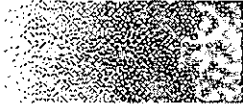


NLWJC - Kagan

DPC - Box 042 - Folder 005

Tobacco-Appropriations



Jerold R. Mande

09/18/97 01:36:12 PM

Record Type: Record

To: See the distribution list at the bottom of this message

cc:

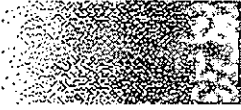
Subject: FDA's Tobacco Appropriation

The conference committee acted on FDA's appropriation yesterday. While they kept the \$34 million for tobacco, they cut FDA's overall budget by an unexpected \$16 million. In effect, they funded tobacco in part by cutting drug reviews and other core FDA activities. Is there anything we can do at this point?

Message Sent To:

Bruce N. Reed/OPD/EOP
Elena Kagan/OPD/EOP
Mark A. Weatherly/OMB/EOP
Donald H. Gips/OVP @ OVP
Toby Donenfeld/OVP @ OVP
Kay Casstevens/OVP @ OVP
Paul R. Carey/WHO/EOP
Daniel C. Tate/WHO/EOP

tobacco - appropriations



Jerold R. Mande

08/27/97 01:20:28 PM

66018

Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Bruce N. Reed/OPD/EOP

Subject: DPC sign off on VP ltr supporting Harkin's tobacco amdt.

Elena --

Here is a draft letter from the VP to Harkin stating Administration support for Harkin's amendment to fully fund FDA's tobacco enforcement. The vote will occur next Wed am. We promised Harkin a letter by tomorrow. The VP's office has asked for DPC clearance of the letter. I have read it and it looks fine. I also checked with OMB and FDA and they have signed off. Please advise.



HARKIN.L

PS I am concerned that although we are much better prepared than last time for the vote we are likley to lose again.

DRAFT 8/26

August xx, 1997

The Honorable Tom Harkin
United States Senate
Washington, D.C. 20510

Dear Senator Harkin:

I am writing to inform you of the Administration's strong support for your amendment to fully fund the anti-youth access to tobacco initiative in the fiscal year 1998. As you know, every year, there are more than \$1 billion in illegal sales of tobacco products to children and adolescents in the United States. With approximately 500,000 retailers in the country who sell tobacco, it is critical that the Food and Drug Administration's request for \$34 million in funding be granted in order to stop these illegal sales to our children.

The requested funding is intended to enforce the age and photo ID provisions of the FDA rule, upheld by the Federal District Court in Greensboro, North Carolina. The bulk of the \$34 million will be spent on contracts with states that want to join FDA in ensuring retailer compliance with these provisions. While the FDA is in the process of providing initial funding for 10 states to begin conducting compliance checks, the \$34 million is needed to allow state officials in all interested states to undertake compliance checks in fiscal year 1998.

The remaining funds are intended to educate retailers and the public about the new rules. We believe that the vast majority of retailers in this country will comply with the age and photo ID requirements if they understand their responsibilities and recognize the important role they can play in protecting children from tobacco and its consequences.

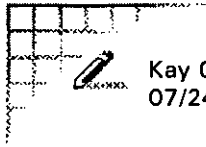
Funding of the FDA initiative is vital if we are to have a credible national youth tobacco program in the upcoming fiscal year: (the \$4.9 million provided thus far by the Senate will not enable us to do so.) This amendment has two important elements: first, it requires no additional funding for the Agriculture Appropriations bill at issue. In fact, the offset would merely reduce by about \$30 million in fiscal year 1998, the \$1 billion in annual expenditures on USDA's automated data processing and information technology equipment and services. The Administration has determined that this modest limitation will not impair the ability of USDA to carry out its programs and provide services to the public.

Second, this amendment would sunset government funding for FDA's tobacco

program in the event that tobacco settlement legislation provides alternative funding from the private sector during fiscal year 1998. It is critical that full funding of FDA's youth tobacco initiative begin now and not be delayed pending the possible enactment of tobacco settlement legislation.

Once again, let me assure you that the President and I remain strongly committed to protecting young people from tobacco and its consequences. Your amendment would allow the government to have in place a meaningful enforcement and outreach program that will ensure the safety our children.

Sincerely,



Kay Casstevens @ OVP
07/24/97 09:22:33 AM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Paul R. Carey/WHO/EOP, Barbara Chow/WHO/EOP

Subject: tobacco amendment

Hi Elena. Yesterday on the Senate floor, Harkin and others offered an amendment to the Ag appropriations bill to provide full funding for the FDA's efforts to prevent youth smoking. (The offset for the \$34 million was obtained by increasing the tobacco marketing assessment, which the sponsors said would be ultimately borne by the purchasers of tobacco, ie not the tobacco farmer.) The amendment lost 52-48, with 11 Democrats voting against it (including folks like Moseley-Brau, Landrieu, Moynihan, Inouye and Reid) They are going to take a revote today. Harkin and other sponsors contend that without this amendment, the Greensboro case outcome is nullified. The sponsors are hoping that someone in the White House would call some of the Ds above and persuade them that this amendment is worth fighting for. I'm not sure who is following this issue in the White House, but I thought you and Bruce might be interested. I have some material I will fax you on it. Let me know if there are others I should contact. Thanks. Kay



Eli G. Attie
07/25/97 05:36:29 PM

Record Type: Record

To: Ron Klain/OVP @ OVP, Lorraine A. Voles/OVP @ OVP
cc: Elena Kagan/OPD/EOP, Elizabeth Drye/OPD/EOP, Jerold R. Mande/OSTP/EOP, Toby Donenfeld/OVP @ OVP
Subject: Tobacco event...

Just wanted to let you know that -- much to my disappointment -- the "partnership" to help retailers comply with our new tobacco rules is a much smaller deal than it seemed in HHS's memo to Cabinet Affairs. It's really just a new poster to be displayed in stores, which will be distributed with help from health groups, retailers, consumer groups, etc. While it's also true that the very first compliance checks to make sure the rules are being followed begin on 8/1, so far we've set up contracts to do the actual checking in only three states. Not a great announcement.

On the other hand, the Congressional issue is very much a live one. As I said this morning, we asked for \$34 million to implement our new rules; the House gave us \$24 million, the Senate gave us only \$4.9 million. Without full funding, we'll really be hampered in our efforts to cut off children's access to tobacco. Harkin had an amendment last week to make up the difference through an excise tax and a levy on tobacco companies, which failed narrowly -- 52-48. He's planning to bring it up again as soon as this Tuesday; Shalala's been making calls, but some VP role could really make a difference. So far, this has barely been in the press.

Our options, then, are as follows:

1. Assuming that the Harkin Amendment goes down again, move ahead with a full-blown event on 8/4, with kids, Harkin, etc., calling on Congress to restore the funds in conference. The new posters could be mentioned and used as a backdrop (i.e. we're moving ahead with the toughest measures ever to cut off kids access to tobacco, but Congress is dragging its feet).
2. Do something (perhaps a written statement) earlier in the week to support any Senate push to restore funding (even if we do the 8/4 event).
3. Encourage mention of this by the POTUS or VP at next Thursday's tobacco event (assuming the Harkin Amendment fails).
4. Drop the idea altogether.

I still like options #1 and #2, because the issue is hot, it has a grain of conflict, and it's about protecting kids. The matter definitely won't be settled before the conference, and I've been given the impression (though I could check some more) that this doesn't conflict with broader budget negotiations.

Any thoughts?

THE WHITE HOUSE
WASHINGTON



Elizabeth Drye

06/27/97 04:43:13 PM



Record Type: Record

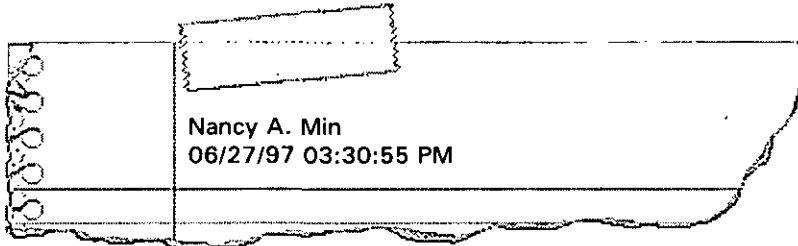
To: Jerold R. Mande/OSTP/EOP, Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP

cc:

Subject: Tobacco & Food Safety Funding

Here's the outcome of subcommittee markup for food safety and tobacco.

----- Forwarded by Elizabeth Drye/OPD/EOP on 06/27/97 04:42 PM -----



Nancy A. Min
06/27/97 03:30:55 PM

Record Type: Record

To: Elizabeth Drye/OPD/EOP

cc:

Subject: Tobacco & Food Safety Funding

a fuller explanation

----- Forwarded by Nancy A. Min/OMB/EOP on 06/27/97 03:31 PM -----

Jim R. Esquea
06/27/97 11:27:39 AM

Record Type: Record

To: Nancy A. Min/OMB/EOP, Barry T. Clendenin/OMB/EOP, Richard J. Turman/OMB/EOP

cc: Adrienne C. Erbach/OMB/EOP, Jennifer Ferguson/OMB/EOP, Wm G. White/OMB/EOP

Subject: Tobacco & Food Safety Funding

I've been advised that though FDA was only given a \$19 million BA increase over the FY 1997 enacted level, for a FY 1998 level of \$907 million, the Ag Approps Subcommittee directed FDA to spend + \$24 million on food safety (+ \$14 million) and tobacco (+ \$10 million),* consistent with what Tim Sanders advised you of earlier this week.

Since the Subcommittee only provided a total \$19 million BA increase, the Subcommittee directed that other program activities within FDA (like the Commissioner's Office) be reduced by a total of \$5 million, in order to provide the \$24 million increase for the food safety & tobacco initiatives.

* FDA already had \$5 million in tobacco funds in their base budget authority. The Subcommittee's \$10 million increase for tobacco would thus bring FDA's total tobacco funding in FY 1998 to \$15 million.