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ISSUES	TOBACCO SETTLEMENT	LUGAR (S1313)	FORD (S1310)	ROBB (Floor Statment)	LAUTENBERG (S1343) PHAER ACT	KENNEDY (S1492)	MCCAIN (S1414)	HATCH (S1530)
RESTRICTIONS ON MARKETING AND ADVERTISING	**Except for advertising in adult-only facilities, limit tobacco-product advertising to black text on a white background.** **Ban sponsorships in the name, logo or selling message of a tobacco brand.** **Ban direct or indirect payments for tobacco product placement in movies, TV programs and video games.** **Prohibit direct and indirect payments to "glamorize" tobacco use in media appealing to minors.** **Prohibit tobacco-product advertising on the Internet.** **Bans point-of-sale advertising**						**Except for advertising in adult-only facilities, limit tobacco-product advertising to black text on a white background.** **Ban sponsorships in the name, logo or selling message of a tobacco brand.** **Ban direct or indirect payments for tobacco product placement in movies, tv programs and video games.** **Prohibit direct and indirect payments to "glamorize" tobacco use in media appealing to minors.**	**Agreement to ban on nontobacco items and services, contests and games of chance, and sponsorship of events.** **Restrictions on tobacco products as props on TV or movies or in video games** **Limit tobacco advertising to black text on white background.** **No sponsorship of athletic events** **Bans point-of-sale advertising.**

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PROVISIONS RELATING TO LOBBYING	**Must disband the Council for Tobacco Research, U.S.A., and the Tobacco Institute.**						**Tobacco Institute and Council for Tobacco Research shall be dissolved**	**Tobacco Institute and Council for Tobacco Research shall be dissolved**
CIGARETTE PRICE INCREASE					**Excise tax will be phases as follows:** **Year Increase Total tax** **1999 $0.50 $0.74** **2000 $0.50 $1.34 (plus $0.10 from BBA)** **2001 $0.50 $1.84** **2002 $0.00 $1.89 (plus $0.05 from BBA)** **2003 Tobacco tax annually indexed to CPI, Medical CPI, or 3 percent, whichever is greater.** **All taxes on other tobacco products are increased proportionally.** **Tobacco taxes will be annually indexed by the CPI, the Medical CPI or 3 percent, whichever is greater.**	**Increase tobacco tax by $1.50 per pack over three years (this is in addition to the currently enacted excise tax, including increases scheduled to take effect in 2000 and 2002) This will generate $650 billion over the next 25 years.**		

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YOUTH SMOKING	**Strict access restrictions including requiring face-to-face transactions; banning vending machine sales; requiring photo id** **"Look Back" Provisions – Economic Surcharges if Underage Use is not Greatly Reduced** **30% by Year 5** **50% by Year 7** **60% by Year 10** **If reductions are not met, FDA imposes a mandatory surcharge based on an approximation of the present value of the profit earned over the lives of all underage smokers in excess of required deductions with $2 billion annual cap Manufacturers could receive a partial refund up to 75% if they could prove that they had taken all reasonable meaures to reduce youth smoking**				**no actual provision - -simply Sense of the Senate: 1) stiff penalties to tobacco industry to give the strongest possible incentive to stop targeting children; 2) codification of FDA initiative to prevent teen smoking and the imposition of stronger restrictions on youth access; and 3) efforts to ensure that tobacco industry stops marketing and promoting tobacco to children, including comprehensive corporate compliance programs**	**Establish national goals for the reduction of teen smoking and for smokeless tobacco use to the extent that cigarette or smokeless tobacco manufacturers fail to meet tobacco reduction goals, a surcharge of $1.00 per pack will be imposed. There will be no ceiling on the total amount of the surcharges nor will any surcharges be rebated.** **Reductions:** **4th Year-40%** **5th Year-50%** **6th Year-60%** **7th Year-65%** **8th Year-70%** **9th Year-75%** **10th Year-80%**	**Sales to minors prohibited -No retailer may distribute a tobacco product to any individual who is under 18 years of age.** **Requires photo id; face to face transactions** **Reductions in Youth Smoking:** **30% -Years 5, 6** **50%-Years 7,8,9** **60%-Years 10+** **If reductions not met, FDA imposes a mandatory surcharge with cap of $2 billion** **May obtain abatement of 75%**	**No person shall distribute a tobacco product to an individual under 18 years of age.** **Requires photo id; face to face transactions** **Reductions in Youth Smoking:** **30% -Years 5, 6** **50%-Years 7,8,9** **60%-Years 10+** **Surcharge Years 1-5: $5B cap;** **Years 6+: $10B cap**

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DOCUMENT DISCLOSURE	The legislation would ensure that previously non-public or confidential documents from the files of the tobacco industry are disclosed to the federal government, the States, public and private litigants, health officials and the public.				no actual provision - -simply Sense of the Senate: Broad disclosure of tobacco industry documents, including documents that have been hidden under false claims of attorney-client privilege.	Tobacco companies must disclose all relevant documents, including those related to the health effects of its products, to scientific studies of tobacco components, to addictiveness, to the health impacts of proposed modifications, and to marketing and advertising strategies. An oversight board with subpoena power will be created to monitor industry compliance.	It is the purpose of this title to provide for the disclosure of previously nonpublic or confidential documents by manufacturers of tobacco products, including the results of internal health research, and work product, or trade secrets with respect to such documents.	It is the purpose of this title to provide for the disclosure of previously nonpublic or confidential documents by manufacturers of tobacco products, including the results of internal health research, and to provide for a procedure to settle claims of attorney-client privilege, work product, or trade secrets with respect to such documents.
TAX DEDUCTIBILITY	Payments treated as ordinary and necessary business expenses				The increased taxes contained in this bill will be nondeductible for the tobacco companies.	Tobacco companies will be prohibited from deducting any of the payments required under this act from their corporate income taxes as ordinary and necessary business expenses.	Payments to Tobacco Settlement Trust Fund are ordinary and necessary business expense and are deductible	

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FDA AUTHORITY/ REGULATION OF TOBACCO PRODUCTS	**This legislation, for the first time, would impose a regulatory regime to govern the development and manufacturing of cigarettes and smokeless tobacco products, including FDA approval of the ingredients used in such products and imposition of standards for reducing the level of certain constituents, including nicotine. Requires full disclosure to FDA of non-tobacco ingredients. Requires FDA's preapproval of new ingredients FDA can require reduction of nicotine if 1) will result in reduction of health risks 2) technologically feasible 3)will not result in significant demand for contraband**				**no actual provision - -simply Sense of the Senate: full authority for FDA to regulate tobacco like any other drug with sufficient flexibility to meet changing circumstances**	**Legislation includes comparable increases for smokeless tobacco and other tobacco products. FDA will be able to regulate nicotine content and yield. Legislation affirms broad FDA authority. FDA will have authority to regulate tobacco as a drug and a drug delivery device. FDA will regulate nicotine content. Industry funds raised from the licensing fee will be used to support the cost of effective tobacco regulation.**	**Regulatory scheme applicable to the development and manufacturing of cigarettes and smokeless tobacco products/tobacco products. Such scheme shall include the approval of the ingredients used in such products and the imposition of standards to reduce the level of certain constituents contained in such products, including nicotine.**	**Regulatory scheme to encourage the development of less hazardous products, including the power to regulate the level of nicotine**

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PROGRAMS/ FUNDS	**Base aggregrate payment of $10billion. Thereafter, specified annual payments tied to volume of domestic sales, these payments will be increased as long as companies continue to sell tobacco in this nation.** **At current levels of sales, the proposed resolution requires total payments of $368.5 billion over the first 25 years and $743.5 billion over the first 50 years. These payments are separate from any surcharge required under the "look back" provision.** **$125,000,000 for the first three years and $225,000,000 annually thereafter to the Secretary of HHS.** **$300,000,000 annually for the FDA to carry out its obligations under and to enforce the terms of this Act, including for grants to the states to assist in the enforcement** **$75,000,000 for the first two years, $100,000,000 in the third year, and $125,000,000 annually to**				**The Public Health and Education Resource Fund:** **The Secretary of HHS shall distribute 75% of the annual amounts collected in the Trust Fund to the States for:** **Tobacco education/ prevention in schools; Smoking cessation;** **State Children's Health Insurance Program; Health Services Block Grant;** **ASSIST programs** **25% to following Federal programs:** **FDA tobacco control** **USDA programs to assist farmers** **CDC and NIH** **Medicare benefits** **HHS' advertising** **USAID's efforts to decrease tobacco consumption overseas.** **Tobacco prevention programs at the Office of National Drug Control Policy** **VA to conduct**	**The federal share of funds raised by the increase tax will be $20 billion per year. ($15 billion from the 85 cents increase above the level of the AG settlement, and $5 billion from the federal share of the AG settlement).** **Funds will go to: $10 billion to NIH, doubling budget, and $10 billion to research in early childhood development, including Head Start, 0-3, and child care** **National counter-advertising program to educate public.**	**Base payment of $10 billion** **National counter-advertising and tobacco control campaign** **National Smoking Cessation Program: $1B for 1st 4 years and $1.5B thereafter** **$125,000,000 for 1st 4 years and $225,000,000 thereafter for National Reduction in Tobacco Usage Program** **$500,000,000 for Tobacco-Free Education Board**	**Base aggregate payment of $10 billion.** **Year 1-$9.8B** **Year 2-$13B** **Year 3-$16B** **Year 4-$14.5B** **Year 5-$15.5B** **Years6-10:$16.5B** **Year11-15:$16.5** **Year 16-20:$16.5** **Year 21-25:$16.5** **Trust fund allocations: 2% to NIH; 2% to National Center for Research Resources; 10% to carry out national cancer research** **Federal Government to prepare annual report on national tobacco research agenda** **Also fund tobacco cessation programs**

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PROGRAMS/ FUNDS	$75,000,000 for the first two years, $100,000,000 in the third year, and $125,000,000 annually to fund state and local tobacco control community based efforts modeled on the ASSIST program, designed to encourage community involvement in reducing tobacco use. $100,000,000 annually to fund research and the development of methods for how to discourage individuals from starting to use tobacco. Public Education Campaign-$500,000,000 shall be spent annually to discourage use of tobacco products $2.5 billion annually for Public Health Trust Fund				tobacco education, intervention, and outreach.	States would receive funding for smoking cessation programs, reduction of tobacco use through counter-advertising, tobacco free public education programs, tobacco free community action programs, licensing of tobacco sellers and enforcement of youth deterrence. Tobacco victim's assistance fund will provide financial help to persons with serious tobacco induced health problems.	$75,000,000 for first 10 years for National Event Sponsorship Program 75,000,000 for first 2 years, $100,000,000 for third year, and $125,000,000 thereafter for National Community Action Program $100,000,000 for National Cessation Research Program $300,000,000 for FDA for implementation	

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FUNDING FOR STATES					**75% of funding for trust fund goes to states –see above for allocations**	**States will be compensated for that portion of their Medicaid expenditures attributable to treatment for tobacco induced illnesses and conditions.**	**Block grants to states for 1) to reimburse for tobacco-related illnesses 2)to provide health care coverage 3)to create a tobacco products liability judgments and settlements fund and 4) to reimburse for tobacco licensure requirements**	**Provides funds to each state to reimburse such state for amounts expended by the state for the treatment of individuals with tobacco-related illnesses.**
WARNING LABELS	**Requires new warning labels that are 25% of the front of cigarette packs and 25% of the principal display panel of smokeless tobacco**				**no actual provision --simply Sense of the Senate: Imposition of more prominent health warning labels on packaging to send a strong and clear message to children about the dangers of tobacco use**	**Legislation would mandate strong new rotating warnings on all tobacco product packages and cartons, and in all advertisements.** **The warnings will include "cigarettes are addictive," "cigarettes cause cancer," and "smoking can kill you."**	**Labels will occupy not less than 25% of front panel of package.** **Mandatory disclaimer that such product has not been shown to be less than hazardous than another product of that type.** **Labels will be rotated quarterly. Warning include "ciagarettes are addictive"**	**Warning labels on packages and in ads are required.** **Labels will occupy not less than 25% of front panel of package.** **Warnings include: "cigarettes are addictive" and cigarettes cause cancer."**

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INGREDIENT DISCLOSURE	**No non-tobacco ingredient could be used in manufacturing tobacco products unless the manufacturer can demonstrate that such ingredient is not harmful under the intended conditions of use. Further, the legislation would require the manufacturers to disclose to the FDA and the public the ingredients and the amounts in each brand.**				**no actual provision --simply Sense of the Senate: Disclosure of ingredients and constituents of all tobacco products to the public**	**Tobacco companies will be required to disclose to the FDA the nature and amount of each ingredient, substance, and compound in each brand of cigarette or tobacco product, and the Agency will make such information available to the public unless it has determined it to be a trade secret.**	**Each person who manufactures, packages, or imports cigarettes must disclose ingredients to the FDA**	**Manufacturers must disclose ingredients to the FDA**

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COMPLIANCE AND CORPORATE CULTURE	**A key element in achieving the Act's goals will be forcing a fundamental change in the way the tobacco industry does business. Accordingly, the Act will provide for means to ensure that the industry will not only comply with the letter of the law but will also have powerful incentives to prevent underage usage of tobacco products and to strive to develop and market less hazardous tobacco products.**				**no actual provision --simply Sense of the Senate: Efforts to ensure that the tobacco industry stops markeing and promoting tobacco to children, including comprehensive corporate compliance programs.**		**Not later than 1 year after the date of enactment of this act, and annually thereafter, each manufacturer of a tobacco product shall prepare and submit to the Secretary a plan to ensure that the manufacturer complies with all applicable federal, state, and local laws with respect to the manufacture and distribution of tobacco products.**	

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REDUCTION OF INVOLUNTARY EXPOSURE TO TOBACCO SMOKE	**Until now, there has been no minimum or other federal standard governing smoking in public places or at work. This legislation would restrict indoor smoking in "public facilities" to ventilated areas.**				**no actual provision - -simply Sense of the Senate: Elimination of secondhand tobacco smoke in public and private buildings in which 10 or more people regularly enter.**	**Restrict indoor smoking in public facilities to areas in which the air is vented directly to the outside.** **Prohibition of smoking in schools and child care facilities.** **Exempt adult only facilities such as bars, and designated hotel guest rooms.** **Federal rules establish a floor for protecting non-smokers from second-hand smoke.** **State and localities may enact more restrictive measures.**	**Each smoke-free environment policy for a public facility shall prohibit the smoking of cigarettes, cigars, and pipes within the facility and other facility property within the vicinity of the entrance tot he facility and post a clear and prominent notice of the smoking prohibition in appropriate and visible locations at the public facilities.**	**Establish a minimum federal standard to limit smoking in public places** **In order to protect children and adults from cancer, the responsible entity for each public facility shall adopt and implement a smoke-free environment.**

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FARMER OPPORTUNITY GRANTS			**Farmer Opportunity Grants: Establishes a $1.4 billion grant program for tobacco farmers and their families to pay for higher education. Grants would be made in the amount of $1,700 per year, rising to $2,900 annually by the year 2019. Grants would be used for tuition and fees of higher learning universities, community colleges, and vocational schools.**				**Farmer Opportunity Grants: Provides farmer opportunity grants to all eligible students for postsecondary education. (Same as Ford's proposal)**	**Farmer Opportunity Grants to assist in making available the benefits of postsecondary education - $42.5 million for years 1999-2004; $50 million for years 2004-2009**

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FARMERS/ TOBACCO COMMUNITY REVITALIZATION TRUST FUND			**Allocates $28.5 billion from tobacco manufacturer payments under a tobacco settlement to create the fund. The payments would be allocated to domestic manufacturers on the basis of market share.**				**There is established in the Treasury of the United States a trust fund to be known as the "Tobacco Community Revitalization Trust Fund," consisting of such amounts as may be appropriated or credited to the trust fund. The trust fund shall be administered by the Secretary.**	
FARMERS/ MODIFICATIONS TO TOBACCO PROGRAM			**Increase penalties against manufacturers who fail to purchase at least 90% of their tobacco purchase intentions and deposit penalty payments into the Trust Fund.** **Also, repeal the tobacco marketing assessment.**					

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FARMERS/ ECONOMIC ASSISTANCE TO TOBACCO DEPENDENT COMMUNITIES		**$300 million in total economic assistance. $100 million per year for 3 years would be block granted to tobacco dependent states. States would determine the areas most in need and the purpose for which the money is allocated.**	**The bill would provide $8.3 billion over 25 years in the form of grants to states for agricultural and economic development in tobacco-producing counties. At least 20% of the funds received by the states must be spent on agriculture**	**Senator Robb does not provide a total amount of economic assistance to be provided. $250 million annually would be allocated for economic development in tobacco dependent communities. The funds could be used for specific**		**Grants to tobacco states to carry out non-tobacco economic development initiatives**	**Grants to tobacco-growing states to enable the states to carry out economic development initiatives in tobacco-growing communities**	**Funds in the Tobacco Transistion Account used for block grants to tobacco-growing states to assist areas that are dependent on production of tobacco $100,000,000 for each of Years 1999 -2001**

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ECONOMIC ASSISTANCE TO TOBACCO DEPENDENT COMMUNITIES			**related development activities. Bill also includes long-term technical assistance to farmers and farmer-owned businesses seeking to diversify the agricultural economy. States would be required to spend 4% of grant amounts to each state on technical assistance. The bill would require all costs associated with the tobacco program to be paid for out of the fund. The tobacco program would continue to operate, as would the current system of farmer supported price support payments.**	**purposes, such as improving the quality of education, promoting tourism through natural resource protection, constructing advanced manufacturing centers, industrial parks, water and sewer facilities and transportation improvements, establishing small business incubators, and installing high technology infrastructure improvements.**				

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QUOTA HOLDER BUYOUT		**Quota Buyout: $8 per pound of quota 1) A lump sum payment in 1999 for those who agree to end tobacco production. 2) Three equal payments, from 1999-2001, to those who wish to continue production (without a subsidy).**		**Quota Buyout:The proposal would give quota owners $8/pound for their quota. The funds will be paid out in 5 annual installments of $1.60/pound based on the three-year average (1995-97) of their basic quota. This program would convert existing quota into cash, it would terminate the existing quota system, and a new program would be instituted to give growers the right to grow tobacco through the issuance of licenses.**		**Quota Buyout: $4**		**The payment shall constitute compensation for the lost value to the owner of the quota. Buyout payment should be made by multiplying $8.00 by the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.**

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TOBACCO PROGRAM AND RELATED COSTS			**The bill would require all cost associated with the tobacco program, administrative costs, extension services, crop insurance, loan association, grading and inspection fees, etc., to be paid for out of the fund. Costs are not to exceed $100 million per year. Under this bill the tobacco program would continue to operate, as would the current system of farmer supported price support payments.**					

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FARMER AND WORKER ADJUSTMENT ASSISTANCE			**Establishes a $500 million worker retraining program, modeled on the NAFTA Trade Adjustment Assistance program. Workers would qualify when the sales or production of a firm involved in tobacco decline, in part or wholly due to the implementation of a national tobacco settlement.**			**Transition assistance for tobacco farmers and displaced tobacco industry workers. This program would provide compensation for tobacco farmers agreeing to retire their tobacco acreage, and to assist farmers and workers who wish to train for new careers.**	**A group of workers (including workers in any firm or subdivision of a firm involved in the manufacture, processing, or warehousing of tobacco products) shall be certified as eligible to apply for adjustment assistance 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.**	**A group of workers 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 workers in such workers' firm have become totally or partially separated.**

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FARMERS/ PHASE OUT OF PRICE SUPPORT PROGRAM		**1999-quotas eliminated through buyout Price Supports: 1999 - decline by 25% 2000 - decline by 10% 2001 - decline by 10% The price support program would end in 2002 and free market principles would go into effect.**						**1999 - decline by 25% 2000 - decline by 10% 2001 - decline by 10% The price support program would end in 2002 and free market principles would go into effect.**

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FARMERS/ AGRICULTURAL MARKET TRANSITION ASSISTANCE		$0.40 per pound of leased quota. Leased quota value would be based on farmer's average production from 1993-97. Payments would be made from 1999-2001.	Compensates farmers for reduction in tobacco quota below the average 1994-96 quota. Quota holders would be paid $4 per pound per year for every pound quota falls below the baseline level. Payments to an individual quota holder would be subject to a lifetime limit of $8 per pound times the farmer's baseline quota. Farmers who lease tobacco would be an effective rate of $2 per pound for the amount quota falls below what was leased in 1994-96. Total amount payable to farmers would be limited to $1.6 billion per year.	The proposal contemplates giving a minimum of income protection during this period. One option would be to add protections in the event tobacco quota falls by more than 10% from the 1997 levels. If that occurs, tobacco producers would be eligible for a $1/pound payment for lost quota from their 1997 level.		Transition assistance for tobacco farmers and displaced tobacco industry workers. This program would provide compensation for tobacco farmers agreeing to retire their tobacco acreage, and to assist farmers and workers who wish to train for new careers. Economic development assistance to those communities most heavily impacted by changes in the tobacco industry.	Beginning with the 1999 marketing year, the Secretary shall make payments for lost tobacco quota to eligible quota holders, quota leasees, and quota tenants as reimbursement for lost tobacco quota as a result of a decrease in demand for domestically produced tobacco.	The Secretary shall make transition payments during each of the 1999 through 2001 marketing years for a kind of tobacco that was subject to a quota to a producer who produced the kind of tobacco during at least 3 of the 1993 - 1997 crop years and entered into a tobacco transition contract.

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NEW TOBACCO PROGRAM (LICENSING)	**The legislation would mandate minimum federal standards for a retail licensing program that the federal government and state and local authorities would enforce through funding provided by the Industry Payments. Any entity that sells directly to consumers-whether a manufacturer, wholesaler, importer, distributor or retailer-would require a license.**			**The new system would grant licenses to actual tobacco producers after all the quota has been bought out. These licenses, would go to all producers, whether they were quota holders, tenant farmers or quota leasees. There would be no significant cost with acquiring the licenses. These licenses would give the farmer the right to continue growing tobacco, however, that right could not be bought or sold or leased. That license, unlike the quota, would not be a liquid asset. If the grower stopped producing**			**The Commissioner, after consultation with the Secretary, shall establish a program under which an entity would be required to obtain a state or local license to sell or otherwise distribute tobacco products directly to consumers.**	**State-administered retail licensing system to prevent access to minors** **With respect to the total amount of licensing fees to be paid by participating manufacturers for a fiscal year, such manufacturer shall determine the percentage of such total amount that each such manufacturer shall be required to pay and the manner in which such payments will be made.**

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NEW TOBACCO PROGRAM (LICENSING)				**tobacco, the license would be issued to the granting authority, which would reissue the license. Through the buyout, producers will no longer face the expense of leasing or buying quota. Once that cost is eliminated, the producer can be more competitive.**				

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CIVIL LIABILITY/ IMMUNITY	The proposed resolution preserves individuals' right to sue the tobacco industry. Settles current actions maintained by states and currently pending class actions, and bars similar actions in the future. Future claims could not be maintained, however, on a class basis, and could be maintained only against tobacco manufacturing companies. In addition, claimants could seek punitive damages only with respect to claims predicated upon conduct taking place after enactment. The proposed resolution sets an annual aggregate cap equal to 33% of the industry's annual payment. Any excess judgments or settlements above the cap would roll over until the next year.						Pending civil actions by a state or local governmental entity against a manufacturer, distributor, or retailer are terminated. No punitive damages shall be awarded. No class action suits. Sets an annual aggregate cap equal to 33% of the industry's annual payment. Any excess judgments or settlements above the cap would roll over. Also immunity for tobacco producers, growers associations, or warehouse owners	Settles pending state and class actions. No punitive damages shall be awarded. No future class action suits. Sets an annual aggregate cap equal to 33% of the industry's annual payment. The provisions of this section shall apply to civil liability for future conduct. Health related civil actions pending on enactment of this act are terminated. A manufacturer shall be immune from any class action commenced after the date of enactment.

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PENALTIES AND ENFORCEMENT; CONSENT DECREES; NON-PARTICIPATING COMPANIES	**The proposed resolution provides for a comprehensive scheme of enforcement. Violations of the proposed resolution's requirements carry civil and criminal penalties based upon the penalty provisions of the Food, Drug and Cosmetic Act and, where applicable, the provisions of the United States criminal code. Special enhanced civil penalties attach to violations of the obligations to disclose research about health effects and information about the toxicity of non-tobacco ingredients--up to ten times the penalties applicable to similar violations by pharmaceutical companies.** **In addition, terms of the proposed resolution would be embodied in state consent decrees, giving the states concurrent enforcement powers. State enforcement could not impose obligations or requirements beyond those imposed by the proposed** **The proposed resolution is subject to the approval of the Boards of the companies**						**It is the purpose of this title to provide for the establishment of consent decrees and the imposition of certain payment provisions, in addition to those otherwise provided for under Federal or State laws, to encourage manufacturers, distributors, and retailers to comply with this Act, and to otherwise provide for the enforcement of this Act with respect to non-participating manufacturers.**	**To be eligible to receive payments or liability protections, consent decrees must be entered into under this section to be effective on the date of enactment of this act.** **Federal or state government may bring a civil action to enforce for penalties up to $10 million** **A state may bring its own name for the enforcement of the terms of a consent decree.**

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PENALTIES AND ENFORCEMENT; CONSENT DECREES; NON-PARTICIPATING COMPANIES	**resolution and would be limited to the penalties specified in the proposed resolution and by prohibition on duplicative penalties.** **The proposed resolution is subject to the approval of the Boards of the companies involved.**							
APPLICATION TO INDIAN TRIBES	**The provisions of the FDCA, the regulations of the FDA, and the Act relating to the manufacture, distribution and sale of tobacco products shall apply on Indian lands.**						**A manufacturer shall not engage in any activity within Indian country that is otherwise prohibited under this Act.**	**A participating manufacturer shall not engage in any activity within Indian country.**

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ISSUES	TOBACCO SETTLEMENT	LUGAR (S1313)	FORD (S1310)	ROBB (Floor Statment)	LAUTENBERG (S1343) PHAER ACT	KENNEDY (S1492)	MCCAIN (S1414)	HATCH (S1530)
RESTRICTIONS ON MARKETING AND ADVERTISING	**Except for advertising in adult-only facilities, limit tobacco-product advertising to black text on a white background.** **Ban sponsorships in the name, logo or selling message of a tobacco brand.** **Ban direct or indirect payments for tobacco product placement in movies, TV programs and video games.** **Prohibit direct and indirect payments to "glamorize" tobacco use in media appealing to minors.** **Prohibit tobacco-product advertising on the Internet.** **Bans point-of-sale advertising**						**Except for advertising in adult-only facilities, limit tobacco-product advertising to black text on a white background.** **Ban sponsorships in the name, logo or selling message of a tobacco brand.** **Ban direct or indirect payments for tobacco product placement in movies, tv programs and video games.** **Prohibit direct and indirect payments to "glamorize" tobacco use in media appealing to minors.**	**Agreement to ban on nontobacco items and services, contests and games of chance, and sponsorship of events.** **Restrictions on tobacco products as props on TV or movies or in video games** **Limit tobacco advertising to black text on white background.** **No sponsorship of athletic events** **Bans point-of-sale advertising.**

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ISSUES	TOBACCO SETTLEMENT	LUGAR (S1313)	FORD (S1310)	ROBB (Floor Statment)	LAUTENBERG (S1343) PHAER ACT	KENNEDY (S1492)	MCCAIN (S1414)	HATCH (S1530)
PROVISIONS RELATING TO LOBBYING	**Must disband the Council for Tobacco Research, U.S.A., and the Tobacco Institute.**						**Tobacco Institute and Council for Tobacco Research shall be dissolved**	**Tobacco Institute and Council for Tobacco Research shall be dissolved**
CIGARETTE PRICE INCREASE					**Excise tax will be phases as follows: Year Increase Total tax 1999 $0.50 $0.74 2000 $0.50 $1.34 (plus $0.10 from BBA) 2001 $0.50 $1.84 2002 $0.00 $1.89 (plus $0.05 from BBA) 2003 Tobacco tax annually indexed to CPI, Medical CPI, or 3 percent, whichever is greater. All taxes on other tobacco products are increased proportionally. Tobacco taxes will be annually indexed by the CPI, the Medical CPI or 3 percent, whichever is greater.**	**Increase tobacco tax by $1.50 per pack over three years (this is in addition to the currently enacted excise tax, including increases scheduled to take effect in 2000 and 2002) This will generate $650 billion over the next 25 years.**		

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YOUTH SMOKING	Strict access restrictions including requiring face-to-face transactions; banning vending machine sales; requiring photo id "Look Back" Provisions — Economic Surcharges if Underage Use is not Greatly Reduced 30% by Year 5 50% by Year 7 60% by Year 10 If reductions are not met, FDA imposes a mandatory surcharge based on an approximation of the present value of the profit earned over the lives of all underage smokers in excess of required deductions with $2 billion annual cap Manufacturers could receive a partial refund up to 75% if they could prove that they had taken all reasonable meaures to reduce youth smoking				no actual provision --simply Sense of the Senate: 1) stiff penalties to tobacco industry to give the strongest possible incentive to stop targeting children; 2) codification of FDA initiative to prevent teen smoking and the imposition of stronger restrictions on youth access; and 3) efforts to ensure that tobacco industry stops marketing and promoting tobacco to children, including comprehensive corporate compliance programs	Establish national goals for the reduction of teen smoking and for smokeless tobacco use to the extent that cigarette or smokeless tobacco manufacturers fail to meet tobacco reduction goals, a surcharge of $1.00 per pack will be imposed. There will be no ceiling on the total amount of the surcharges nor will any surcharges be rebated. Reductions: 4th Year-40% 5th Year-50% 6th Year-60% 7th Year-65% 8th Year-70% 9th Year-75% 10th Year-80%	Sales to minors prohibited -No retailer may distribute a tobacco product to any individual who is under 18 years of age. Requires photo id; face to face transactions Reductions in Youth Smoking: 30% -Years 5, 6 50%-Years 7,8,9 60%-Years 10+ If reductions not met, FDA imposes a mandatory surcharge with cap of $2 billion May obtain abatement of 75%	No person shall distribute a tobacco product to an individual under 18 years of age. Requires photo id; face to face transactions Reductions in Youth Smoking: 30% -Years 5, 6 50%-Years 7,8,9 60%-Years 10+ Surcharge Years 1-5: $5B cap; Years 6+: $10B cap

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DOCUMENT DISCLOSURE	The legislation would ensure that previously non-public or confidential documents from the files of the tobacco industry are disclosed to the federal government, the States, public and private litigants, health officials and the public.				no actual provision - -simply Sense of the Senate: Broad disclosure of tobacco industry documents, including documents that have been hidden under false claims of attorney-client privilege.	Tobacco companies must disclose all relevant documents, including those related to the health effects of its products, to scientific studies of tobacco components, to addictiveness, to the health impacts of proposed modifications, and to marketing and advertising strategies. An oversight board with subpoena power will be created to monitor industry compliance.	It is the purpose of this title to provide for the disclosure of previously nonpublic or confidential documents by manufacturers of tobacco products, including the results of internal health research, and work product, or trade secrets with respect to such documents.	It is the purpose of this title to provide for the disclosure of previously nonpublic or confidential documents by manufacturers of tobacco products, including the results of internal health research, and to provide for a procedure to settle claims of attorney-client privilege, work product, or trade secrets with respect to such documents.
TAX DEDUCTIBILITY	Payments treated as ordinary and necessary business expenses				The increased taxes contained in this bill will be nondeductible for the tobacco companies.	Tobacco companies will be prohibited from deducting any of the payments required under this act from their corporate income taxes as ordinary and necessary business expenses.	Payments to Tobacco Settlement Trust Fund are ordinary and necessary business expense and are deductible	

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FDA AUTHORITY/ REGULATION OF TOBACCO PRODUCTS	**This legislation, for the first time, would impose a regulatory regime to govern the development and manufacturing of cigarettes and smokeless tobacco products, including FDA approval of the ingredients used in such products and imposition of standards for reducing the level of certain constituents, including nicotine. Requires full disclosure to FDA of non-tobacco ingredients. Requires FDA's preapproval of new ingredients FDA can require reduction of nicotine if 1) will result in reduction of health risks 2) technologically feasible 3)will not result in significant demand for contraband**				**no actual provision - -simply Sense of the Senate: full authority for FDA to regulate tobacco like any other drug with sufficient flexibility to meet changing circumstances**	**Legislation includes comparable increases for smokeless tobacco and other tobacco products. FDA will be able to regulate nicotine content and yield. Legislation affirms broad FDA authority. FDA will have authority to regulate tobacco as a drug and a drug delivery device. FDA will regulate nicotine content. Industry funds raised from the licensing fee will be used to support the cost of effective tobacco regulation.**	**Regulatory scheme applicable to the development and manufacturing of cigarettes and smokeless tobacco products/tobacco products. Such scheme shall include the approval of the ingredients used in such products and the imposition of standards to reduce the level of certain constituents contained in such products, including nicotine.**	**Regulatory scheme to encourage the development of less hazardous products, including the power to regulate the level of nicotine**

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PROGRAMS/ FUNDS	Base aggregrate payment of $10billion. Thereafter, specified annual payments tied to volume of domestic sales, these payments will be increased as long as companies continue to sell tobacco in this nation. At current levels of sales, the proposed resolution requires total payments of $368.5 billion over the first 25 years and $743.5 billion over the first 50 years. These payments are separate from any surcharge required under the "look back" provision. $125,000,000 for the first three years and $225,000,000 annually thereafter to the Secretary of HHS. $300,000,000 annually for the FDA to carry out its obligations under and to enforce the terms of this Act, including for grants to the states to assist in the enforcement $75,000,000 for the first two years, $100,000,000 in the third year, and $125,000,000 annually to				The Public Health and Education Resource Fund: The Secretary of HHS shall distribute 75% of the annual amounts collected in the Trust Fund to the States for: Tobacco education/ prevention in schools; Smoking cessation; State Children's Health Insurance Program; Health Services Block Grant; ASSIST programs 25% to following Federal programs: FDA tobacco control USDA programs to assist farmers CDC and NIH Medicare benefits HHS' advertising USAID's efforts to decrease tobacco consumption overseas. Tobacco prevention programs at the Office of National Drug Control Policy VA to conduct	The federal share of funds raised by the increase tax will be $20 billion per year. ($15 billion from the 85 cents increase above the level of the AG settlement, and $5 billion from the federal share of the AG settlement). Funds will go to: $10 billion to NIH, doubling budget, and $10 billion to research in early childhood development, including Head Start, 0-3, and child care National counter-advertising program to educate public.	Base payment of $10 billion National counter-advertising and tobacco control campaign National Smoking Cessation Program: $1B for 1st 4 years and $1.5B thereafter $125,000,000 for 1st 4 years and $225,000,000 thereafter for National Reduction in Tobacco Usage Program $500,000,000 for Tobacco-Free Education Board	Base aggregate payment of $10 billion. Year 1-$9.8B Year 2-$13B Year 3-$16B Year 4-$14.5B Year 5-$15.5B Years6-10:$16.5B Year11-15:$16.5 Year 16-20:$16.5 Year 21-25:$16.5 Trust fund allocations: 2% to NIH; 2% to National Center for Research Resources; 10% to carry out national cancer research Federal Government to prepare annual report on national tobacco research agenda Also fund tobacco cessation programs

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PROGRAMS/ FUNDS	**$75,000,000 for the first two years, $100,000,000 in the third year, and $125,000,000 annually to fund state and local tobacco control community based efforts modeled on the ASSIST program, designed to encourage community involvement in reducing tobacco use. $100,000,000 annually to fund research and the development of methods for how to discourage individuals from starting to use tobacco. Public Education Campaign-$500,000,000 shall be spent annually to discourage use of tobacco products $2.5 billion annually for Public Health Trust Fund**				**tobacco education, intervention, and outreach.**	**States would receive funding for smoking cessation programs, reduction of tobacco use through counter-advertising, tobacco free public education programs, tobacco free community action programs, licensing of tobacco sellers and enforcement of youth deterrence. Tobacco victim's assistance fund will provide financial help to persons with serious tobacco induced health problems.**	**$75,000,000 for first 10 years for National Event Sponsorship Program 75,000,000 for first 2 years, $100,000,000 for third year, and $125,000,000 thereafter for National Community Action Program $100,000,000 for National Cessation Research Program $300,000,000 for FDA for implementation**	

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FUNDING FOR STATES					75% of funding for trust fund goes to states –see above for allocations	States will be compensated for that portion of their Medicaid expenditures attributable to treatment for tobacco induced illnesses and conditions.	Block grants to states for 1) to reimburse for tobacco-related illnesses 2)to provide health care coverage 3)to create a tobacco products liability judgments and settlements fund and 4) to reimburse for tobacco licensure requirements	Provides funds to each state to reimburse such state for amounts expended by the state for the treatment of individuals with tobacco-related illnesses.
WARNING LABELS	Requires new warning labels that are 25% of the front of cigarette packs and 25% of the principal display panel of smokeless tobacco				no actual provision --simply Sense of the Senate: Imposition of more prominent health warning labels on packaging to send a strong and clear message to children about the dangers of tobacco use	Legislation would mandate strong new rotating warnings on all tobacco product packages and cartons, and in all advertisements. The warnings will include "cigarettes are addictive," "cigarettes cause cancer," and "smoking can kill you."	Labels will occupy not less than 25% of front panel of package. Mandatory disclaimer that such product has not been shown to be less than hazardous than another product of that type. Labels will be rotated quarterly. Warning include "ciagarettes are addictive"	Warning labels on packages and in ads are required. Labels will occupy not less than 25% of front panel of package. Warnings include: "cigarettes are addictive" and cigarettes cause cancer."

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INGREDIENT DISCLOSURE	**No non-tobacco ingredient could be used in manufacturing tobacco products unless the manufacturer can demonstrate that such ingredient is not harmful under the intended conditions of use. Further, the legislation would require the manufacturers to disclose to the FDA and the public the ingredients and the amounts in each brand.**				**no actual provision - -simply Sense of the Senate: Disclosure of ingredients and constituents of all tobacco products to the public**	**Tobacco companies will be required to disclose to the FDA the nature and amount of each ingredient, substance, and compound in each brand of cigarette or tobacco product, and the Agency will make such information available to the public unless it has determined it to be a trade secret.**	**Each person who manufactures, packages, or imports cigarettes must disclose ingredients to the FDA**	**Manufacturers must disclose ingredients to the FDA**

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COMPLIANCE AND CORPORATE CULTURE	**A key element in achieving the Act's goals will be forcing a fundamental change in the way the tobacco industry does business. Accordingly, the Act will provide for means to ensure that the industry will not only comply with the letter of the law but will also have powerful incentives to prevent underage usage of tobacco products and to strive to develop and market less hazardous tobacco products.**				**no actual provision - -simply Sense of the Senate: Efforts to ensure that the tobacco industry stops markeing and promoting tobacco to children, including comprehensive corporate compliance programs.**		**Not later than 1 year after the date of enactment of this act, and annually thereafter, each manufacturer of a tobacco product shall prepare and submit to the Secretary a plan to ensure that the manufacturer complies with all applicable federal, state, and local laws with respect to the manufacture and distribution of tobacco products.**	

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REDUCTION OF INVOLUNTARY EXPOSURE TO TOBACCO SMOKE	**Until now, there has been no minimum or other federal standard governing smoking in public places or at work. This legislation would restrict indoor smoking in "public facilities" to ventilated areas.**				**no actual provision - -simply Sense of the Senate: Elimination of secondhand tobacco smoke in public and private buildings in which 10 or more people regularly enter.**	**Restrict indoor smoking in public facilities to areas in which the air is vented directly to the outside.** **Prohibition of smoking in schools and child care facilities.** **Exempt adult only facilities such as bars, and designated hotel guest rooms.** **Federal rules establish a floor for protecting non-smokers from second-hand smoke.** **State and localities may enact more restrictive measures.**	**Each smoke-free environment policy for a public facility shall prohibit the smoking of cigarettes, cigars, and pipes within the facility and other facility property within the vicinity of the entrance tot he facility and post a clear and prominent notice of the smoking prohibition in appropriate and visible locations at the public facilities.**	**Establish a minimum federal standard to limit smoking in public places** **In order to protect children and adults from cancer, the responsible entity for each public facility shall adopt and implement a smoke-free environment.**

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FARMER OPPORTUNITY GRANTS			**Farmer Opportunity Grants: Establishes a $1.4 billion grant program for tobacco farmers and their families to pay for higher education. Grants would be made in the amount of $1,700 per year, rising to $2,900 annually by the year 2019. Grants would be used for tuition and fees of higher learning universities, community colleges, and vocational schools.**				**Farmer Opportunity Grants: Provides farmer opportunity grants to all eligible students for postsecondary education. (Same as Ford's proposal)**	**Farmer Opportunity Grants to assist in making available the benefits of postsecondary education - $42.5 million for years 1999-2004; $50 million for years 2004-2009**

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FARMERS/ TOBACCO COMMUNITY REVITALIZATION TRUST FUND			**Allocates $28.5 billion from tobacco manufacturer payments under a tobacco settlement to create the fund. The payments would be allocated to domestic manufacturers on the basis of market share.**				**There is established in the Treasury of the United States a trust fund to be known as the "Tobacco Community Revitalization Trust Fund," consisting of such amounts as may be appropriated or credited to the trust fund. The trust fund shall be administered by the Secretary.**	
FARMERS/ MODIFICATIONS TO TOBACCO PROGRAM			**Increase penalties against manufacturers who fail to purchase at least 90% of their tobacco purchase intentions and deposit penalty payments into the Trust Fund.** **Also, repeal the tobacco marketing assessment.**					

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FARMERS/ ECONOMIC ASSISTANCE TO TOBACCO DEPENDENT COMMUNITIES		$300 million in total economic assistance. $100 million per year for 3 years would be block granted to tobacco dependent states. States would determine the areas most in need and the purpose for which the money is allocated.	The bill would provide $8.3 billion over 25 years in the form of grants to states for agricultural and economic development in tobacco-producing counties. At least 20% of the funds received by the states must be spent on agriculture	Senator Robb does not provide a total amount of economic assistance to be provided. $250 million annually would be allocated for economic development in tobacco dependent communities. The funds could be used for specific		Grants to tobacco states to carry out non-tobacco economic development initiatives	Grants to tobacco-growing states to enable the states to carry out economic development initiatives in tobacco-growing communities	Funds in the Tobacco Transistion Account used for block grants to tobacco-growing states to assist areas that are dependent on production of tobacco $100,000,000 for each of Years 1999 -2001

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ECONOMIC ASSISTANCE TO TOBACCO DEPENDENT COMMUNITIES			**related development activities. Bill also includes long-term technical assistance to farmers and farmer-owned businesses seeking to diversify the agricultural economy. States would be required to spend 4% of grant amounts to each state on technical assistance. The bill would require all costs associated with the tobacco program to be paid for out of the fund. The tobacco program would continue to operate, as would the current system of farmer supported price support payments.**	**purposes, such as improving the quality of education, promoting tourism through natural resource protection, constructing advanced manufacturing centers, industrial parks, water and sewer facilities and transportation improvements, establishing small business incubators, and installing high technology infrastructure improvements.**				

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QUOTA HOLDER BUYOUT		**Quota Buyout: $8 per pound of quota 1) A lump sum payment in 1999 for those who agree to end tobacco production. 2) Three equal payments, from 1999-2001, to those who wish to continue production (without a subsidy).**		**Quota Buyout:The proposal would give quota owners $8/pound for their quota. The funds will be paid out in 5 annual installments of $1.60/pound based on the three-year average (1995-97) of their basic quota. This program would convert existing quota into cash, it would terminate the existing quota system, and a new program would be instituted to give growers the right to grow tobacco through the issuance of licenses.**		**Quota Buyout: $4**		**The payment shall constitute compensation for the lost value to the owner of the quota. Buyout payment should be made by multiplying $8.00 by the average annual quantity of quota owned by the owner during the 1995 through 1997 crop years.**

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TOBACCO PROGRAM AND RELATED COSTS			**The bill would require all cost associated with the tobacco program, administrative costs, extension services, crop insurance, loan association, grading and inspection fees, etc., to be paid for out of the fund. Costs are not to exceed $100 million per year. Under this bill the tobacco program would continue to operate, as would the current system of farmer supported price support payments.**					

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FARMER AND WORKER ADJUSTMENT ASSISTANCE			**Establishes a $500 million worker retraining program, modeled on the NAFTA Trade Adjustment Assistance program. Workers would qualify when the sales or production of a firm involved in tobacco decline, in part or wholly due to the implementation of a national tobacco settlement.**			**Transition assistance for tobacco farmers and displaced tobacco industry workers. This program would provide compensation for tobacco farmers agreeing to retire their tobacco acreage, and to assist farmers and workers who wish to train for new careers.**	**A group of workers (including workers in any firm or subdivision of a firm involved in the manufacture, processing, or warehousing of tobacco products) shall be certified as eligible to apply for adjustment assistance 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.**	**A group of workers 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 workers in such workers' firm have become totally or partially separated.**

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FARMERS/ PHASE OUT OF PRICE SUPPORT PROGRAM		**1999-quotas eliminated through buyout Price Supports: 1999 - decline by 25% 2000 - decline by 10% 2001 - decline by 10% The price support program would end in 2002 and free market principles would go into effect.**						**1999 - decline by 25% 2000 - decline by 10% 2001 - decline by 10% The price support program would end in 2002 and free market principles would go into effect.**

ISSUES	TOBACCO SETTLEMENT	LUGAR (S1313)	FORD (S1310)	ROBB (Floor Statment)	LAUTENBERG (S1343) PHAER ACT	KENNEDY (S1492)	MCCAIN (S1414)	HATCH (S1530)
FARMERS/ AGRICULTURAL MARKET TRANSITION ASSISTANCE		**$0.40 per pound of leased quota. Leased quota value would be based on farmer's average production from 1993-97. Payments would be made from 1999-2001.**	**Compensates farmers for reduction in tobacco quota below the average 1994-96 quota. Quota holders would be paid $4 per pound per year for every pound quota falls below the baseline level. Payments to an individual quota holder would be subject to a lifetime limit of $8 per pound times the farmer's baseline quota. Farmers who lease tobacco would be an effective rate of $2 per pound for the amount quota falls below what was leased in 1994-96. Total amount payable to farmers would be limited to $1.6 billion per year.**	**The proposal contemplates giving a minimum of income protection during this period. One option would be to add protections in the event tobacco quota falls by more than 10% from the 1997 levels. If that occurs, tobacco producers would be eligible for a $1/pound payment for lost quota from their 1997 level.**		**Transition assistance for tobacco farmers and displaced tobacco industry workers. This program would provide compensation for tobacco farmers agreeing to retire their tobacco acreage, and to assist farmers and workers who wish to train for new careers. Economic development assistance to those communities most heavily impacted by changes in the tobacco industry.**	**Beginning with the 1999 marketing year, the Secretary shall make payments for lost tobacco quota to eligible quota holders, quota leasees, and quota tenants as reimbursement for lost tobacco quota as a result of a decrease in demand for domestically produced tobacco.**	**The Secretary shall make transition payments during each of the 1999 through 2001 marketing years for a kind of tobacco that was subject to a quota to a producer who produced the kind of tobacco during at least 3 of the 1993 - 1997 crop years and entered into a tobacco transition contract.**

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NEW TOBACCO PROGRAM (LICENSING)	The legislation would mandate minimum federal standards for a retail licensing program that the federal government and state and local authorities would enforce through funding provided by the Industry Payments. Any entity that sells directly to consumers-whether a manufacturer, wholesaler, importer, distributor or retailer-would require a license.			The new system would grant licenses to actual tobacco producers after all the quota has been bought out. These licenses, would go to all producers, whether they were quota holders, tenant farmers or quota leasees. There would be no significant cost with acquiring the licenses. These licenses would give the farmer the right to continue growing tobacco, however, that right could not be bought or sold or leased. That license, unlike the quota, would not be a liquid asset. If the grower stopped producing			The Commissioner, after consultation with the Secretary, shall establish a program under which an entity would be required to obtain a state or local license to sell or otherwise distribute tobacco products directly to consumers.	State-administered retail licensing system to prevent access to minors With respect to, the total amount of licensing fees to be paid by participating manufacturers for a fiscal year, such manufacturer shall determine the percentage of such total amount that each such manufacturer shall be required to pay and the manner in which such payments will be made.

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NEW TOBACCO PROGRAM (LICENSING)				**tobacco, the license would be issued to the granting authority, which would reissue the license. Through the buyout, producers will no longer face the expense of leasing or buying quota. Once that cost is eliminated, the producer can be more competitive.**				

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CIVIL LIABILITY/ IMMUNITY	**The proposed resolution preserves individuals' right to sue the tobacco industry.** **Settles current actions maintained by states and currently pending class actions, and bars similar actions in the future.** **Future claims could not be maintained, however, on a class basis, and could be maintained only against tobacco manufacturing companies. In addition, claimants could seek punitive damages only with respect to claims predicated upon conduct taking place after enactment.** **The proposed resolution sets an annual aggregate cap equal to 33% of the industry's annual payment. Any excess judgments or settlements above the cap would roll over until the next year.**						**Pending civil actions by a state or local governmental entity against a manufacturer, distributor, or retailer are terminated.** **No punitive damages shall be awarded.** **No class action suits.** **Sets an annual aggregate cap equal to 33% of the industry's annual payment. Any excess judgments or settlements above the cap would roll over. Also immunity for tobacco producers, growers associations, or warehouse owners**	**Settles pending state and class actions.** **No punitive damages shall be awarded.** **No future class action suits.** **Sets an annual aggregate cap equal to 33% of the industry's annual payment.** **The provisions of this section shall apply to civil liability for future conduct.** **Health related civil actions pending on enactment of this act are terminated.** **A manufacturer shall be immune from any class action commenced after the date of enactment.**

ISSUES	TOBACCO SETTLEMENT	LUGAR (S1313)	FORD (S1310)	ROBB (Floor Statment)	LAUTENBERG (S1343) PHAER ACT	KENNEDY (S1492)	MCCAIN (S1414)	HATCH (S1530)
PENALTIES AND ENFORCEMENT; CONSENT DECREES; NON-PARTICIPATING COMPANIES	The proposed resolution provides for a comprehensive scheme of enforcement. Violations of the proposed resolution's requirements carry civil and criminal penalties based upon the penalty provisions of the Food, Drug and Cosmetic Act and, where applicable, the provisions of the United States criminal code. Special enhanced civil penalties attach to violations of the obligations to disclose research about health effects and information about the toxicity of non-tobacco ingredients--up to ten times the penalties applicable to similar violations by pharmaceutical companies. In addition, terms of the proposed resolution would be embodied in state consent decrees, giving the states concurrent enforcement powers. State enforcement could not impose obligations or requirements beyond those imposed by the proposed The proposed resolution is subject to the approval of the Boards of the companies						It is the purpose of this title to provide for the establishment of consent decrees and the imposition of certain payment provisions, in addition to those otherwise provided for under Federal or State laws, to encourage manufacturers, distributors, and retailers to comply with this Act, and to otherwise provide for the enforcement of this Act with respect to non-participating manufacturers.	To be eligible to receive payments or liability protections, consent decrees must be entered into under this section to be effective on the date of enactment of this act. Federal or state government may bring a civil action to enforce for penalties up to $10 million A state may bring its own name for the enforcement of the terms of a consent decree.

ISSUES	TOBACCO SETTLEMENT	LUGAR (S1313)	FORD (S1310)	ROBB (Floor Statment)	LAUTENBERG (S1343) PHAER ACT	KENNEDY (S1492)	MCCAIN (S1414)	HATCH (S1530)
PENALTIES AND ENFORCEMENT; CONSENT DECREES; NON-PARTICIPATING COMPANIES	**resolution and would be limited to the penalties specified in the proposed resolution and by prohibition on duplicative penalties.** **The proposed resolution is subject to the approval of the Boards of the companies involved.**							
APPLICATION TO INDIAN TRIBES	**The provisions of the FDCA, the regulations of the FDA, and the Act relating to the manufacture, distribution and sale of tobacco products shall apply on Indian lands.**						**A manufacturer shall not engage in any activity within Indian country that is otherwise prohibited under this Act.**	**A participating manufacturer shall not engage in any activity within Indian country.**

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HEADLINE: U.S. Officials Abroad to Stop Promoting Tobacco Products

BYLINE: By DAVID E. ROSENBAUM

DATELINE: WASHINGTON, Feb. 15

BODY:

The State Department plans to send a directive to all United States diplomatic posts instructing them not to promote American tobacco products abroad.

The new policy was required by legislation Congress approved last year, which was sponsored by Representative Lloyd Doggett, Democrat of Texas.

Until now, American diplomats and trade officials have treated cigarettes and other tobacco products no differently from other legally traded goods. That meant that these officials worked to break down trade barriers imposed by other countries and encouraged exports of American tobacco.

From now on, according to the directive, tobacco will be treated as a danger to health. The Government will continue to oppose trade policies abroad that favor local tobacco products over those made in the United States, but will support efforts in other countries to restrain smoking.

The directive will be sent on Tuesday to all United States embassies and commercial offices abroad. The White House gave a copy of it to The New York Times today.

"Given that tobacco use will be the leading global cause of premature death and preventable illness early in the 21st century," the directive states, "the U.S. Government will not promote the sale or export of tobacco or tobacco products or seek the reduction or removal by any foreign country of nondiscriminatory restrictions on the marketing of tobacco or tobacco products."

Diplomatic posts should not "challenge host country laws and regulations based on sound public health principles," the directive says, and should not help American companies and individuals market tobacco products overseas.

Lance Morgan, a spokesman here for the tobacco companies, said today that he had not seen the directive and could not comment on it.

The Reagan and Bush Administrations worked closely with tobacco companies to introduce American cigarettes into foreign markets and to fight antismoking measures abroad.

The Clinton Administration promised a new approach but it has not always been followed. In 1992, for instance, the Government and the tobacco companies worked hand-in-hand against an effort by the Government of Thailand to require tobacco companies to disclose the ingredients in each brand of cigarettes.

In 1994, according to a report in The Washington Post, Alfred H. Moses, the Ambassador to Romania, attended the opening of a new R. J. Reynolds plant in Bucharest and declared, "I'm sure that Camel and the other splendid products of the R. J. Reynolds Company will prosper in Romania."

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Tobacco Language for Omnibus Bill

"Notwithstanding any other provision of law, the Department of Agriculture may provide assistance related to the export or the promotion for export of unmanufactured tobacco through the GSM-102 credit guarantee program."

This language, which is supported by the American Farm Bureau Federation, will not permit the Department of Agriculture to promote the export of cigarettes—just unmanufactured leaf—and thus benefits farmers rather than tobacco companies

Senator Cochran was unable to insert language in the agriculture appropriations/disaster relief bill due to committee rules so the omnibus is the other option for the farmers.