

Lott Forces Changes In Tobacco Bill As Debate Begins

HEALTH

DISPLAYING THE raw power of his office, **Majority Leader Lott** Monday forced two significant changes in **Commerce Chairman McCain's** tobacco legislation, deleting the tobacco farmer provisions authored by **Minority Whip Ford** and adopting much of last week's Finance Committee amendment — while obliterating the Finance provisions that would raise the price of cigarettes by \$1.50 over two years and term the price increase a tax.

The Ford measure and the \$1.50 tax, written by **Sen. Kent Conrad**, D-N.D., will now have to be offered as amendments on the floor.

Lott substituted **Agriculture Chairman Lugar's** proposal to aid tobacco farmers. Lugar unlike Ford, would also phase out the tobacco support program.

The Lugar measure will now not need a 60-vote supermajority to be accepted. Instead, both the Lugar and Ford measure will compete for 50-vote majorities.

Also Monday, **National Republican Senatorial Committee Chairman Mitch McConnell** of Kentucky announced his support for the Lugar amendment.

Lott was able to execute the rare parliamentary maneuver after receiving the assent of Commerce Committee Republicans.

McCain told *CongressDaily* that he had concurred with the move. But he

added, "I may not have worked it that way, but I respect the position of the majority leader on this issue."

But Commerce ranking member **Ernest (Fritz) Hollings**, D-S.C., was irate, declaring "the bipartisanship is over." Ford also vowed to stall the bill.

Meanwhile, judging by the floor remarks he delivered Monday night, McCain apparently has decided to put aside any hope of gaining the cooperation of the industry — cooperation **Judiciary Chairman Hatch** and others view as vital.

McCain referred many times to cigarette makers as "liars," saying they have "sacrificed the truth and our children to their greed," encouraged "widespread lawbreaking," and most recently, have "launched a massive campaign of diversion" against his bill.

Majority Whip Nickles — who is likely to lead opposition to the bill by characterizing it as an unwarranted, sweeping tax increase — Monday unveiled an analysis by the Joint Tax Committee that shows the McCain legislation would raise the total federal tax burden on those earning under \$10,000 per year by 44.6 percent in 2003.

In all, according to the analysis, 90 percent of the 2003 tax increase would befall people making under \$75,000 per year, and 45 percent on those earning under \$30,000.

The McCain bill is expected to raise cigarette prices by \$1.10 over five years.

McCain Monday also unveiled several major changes — many of which were already reported — that will be included in his proposed manager's amendment.

The bill now includes a single on-budget trust fund that allots 40 percent of the revenues collected to the states, 22 percent to a public health account, 22 percent for health research, and 16 percent for farmer assistance.

The company-specific look-back penalties for failure to achieve mandated youth smoking reduction targets amount to \$1,000 for each excess underage user.

The bill now calls for multilateral negotiations on international tobacco advertising and marketing. Also, the special licensing fee for international operations and restrictions on sales in duty-free shops and military installations have been removed, as have extraterritorial criminal provisions.

Also deleted is the special trust fund for asbestos victims. Congress may now appropriate money for asbestos victims only out of the bill's general Tobacco Trust Fund.

The bill now seeks to guard against smuggling by requiring that manufacturers and wholesalers be licensed.

— BY KEITH KOFFLER