	Provides that Tribes receive a portion of the funds provided for State Block Grants (see Other Funds for States). The Secretary of HHS shall reduce the amount made available for each State's Grant according to the percentage of State residents who are Indians residing on reservations within its boarders. Such funding shall be made available to Tribes as grants to further the purposes of the Act. Tribes shall be given flexibility to meet their unique health needs. **§ 101, 901**	No provision	Provides that Tribes receive a portion of the funds provided for State Block Grants (see Other Funds for States). The Secretary of HHS shall reduce the amount made available for each State's Grant according to the percentage of State residents who are Indians residing reservations (and other areas within the jurisdiction of Tribes) within its boarders. Such funding shall be made available to Tribes as grants and shall be used to reimburse the Tribe for smoking related expenditures and to further the purposes of the Act. Tribes shall be given flexibility to meet their unique health needs. **§ 901**	Not clear.	See other uses below.

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CHILDREN'S PROGRAMS (All are State programs, except Head Start)								
Medicaid	No Specified Activity	Same as June Settlement.	No Specified Activity	No provision	No Specified Activity	4% of the overall settlement amount will go towards Medicaid outreach. *FY 99:$0.82 B; FY01:$0.64* B There are a number of changes to the Medicaid program, including: • Using Medicaid fund created by TANF to be used for Medicaid and CHIP outreach (Sec. 133(a)) • Expanding Entities Qualified to determine presumptive eligibility (Sec. 133(b)) • Allowing Immigrant children who enter after August 1996 into Medicaid and CHIP (Sec. 133(c)) The bill would give the secretary the ability to develop a baseline number of children enrolled in Medicaid. A bonus for enrolling children above a given baseline. (Sec. 133(d))	Not clear. See Other Funds for States.	Provides $100 million in 1999. $900 million over five years would be spent on outreach activities. There are a number of changes to the Medicaid program, including: • Using Medicaid fund created by TANF to be used for Medicaid and CHIP outreach. Increase size of fund by $25 million and remove sunset. • Expanding Entities Qualified to determine presumptive eligibility. • Allowing Immigrant children who enter after August 1996 into Medicaid and CHIP. • Transferring Presumptive Eligibility Costs from CHIP to Medicaid.
Head Start	No provision	Same as June Settlement.	No provision	No specific provision. States may use their block grant funds in conjunction with and under a number of HHS programs including Head Start . See Other Funds for States described below. § **502**	• Funding for Early Head Start *FY 99: $157 M; FY01:$453 M.* • Funding for Head Start: *FY 99: $392 M; FY01: $1.13* B	No provision	Not clear. See Other Funds for States.	Head Start expansions ($305 million in 1999) are funded through regular discretionary appropriations (not related to tobacco)

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Child Care and Development	No provision	Same as June Settlement.	No provision	No provision	• Expansion of CCDBG to increase availability and affordability of quality child care, *FY 99: $314 M; FY01: $0.9 B* • CCDBG Health and Safety *FY 99: $314 M; FY01: $0.9 B* • CCDBG School age care, *FY99: $314 M; FY01: $0.9 B* • Individuals with Disabilities Education Act funding *FY99: $78 M; FY01: $0.227 M* Research addressed above.	17% of the overall settlement amount will go towards Child Care and Childhood Development Block Grant. These funds can be used for CCDBG Affordability, Quality Improvement, and Services. (Sec. 131(a)) *FY99: $3.49 B; FY01$2.70* B	Not clear. See Other Funds for States.	Provides $1.2 billion in 1999; $7.5 billion total by 2003 for CCDBG (unrestricted). Additional child care activities are funded outside tobacco legislation.
Education Grants	No provision	Same as June Settlement.	No provision	No provision	No provision	Provides $1.23 billion in 1999, $950 million in 2001, $4.9 billion over five years for education grants.	Not clear. See Other Funds for States.	Provides $1.1 billion in 1999; $7.3 billion over five years for class size initiative.
OTHER PROGRAMS								
Unspecified other uses	NA	NA	NA	NA	NA	NA	Not clear. See Other Funds for States.	Provides $3.4 billion in 1999; $22.3 billion total by 2003 for programs including cessation programs, farmers assistance, unrestricted State funds, counteradvertising, and support for other initiatives associated with national tobacco legislation.

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Other funds for States	Did not designate an annual amount for payments to States. Mississippi, Florida, and Texas settlements appear to assume States receive $4 billion the first year, increasing to $8 billion by the sixth year. The State settlements also appear to assume States would receive the entire $10 up-front payment. Did not specifically address Federal share of Medicaid.	Same as June Settlement.	Not addressed	Establishes State Account and provides $3.3 billion in year one; $8 billion in year six and thereafter; and $186 billion over first 25 years. Disburses funds in State Account in accordance with allocation formulas consistent with June Settlement. State is unrestricted in use of allocation, except for amount determined to be Federal Medicaid share. Allows State to keep Federal Medicaid share for anti-smoking or tobacco-related purposes. States muse use the funds for anti-tobacco programs in coordination with existing Federal programs including child nutrition, MCH, CHIP, Head Start, IHS and Ryan White.	Total funds for States includes public health block grant, child care & Head Start funds, Medicaid funds. States also get 43% of net revenue, less funding for public health programs and compensation for victims, which starts providing funds the second year, and reaches $2.3 billion in 2001. States may keep the Federal share of Medicaid recoveries if they are used for certain purposes.	Total funds for States includes grants from a number of public health programs, child care funds, education, and Medicaid programs plus payments of $3 billion in 1999, $2.3 billion in 2001. States not expected to repay Federal share of Medicaid recoupments. Total funding for States would exceed $8.5 billion in 1999 and $6.6 billion in 2001.	Provides $193.5 billion over 25 years for States. Of these funds, 50% would be distributed to States to use for improving early education, child care, or other purposes at their discretion.	Includes $2.4 billion in 1999 funding for child care, education, and Medicaid ($15.7 billion over five years). Additional payments included under "unspecified other uses" above.
Protection of farmers	No provision	Establishes "Tobacco Community Revitalization Trust Fund" to be administered by Secretary of Agriculture. Provides $2.1 billion annually from 1999 to 2008, and $500 annually from 2009 to 2023, for tobacco quota buyouts and assistance to tobacco communities.	No provision	Establishes "Tobacco Transition Act," and provides $3.1 billion in year one; $6.2 billion in year three; and $16 billion over 25 years. Terminates the federal tobacco programs while making compensation to quota owners and tobacco farmers. Provides economic assistance to affected communities through block grants to states.	Provides $3 billion annually for quota buyouts from 1999-2001. Provides $500 million annually in 1999 and 2000, then $800 million annually from 2001 to 2003, and $400 million in 2004, for tobacco community transition assistance block grants.	Provides $2.46 billion in 1999 ($1.91 billion in 2001) for agricultural community revitalization. A separate authorizing bill is required for funding to remain available.	Provides $15 billion for compensation, income support and traditional assistance to tobacco farming families, and for economic development and related assistance in tobacco communities.	See other uses above

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Event sponsorship	Recommends $75 million annually for ten years to compensate events, teams or entries in events, who lose sponsorship by tobacco industry as a result of this Act.	Same as June Settlement. S1414 provides $75 million annually for ten years.	No provision	No provision	Included in State tobacco block grants described above.	Provides $27 million in 1999 ($20 million in 2001) to compensate events, teams or entries in events, who lose sponsorship by tobacco industry.	Not clear.	See other uses above.
HI trust fund solvency	No provision	Same as June Settlement.	No provision	No provision	No provision	Provides $570 million in 1999; $390 million in 2001.	Not clear.	See other uses above.
Debt Reduction	No provision	Same as June Settlement.	No provision	No provision	No provision	Provides $1.23 billion in 1999; $950 million in 2001.	Not clear.	See other uses above.
Assistance to Sufferers	No provision.	See State tobacco block grants.	No specific provision. However, Senator Enzi, a co-sponsor, has proposed a smoker's compensation fund.	Provides $200 million annually beginning in year two for programs and activities carried out by Secretary of Labor relating to victims of asbestos-related injuries shown to have been exacerbated by tobacco use. **§ 101c3D**	Provides $780 million in 1999, increasing to $2.26 billion in 2001, for victims assistance compensation fund.	Provides $80 million in 1999; $60 million in 2001.	Provides $4 billion annually for a National Victim's Compensation Fund.	See other uses above.

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State Plans/ Maintenance of Effort on New Spending	No Specified Activities	Same as June Settlement.	States must submit plans to spend tobacco funds.	States must submit plans to spend tobacco funds.	States must submit plans to spend tobacco funds. Additional funds provided under tobacco are to supplement not supplant existing expenditures. (Sec. 2811(c)(6))	State must submit plans for new spending. No specified maintenance of effort provision.	Not clear. See Performance Bonus Pool in State tobacco block grants described above.	

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