

NLWJC - Kagan

DPC - Box 048 - Folder-011

**Tobacco-Settlement: New
Legislation-Fazio Bill**

SENT BY:

3-10-98 ; 5:47PM ;

→ Tobacco - settle -
new legislation -
Fazio # 5/ 6

Maviglio, Steven

From: DeArmon, Don
Sent: Tuesday, March 10, 1998 4:30 PM
To: Maviglio, Steven
Subject: Compared to Conrad

1. Changes the financing mechanism to direct payments by manufacturers (instead of a per pack price increase) (still up in air)
2. Increases money to child care, education initiatives, about \$2.5 b each
3. Strengthens lock-back provisions and makes them company specific instead of industry
4. minority provisions -- instructs Sec to monitor smoking reduction for ethnic groups; lock-back penalties would apply proportionately even if they are met overall; research emphasizes use of historically black colleges, hispanic institutions; Sec directed to overcome language barriers by developing stand warning symbols (e.g., on prescription drugs)
5. \$20 billion supplied for asbestos claims related to tobacco
6. smokeless tobacco given a break relative to Conrad; small companies given a further break
7. Enforcement mechanism for cities if states don't step up
8. settlement of Castano suits
9. more specific tobacco grower provisions (still up in air)