

NLWJC - Kagan

DPC - Box 046 - Folder 004

**Tobacco-Settlement: Legislative
Correspondence**

COUNCIL
LINDSEY

COPY TO
✓ TATE

United States Senate

WASHINGTON, DC 20510

September 3, 1997

The President
The White House
Washington, DC 20500

SEP 9 AM 11:32

Dear Mr. President:

We are writing to you concerning your pending recommendations for the proposed national tobacco settlement. As the first President to take a strong stand for the public health on tobacco issues, we look forward to your recommendations for strengthening the tentative settlement reached between state attorneys general and the tobacco industry. In addition to the earlier concerns expressed about the weaknesses of the public health portions of the settlement, there is another issue that has not received the attention it deserves -- the release of hidden tobacco industry documents. The complete disclosure of these documents is critical to formulating an effective tobacco control policy for the future.

The tobacco industry has historically hid sensitive health information under the cloak of attorney-client privilege. As you know, a Florida appellate court recently removed the privilege for eight tobacco industry documents that it found either evidenced fraud or criminal activity. We believe this is just the tip of the iceberg.

It is essential that Congress understand the volumes of health information and full depths of the tobacco industry's misconduct before granting any immunity from liability. Taking such a step without fully reviewing these documents would be analogous to a prosecutor agreeing to a plea bargain without knowing the full extent of a criminal's misconduct.

Therefore, we encourage you, in your considerations, to require that all tobacco industry documents -- including those that the industry have claimed as privileged -- be released to Congress for review. If not, these documents may never see the light of day. We should guard against a settlement that hides critical health information from the American people.

We believe that full disclosure of the facts by the tobacco industry is essential for a full evaluation of this agreement. For far too long, a campaign of deceit has been launched against the health of our loved ones. Before we strike any deal with the tobacco industry, it must first come clean by disclosing information that could save millions of American lives.

Sincerely,

Patrick Leahy

Frank R. Lautenberg

tobacco

President Clinton
September 3, 1997
Page 2

Row Wyden

Tom Harkin

Dick Durbin

Paul D. Wellstone

Jack Reed

Ted Kennedy

J. Bill

Barbara Boxer

Bruce / Tom -

FYI.

[Handwritten signature]



Tobacco - set - leg. copies.

SE 11PM5:21

HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

ZOE LOFGREN
16TH DISTRICT
CALIFORNIA

September 5, 1997

*Counsel
Lyndsey
Copied Tate*

Dear Mr. President:

I recently had a chance to talk to representatives from urban California counties about the proposed tobacco settlement. They pointed out that local governments bear many of the financial costs imposed by tobacco. This is particularly true in California where counties have functioned as medical providers of last resort for the indigent and underinsured, and thus have incurred significant expenses caring for individuals with tobacco related diseases. It is estimated that California's 57 counties spend over \$ 200 million annually to treat tobacco-related diseases of indigents and county employees.

As you proceed with your review of the tobacco settlement, I would encourage you to make sure that any final agreement is fair to counties and local governments and recognizes the financial burden they incur.

Sincerely,

[Handwritten signature]
Zoe Lofgren
Member of Congress

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C. 20500

Tobacco - enrollment - legislative ~~subcommittee~~ correspondence

FORTNEY PETE STARK
THIRTEENTH DISTRICT, CALIFORNIA

COMMITTEES:
WAYS AND MEANS
JOINT ECONOMIC

CONGRESS OF THE UNITED STATES
HOUSE OF REPRESENTATIVES
WASHINGTON, D.C. 20515

Brue/Tam -
FYI. (None of
them were given
to us to answer.)
EJ

September 17, 1997

The Honorable William J. Clinton
The White House
Washington, DC 20500

SEP 18 AM 11:33

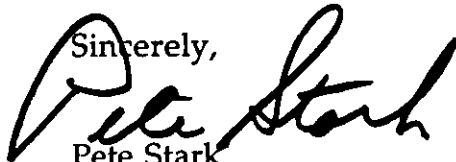
Dear Mr. President:

Congratulations on today's reports that you will seek stronger penalties and fines on the tobacco industry. Your proposals are an important improvement in the future health of the Nation.

I urge that you support dedicating any additional tobacco revenues--whether from fines or taxes--to the Medicare Part A Trust Fund. Treating smoking-related diseases costs Medicare tens of billions of dollars a year. It is only fitting that tobacco revenues help replenish the Trust Fund for the damage tobacco has caused.

As you know, the Balanced Budget Act established the National Bipartisan Commission on the Future of Medicare. In seeking to extend the life of Medicare past 2007, that Commission is almost certain to need to recommend a combination of provider and beneficiary cuts and increased revenues. Combining changes from all three of these possible sources--providers, beneficiaries, and taxpayers--makes saving Medicare relatively easy. And the easiest, most popular form of tax change would be dedicating increases in tax from tobacco to the Medicare Trust Fund.

I hope this idea will have your support in the months to come.

Sincerely,

Pete Stark
Ranking Democratic Member
Subcommittee on Health

cc: Chairman Bill Archer
Rep. Charles B. Rangel

Tobacco - correspondence

Bruce/Tom -

FYI.

Elena

THE WHITE HOUSE
WASHINGTON

September 24, 1997

MEMORANDUM FOR BRUCE LINDSEY

FROM:

SUSAN BROPHY *SB*

SUBJECT:

Congressional Correspondence

Attached are copies of letters sent to the President from Members of Congress. We would appreciate your assistance in drafting the responses.

Thank you very much for your assistance. If you have any questions, please feel free to call Chris Walker at x67500.

The following is a description of the letters:

- 1) Senators Connie Mack (R-FL) and Tom Harkin (R-IA), received 9-19-97.

Attachments

United States Senate

WASHINGTON, DC 20510

September 15, 1997

The Honorable William J. Clinton
President of the United States
The White House
Washington, D.C.

Dear Mr. President,

SEP 19 PM2:08

As you finalize your report to Congress and the American people on the proposed national tobacco settlement, we urge you to examine the agreement with this question in mind: who pays the price?

As the agreement now stands, the tobacco industry will benefit by its ability to claim a tax deduction on the \$368 billion settlement that could return more than \$100 billion to its collective pocket. It's even more disturbing that this settlement makes no effort to address the issue of how to relieve the pain and suffering of those who are afflicted by tobacco use.

That is why we have proposed ensuring that no tax deduction may be taken by the tobacco companies for settlement sums. Forcing the tobacco companies to pay \$368 billion over 25 years and then allowing them to receive about one-third of it back from the IRS is simply wrong.

Businesses can often deduct lawsuit settlements or fines. Penalties are not deductible. We believe tobacco settlements or judgements should be viewed as penalties.

Instead of allowing the deduction, we propose using the difference to fund more research at the National Institutes of Health.

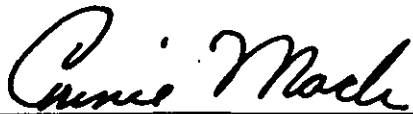
Tobacco companies, not taxpayers, should pay the price for the settlement and medical research, not tobacco companies, should benefit.

Think what \$100 billion could mean for medical science. Researchers all across this country are on the verge of amazing new medical discoveries to unlock the mysteries of medicine to find cures for diseases such as cancer, Alzheimer's or juvenile diabetes.

It's better to spend \$100 billion on a healthier America than allow the tobacco companies to perpetuate sickness and death.

We hope you will join us in this effort to end tobacco's subsidized tax break and fund more medical research. Thank you for your attention to this important matter.

Sincerely,



Connie Mack



Tom Harkin

Bonnie/Tim - Tobacco - pct - leg. subcommittee correspondence

FYI Elera

JACK REED
RHODE ISLAND

COMMITTEES:
BANKING
LABOR AND HUMAN RESOURCES
AGING

United States Senate

WASHINGTON, DC 20510-3903

PLEASE RESPOND TO:

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- FEDERAL BUILDING
ROOM 418
PROVIDENCE, RI 02903-1773
(401) 528-5200
TDD RELAY RHODE ISLAND
1-(800) 745-5555

September 15, 1997

The Honorable William J. Clinton
Office of the President
1600 Pennsylvania Avenue, NW
Washington, D.C. 20500

SEP 17 PM 9:31

Dear Mr. President:

I write to share my concerns regarding the proposed tobacco settlement. While the settlement may present an opportunity to establish appropriate incentives to significantly reduce teenage smoking in this country, any move to translate the settlement into law should be made only after careful review of the issues as well as significant strengthening of many of its provisions. In sum, I urge you to continue your strong leadership on this issue, and I would caution that a cosmetic overhaul of the deal for the sake of expedience would not be acceptable.

I applaud the parties who reached this agreement. The Attorneys General deserve great credit for engineering the negotiations and producing the settlement. Attorney General Mike Moore and his colleagues have been tenacious and effective representatives of their states.

The parties to the agreement have asked Congress to act, and Congress is now at a juncture where it must attempt to translate the outline of this agreement into legislative language. This effort should incorporate the positive spirit of the agreement as well as establish stronger incentives to reduce teen smoking. Tobacco use is clearly a problem that starts with children: almost 90 percent of adult smokers started using tobacco at or before age 18. The average youth smoker begins at age 13 and becomes a daily smoker by age 14 1/2.

While the settlement aims to reduce teen smoking, I have many concerns about the settlement as currently written. First, I am pleased that the agreement affirms the Food and Drug Administration's (FDA) authority to regulate tobacco products and incorporates most of the provisions of the FDA's tobacco regulation. However, some provisions of the proposal place undue restrictions on the FDA's authority to regulate nicotine, and I applaud your administration's call for strengthening the FDA's authority under any agreement.

Second, the settlement includes a "look-back" provision that couples specific targets for reductions in underage tobacco use with fines on the industry if these targets are not met. The "look-back" has been the subject of much deserved criticism, and I agree with your assertions that the "look-back" needs to be strengthened. Any efforts to strengthen this provision should include a thorough examination of the agreement's dubious allowance of a rebate to the tobacco companies after companies pay required fines for not meeting the targets. I question the reasonableness of such a rebate and believe it should not be part of any implementing legislation.

September 15, 1997

Page 2

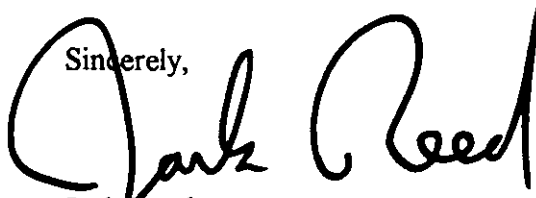
Third, the settlement's marketing and advertising restrictions have been promoted as having the potential to significantly reduce the number of teens who smoke. However, a huge disparity exists between the estimated \$5 billion spent each year on advertising by the tobacco industry and the \$500 million in the settlement's funding for a public education campaign geared toward decreasing tobacco use. Plainly, the settlement's efforts are underfunded. Indeed, we might consider a closer ratio in terms of money spent on tobacco advertising and anti-smoking efforts. Financial support for such activities is crucial to improving the public health of our nation. In addition, the funding mechanism for these and other public health activities must be designed so that funds cannot be diverted and that other FDA functions are not shortchanged.

If advertising restrictions are written into law, First Amendment challenges could negate their impact. Any legislation must include a mechanism that will bind the tobacco companies, if, even through no action of their own, the advertising bans are struck down by the courts on the basis of a First Amendment case.

Finally, the tobacco settlement contains a number of other issues that necessitate thorough consideration by the Administration and Congress. For example, any legislation must ensure that contraband tobacco products do not become a larger problem than they already are. We need to ensure that lower requirements for "reduced risk" products do not provide a gaping loophole in the settlement. In addition, a number of parties not included in the settlement have significant concerns that should be considered. These parties include the Medicare program and other federal programs that have sustained significant costs due to smoking, tobacco farmers, asbestos workers, and others.

I continue to follow these issues closely, and, as a member of the Labor and Human Resources Committee and the Senate Democratic Task Force appointed to work on the settlement, I plan to take an active role in the development of any legislation to implement the agreement. As more details emerge and as the legislative process progresses, I look forward to working with you on this and other efforts to improve our public health and reduce teen smoking. Again, I urge your continued strong leadership on these issues to produce the kind of agreement that is worthy of support.

Sincerely,

A handwritten signature in black ink that reads "Jack Reed". The signature is written in a cursive, flowing style with a large initial "J" and "R".

Jack Reed
United States Senator

Bruce/Tenn -

Tobacco - 515 - leg. attach correspondence

FYI.



WASHINGTON OFFICE:
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WASHINGTON, DC 20515-1002
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FAX: (202) 225-2203

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ALBANY, GA 31701
PHONE: (912) 439-8067

CITY HALL
DAWSON, GA 31742
PHONE: (912) 995-3991

230 FEDERAL COURTHOUSE
VALDOSTA, GA 31601
PHONE: (912) 247-9705

SANFORD D. BISHOP, JR.

SECOND DISTRICT, GEORGIA
DEMOCRATIC WHIP AT-LARGE

COMMITTEE ON AGRICULTURE

SUBCOMMITTEES:
RISK MANAGEMENT AND SPECIALTY CROPS
DEPARTMENT OPERATIONS, NUTRITION AND
FOREIGN AGRICULTURE

COMMITTEE ON VETERANS' AFFAIRS*

SUBCOMMITTEES:
BENEFITS
OVERSIGHT AND INVESTIGATIONS

PERMANENT SELECT COMMITTEE
ON INTELLIGENCE

Congress of the United States

House of Representatives

Washington, DC 20515-1002

September 10, 1997

William J. Clinton
President
United States of America
1600 Pennsylvania Avenue
Washington, D.C. 20500

*Counsel
Lindsey
Coppola
V. Tate*

SEP 15 4 51 PM '97

Dear Mr. President:

In response to your request on input from Members of Congress regarding the Tobacco Agreement, I am attaching a bill which I have introduced in the 105th Congress. To date, this bill, H.R. 2034, the Tobacco Use by Minors Deterrence Act, has twenty bipartisan cosponsors.

While my bill does not address the larger liability and advertising issues which the Agreement speaks to, H.R. 2034 will effectively get at the problem of underage children having access to tobacco, while at the same time allowing tobacco use to remain an adult decision.

My approach in this bill is to honestly address the problem of youth access to tobacco, and to do so in a manner which involves entire communities in the process. My bill spreads the responsibility for the problem to underage users themselves, retailers, law enforcement and parents.

I believe my bill balances tobacco-related health and minor access concerns, and the concerns of those who have an economic stake in the continued sale of a legal product to adults. In sum, I hope you will agree that a review of my bill in the context of an official White House position on the Agreement is warranted.

Thank you for your consideration.

Sincerely yours,

Sanford
Sanford D. Bishop, Jr.
Member of Congress

Bornu/Tam -
FYI

Tobacco - RT-let correspondence 002

REPUBLICANS

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CARL D. KOMENATOR
CHIEF COUNSEL AND STAFF DIRECTOR

ONE HUNDRED FIFTH CONGRESS

BOB STUMP
CHAIRMAN

U.S. House of Representatives

COMMITTEE ON VETERANS' AFFAIRS

338 CANNON HOUSE OFFICE BUILDING

Washington, DC 20515

September 16, 1997

DEMOCRATS

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SILVESTRE REYES, TEXAS
VIC RYNDER, ARKANSAS

Honorable William J. Clinton
President
The White House
Washington, DC 20500

Dear Mr. President:

Lindsay
Copy Tatts

According to recent press accounts, you ~~members~~ members of your staff are about to make a decision concerning the proposed settlement agreed to by tobacco companies and Attorneys General representing various states. I strongly urge you to reject this proposed settlement.

The proposal is unacceptable because it provides no financial resources for the Department of Veterans Affairs to meet the costs of the benefits it provides veterans suffering from tobacco-related illnesses. The Department of Veterans Affairs must be provided sufficient resources under any settlement to pay for costs borne by VA because of tobacco-related illnesses. These costs include the medical care already being provided by the Veterans Health Administration for tobacco related illnesses, and the costs to be borne by the Veterans Benefits Administration for payment of compensation to veterans for service-connected conditions attributable to smoking. Informal VA estimates indicate that these latter costs alone are currently expected to be from \$5 billion to \$10 billion per year.

Mr. President, the Federal government for decades directly and indirectly encouraged the men and women serving our nation in uniform to smoke cigarettes. Many of these servicemembers became addicted to nicotine while in the service,

Honorable William J. Clinton
September 16, 1997
Page 2

and smoked throughout the remainder of their life. From free cigarettes in C-rations and smoke breaks to dramatic discounts at the local PX, the military gave every reason for our military personnel to smoke. The all-too-frequent result has been premature death or the development of chronic and disabling medical conditions related to smoking. The Federal government must meet its clear, moral responsibility to provide benefits to these men and women for conditions arising as a result of tobacco use fostered by our Federal government.

Again, Mr. President, I strongly believe the Department of Veterans Affairs must be provided sufficient resources under any settlement to pay for costs borne by VA because of tobacco-related illness. I am hopeful you will carefully consider these views and look forward to receiving your response. If I can be of assistance to you in developing settlement legislation which adequately addresses this issue, I would welcome the opportunity to work with the Administration toward this goal.

Sincerely,



LANE EVANS

Ranking Democratic Member