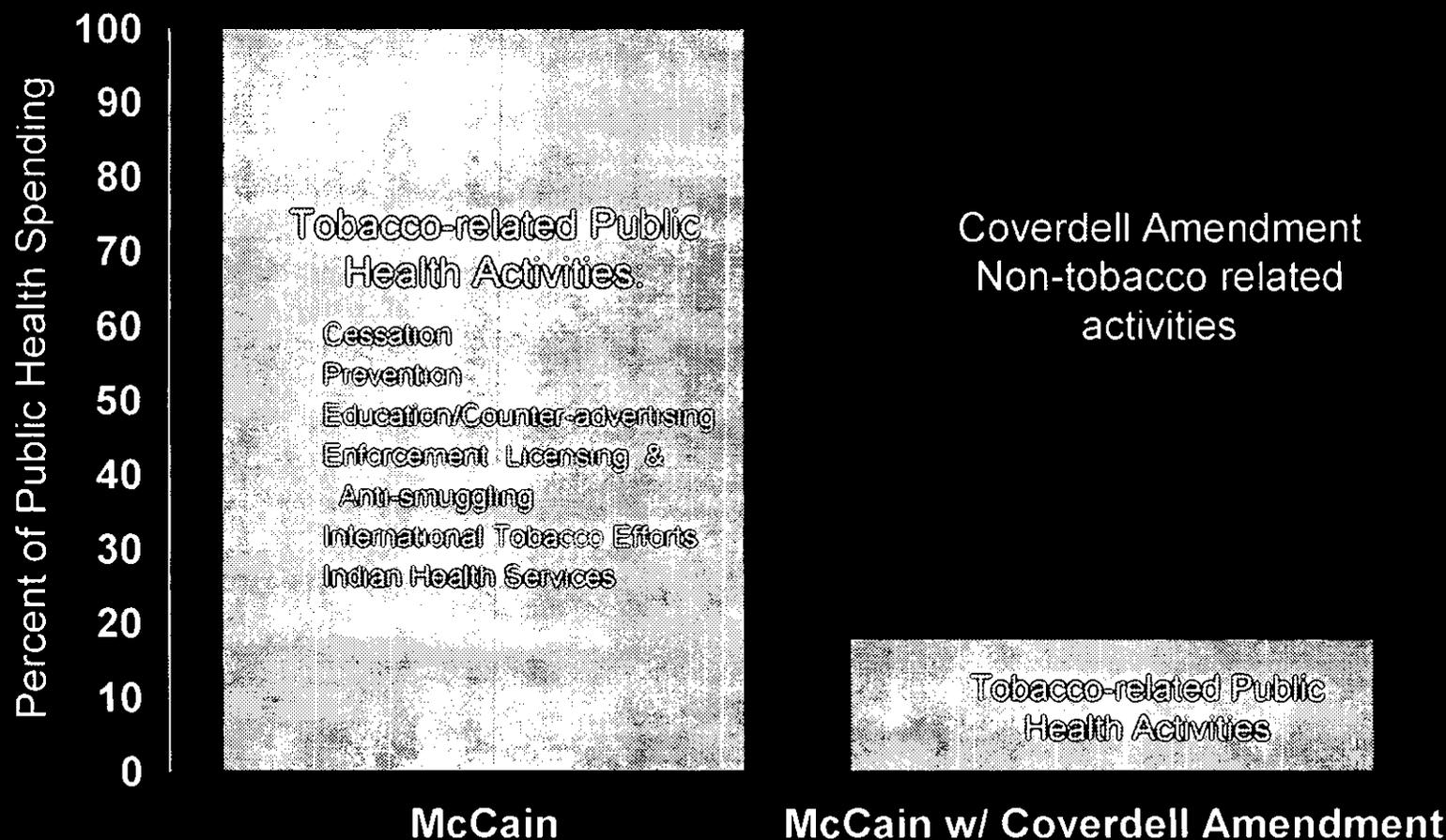


NLWJC - Kagan

DPC - Box 044 - Folder 002

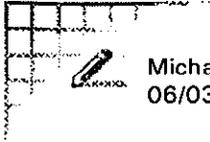
Tobacco-Settlement: Drugs [2]

Coverdell Amendment Could Cut Tobacco-related Public Health Activities by 82 Percent



Assumes Coverdell has funding priority among Public Health activities

Tobacco - Drugs
and
Educ - vouchers



Michael Cohen
06/03/98 06:58:46 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Jose Cerda III/OPD/EOP

cc:

Subject: Drug Free Neighborhoods Act Alert

I just got a heads up from the Education Department and Kennedy's staff that the Coverdell-Craig-Abraham Drug-Free Neighborhoods Act amendment to the Tobacco bill may well contain a provision, offered last year by Senate Republicans, that allows federal funds to be used to give vouchers to kids who are victims of school violence, including drug-related crimes.

The overview/summary of the bill reads: **DRUG-FREE SCHOOLS:** makes it an allowable use of federal funds to provide school choice or compensation for k-12 students who are the victims of school violence, including drug-related crimes...."

In the education world, a tobacco bill that doesn't have class size reduction but does provide for vouchers would be seen as a complete disaster. I don't know where things stand in the negotiations over this amendment, but it would be great if we could indicate that this particular provision would be a deal breaker. Otherwise, the R's may be using this to set the Dems up to take responsibility for bringing down the tobacco bill.

THE WHITE HOUSE
WASHINGTON

June 1, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed
Elena KaganSUBJECT: Potential Drug Amendments to Tobacco Legislation

We have learned of three potential anti-drug amendments to the McCain bill, which we describe below. We have seen statutory language on only one of these proposals (Ashcroft). Our information on the other two proposals (Craig-Coverdell and Abraham) comes from press releases and word of mouth, which leave several critical issues unanswered.

Craig-Coverdell Amendment

The Craig-Coverdell amendment is a comprehensive piece of drug legislation, which the authors estimate would cost \$3 billion each year. We remain uncertain whether the amendment would merely authorize these expenditures or, alternatively, would actually commit tobacco revenues to this effort. (We also are uncertain of how the authors of the amendment arrived at their cost estimate; our own calculations would suggest a somewhat lower figure.) The amendment, as described in press statements and releases, includes:

- A provision to double the interdiction budget of the Customs Service, Coast Guard, and Department of Defense (we think by 2003);
- A provision to increase the overall budget of the DEA and the drug enforcement budget of the FBI by 25 percent (again, we think by 2003);
- An overlapping provision to double the number of border agents (by 2003), as well as to increase civil and criminal penalties for customs violations;
- A provision to strengthen criminal penalties for money laundering and to allow U.S. courts to freeze the assets of persons arrested abroad for these activities;
- A provision to give incentive grants to states, at a cost of \$5 million each year, to keep a registry of convicted drug dealers who target children and to notify communities of any such individuals living in their area;
- A provision to expand funding, to \$50 million per year, for the Drug-Free Communities Act, which provides matching grants to communities to establish anti-drug coalitions

(funded in FY 1998 at \$10 million);

- A provision to give demonstration grants to small and medium-sized businesses, at a cost of \$10 million each year, to implement drug-free workplace programs, including drug testing;
- A provision to give incentive grants to states, at a cost of \$10 million each year, to crack down on drivers who use drugs and/or to institute drug testing for teens applying for drivers licenses;
- A provision to allow states to use monies from the Safe and Drug Free Schools Program to conduct "voluntary random drug testing programs" and to offer "compensation and services" to victims of school violence, as well as a provision to give states additional monies for preparing annual report cards on school violence, weapon possession, and drug activity;
- A provision to restrict loan eligibility for college students convicted of drug possession or trafficking, with a mechanism for reinstating eligibility upon completion of a drug rehabilitation program; and
- A provision to prohibit the federal government from using federal funds "to carry out or support, directly or indirectly," any needle exchange program.

If the Craig-Coverdell amendment actually devotes tobacco revenues to these purposes, its cost would be prohibitive; the estimated pricetag of \$3 billion each year would crowd out more than half of the McCain bill's spending for research and public health by 2003, assuming funding for the states and farmers were to remain constant. If the amendment contains nothing more than authorizing language, we should be able to accept almost everything in it (although the interested agencies of course want to see the actual language of the amendment). The single exception that we know of is the provision on needle exchange, which we strongly opposed as stand-alone legislation, but have never threatened to veto.

Abraham Amendment

Senator Abraham may offer an amendment that would allow states to use monies now made available for smoking prevention activities and smoking surveys for drug prevention activities and drug surveys as well. The amount of money this amendment would affect is somewhat uncertain. The bill sets aside 22 percent of revenues -- an expected \$13 billion over five years -- for public health activities, of which between 50 and 65 percent must be used for (1) smoking prevention, (2) surveys, (3) counteradvertising, and (4) international activities. The appropriators have discretion to choose a point within the 50-65 percent range and then to allocate these funds among the four listed activities. Our best guess is that the amount of money actually going to smoking prevention and surveys -- and thus also available for drug prevention

and surveys under the Abraham amendment -- would be about \$5 billion over five years. The public health community would object to giving states the ability to use these funds for drug prevention activities, but we would have a hard time explaining why this optional use is inappropriate.

Ashcroft Amendment

Senator Ashcroft also may offer an amendment enabling states to use some public health funds for anti-drug programs, but his amendment would do so through a peculiar mechanism modeled on the smoking lookback provisions. Under Ashcroft's amendment, the same percentage reduction targets applying to cigarettes (15 percent in years three and four, 30 percent in years five and six, 50 percent in years seven through nine, and 60 percent in year ten) would apply as well to marijuana, cocaine, heroin, and methamphetamine. In each year, the Director of ONDCP would calculate, on a nationwide basis, whether the targets were met. If the targets were missed, the states could use a specified portion of all monies they receive under the act for health purposes (e.g., smoking prevention and education, smoking cessation, licensing activities) for anti-drug activities as well. More specifically, the states could use 15 percent of these monies for anti-drug programs if the applicable target were missed by less than five percent, 30 percent of the monies if the target were missed by between five and ten percent, and 50 percent of the monies if the target were missed by more than ten percent. This amendment would have the perverse effect of giving states more spending flexibility the more they fail to reduce drug use. This oddity, combined with the sheer complexity of the proposal, may make the Ashcroft amendment less attractive than those outlined above.

The Administration's Counter-Tobacco Plan

- **Comprehensive effort/plan to reduce youth smoking.**
 - 1) *Raise the price of cigarettes:* higher prices diminish availability to kids; not about taxes or spending or budgets, it is about reducing smoking -- achieve through annual payments and tough penalties.
 - 2) *Full Authority to FDA to regulate tobacco products.*
 - 3) *Change the way the industry does business:* End marketing directed at kids.
 - 4) *Progress on the public health front:* Cancer research, smoking cessation programs, etc.
 - 5) *Protect farmers and communities.*

- **The McCain-Hollings bill is strong step in the right direction.**

- **No one can in good conscience claim to be committed to the fight against drugs but fight the Administration's efforts to curtail youth smoking**
 - 1) *"Countless kid's get on the addiction expressway with cigarettes and ended up crashing on cocaine or heroin"* -- Cigarettes are a gateway drug to other drugs like marijuana and cocaine.

 - 2) Reverse Gateway -- Recent science shows: African American children start smoking later -- but they start to prolong their marijuana highs -- this link proves that fighting cigarettes fights drugs.

Tobacco Gateway

- The Administration's taking a hard line against tobacco in order to protect our children.
- 3,000 children start smoking each day, 1,000 of them will die because of it.
- Not only is selling tobacco products to kids illegal -- just like pushing any other illegal drug -- but youth smoking plays a role in other more dangerous behaviors.
- Gateway drug -- by targeting youth smoking we reduce youth drug use before it starts.
- Studies show that if we can get children to age 21 without them starting addictive behaviors, like cigarettes, they will probably never experience an addiction problem -- and that includes drugs like heroin and cocaine.
- Recent studies are revealing another deadly side to smoking -- the "reverse gateway": African American children start smoking later, but they are taking up smoking to prolong marijuana highs.
- The link between youth smoking and youth marijuana use is extremely troubling -- not only does this encourage more deadly smoking and marijuana use by kids, but higher-highs are also more likely to lead kids to aim for still great highs, like those provided by heroin or cocaine.
- By fighting smoking we are fighting drugs and saving kids.
- No one committed to fighting drugs like marijuana and heroin can in good conscience stand up for tobacco and smoking.

Tobacco - Sec - Dry



Jose Cerda III

06/02/98 07:40:58 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Cynthia A. Rice/OPD/EOP
cc: Cynthia Dailard/OPD/EOP, Leanne A. Shimabukuro/OPD/EOP
Subject: Coverdell

BR/EK:

I got a copy of the last 13 pages of the Coverdell amendment. The R's shared the drug strategy piece w/ONDCP. However, it includes a page of miscellaneous provisions that seem to open up the Public Health funds to drug education and prevention programs...but I may be reading this wrong.

I'll fax a copy to 6-2878 for you folks. CR: I'll drop one in your box.

Jose'

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1 available from the Trust Fund under section 401,
2 \$5,000,000 for each of the fiscal years 1999 through
3 2003.

4 **Subtitle D—National Drug Control**
5 **Strategy**

6 SEC. ___99A. DEVELOPMENT, SUBMISSION, IMPLEMENTA-
7 TION, AND ASSESSMENT OF NATIONAL DRUG
8 CONTROL STRATEGY.

9 Section 1005 of the National Narcotics Leadership
10 Act of 1988 (21 U.S.C. 1504) is amended to read as fol-
11 lows:

12 "SEC. 1005. DEVELOPMENT, SUBMISSION, IMPLEMENTA-
13 TION, AND ASSESSMENT OF NATIONAL DRUG
14 CONTROL STRATEGY.

15 "(a) TIMING, CONTENTS, AND PROCESS FOR DEVEL-
16 OPMENT AND SUBMISSION OF NATIONAL DRUG CONTROL
17 STRATEGY.—

18 "(1) TIMING.—

19 "(A) IN GENERAL.—Not later than Octo-
20 ber 1, 1998, the President shall submit to Con-
21 gress a National Drug Control Strategy, which
22 shall set forth a comprehensive 2-year plan for
23 reducing drug abuse and the consequences of
24 drug abuse in the United States, by limiting the

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1 availability of and reducing the demand for ille-
2 gal drugs.

3 "(B) 4-YEAR PLAN.—Not later than Octo-
4 ber 1, 2001, and on October 1 of every fourth
5 year thereafter, the President shall submit to
6 Congress a revised National Drug Control
7 Strategy, which shall set forth a comprehensive
8 4-year plan for reducing drug abuse and the
9 consequences of drug abuse in the United
10 States, by limiting the availability of and reduc-
11 ing the demand for illegal drugs, and shall in-
12 clude quantifiable 4-year performance objec-
13 tives, targets, and measures for each National
14 Drug Control Strategy goal and objective.

15 "(2) CONTENTS.—

16 "(A) IN GENERAL.—The National Drug
17 Control Strategy submitted under paragraph
18 (1) shall include—

19 "(i) comprehensive, research-based,
20 long-range, quantifiable, goals for reducing
21 drug abuse and the consequences of drug
22 abuse in the United States;

23 "(ii) short-term measurable objectives
24 to accomplish long-term quantifiable goals
25 that the Director determines may be real-

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1 istically achieved during the 2-year period
2 beginning on the date on which the strat-
3 egy is submitted;

4 “(iii) 5-year projections for program
5 and budget priorities; and

6 “(iv) a review of State, local, and pri-
7 vate sector drug control activities to ensure
8 that the United States pursues well-coordi-
9 nated and effective drug control at all lev-
10 els of government.

11 “(B) CLASSIFIED INFORMATION.—Any
12 contents of the National Drug Control Strategy
13 that involves information properly classified
14 under criteria established by an Executive order
15 shall be presented to Congress separately from
16 the rest of the Strategy.

17 “(3) PROCESS FOR DEVELOPMENT AND SUB-
18 MISSION.—

19 “(A) CONSULTATION.—In developing and
20 effectively implementing the National Drug
21 Control Strategy, the Director—

22 “(i) shall consult with—

23 “(I) the heads of the National
24 Drug Control Program agencies;

25 “(II) Congress;

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68

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“(III) State and local officials;

2

“(IV) private citizens and organi-

3

zations with experience and expertise

4

in demand reduction; and

5

“(V) private citizens and organi-

6

zations with experience and expertise

7

in supply reduction; and

8

“(ii) may require the National Drug

9

Intelligence Center and the El Paso Intel-

10

ligence Center to undertake specific tasks

11

or projects to implement the Strategy.

12

“(B) INCLUSION IN STRATEGY.—The Na-

13

tional Drug Control Strategy under this sub-

14

section, and each report submitted under sub-

15

section (b), shall include a list of each entity

16

consulted under subparagraph (A)(i).

17

“(4) MODIFICATION AND RESUBMITTAL.—Not-

18

withstanding any other provision of law, the Director

19

may modify a National Drug Control Strategy sub-

20

mitted under paragraph (1) at any time.

21

“(b) ANNUAL STRATEGY REPORT.—

22

“(1) IN GENERAL.—Not later than February 1,

23

1999, and on February 1 of each year thereafter,

24

the President shall submit to Congress a report on

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1 the progress in implementing the Strategy under
2 subsection (a), which shall include—

3 “(A) an assessment of the Federal effec-
4 tiveness in achieving the Strategy goals and ob-
5 jectives using the performance measurement
6 system described in subsection (c), including—

7 “(i) an assessment of drug use and
8 availability in the United States; and

9 “(ii) an estimate of the effectiveness
10 of interdiction, treatment, prevention, law
11 enforcement, and international programs
12 under the National Drug Control Strategy
13 in effect during the preceding year, or in
14 effect as of the date on which the report
15 is submitted;

16 “(B) any modifications of the Strategy or
17 the performance measurement system described
18 in subsection (c);

19 “(C) an assessment of how the budget pro-
20 posal submitted under section 1003(c) is in-
21 tended to implement the Strategy and whether
22 the funding levels contained in such proposal
23 are sufficient to implement such Strategy;

24 “(D) beginning on February 1, 1999, and
25 every 2 years thereafter, measurable data evalu-

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1 ating the success or failure in achieving the
2 short-term measurable objectives described in
3 subsection (a)(2)(A)(ii);

4 "(E) an assessment of current drug use
5 (including inhalants) and availability, impact of
6 drug use, and treatment availability, which as-
7 sessment shall include—

8 "(i) estimates of drug prevalence and
9 frequency of use as measured by national,
10 State, and local surveys of illicit drug use
11 and by other special studies of—

12 "(I) casual and chronic drug use;

13 "(II) high-risk populations, in-
14 cluding school dropouts, the homeless
15 and transient, arrestees, parolees, pro-
16 bationers, and juvenile delinquents;
17 and

18 "(III) drug use in the workplace
19 and the productivity lost by such use;

20 "(ii) an assessment of the reduction of
21 drug availability against an ascertained
22 baseline, as measured by—

23 "(I) the quantities of cocaine,
24 heroin, marijuana, methamphetamine,

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71

1 and other drugs available for con-
2 sumption in the United States;

3 "(II) the amount of marijuana,
4 cocaine, and heroin entering the Unit-
5 ed States;

6 "(III) the number of hectares of
7 marijuana, poppy, and coca cultivated
8 and destroyed;

9 "(IV) the number of metric tons
10 of marijuana, heroin, and cocaine
11 seized;

12 "(V) the number of cocaine and
13 methamphetamine processing labora-
14 tories destroyed;

15 "(VI) changes in the price and
16 purity of heroin and cocaine;

17 "(VII) the amount and type of
18 controlled substances diverted from le-
19 gitimate retail and wholesale sources;
20 and

21 "(VIII) the effectiveness of Fed-
22 eral technology programs at improving
23 drug detection capabilities in interdic-
24 tion, and at United States ports of
25 entry;

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“(iii) an assessment of the reduction of the consequences of drug use and availability, which shall include estimation of—

“(I) the burden drug users placed on hospital emergency departments in the United States, such as the quantity of drug-related services provided;

“(II) the annual national health care costs of drug use, including costs associated with people becoming infected with the human immunodeficiency virus and other infectious diseases as a result of drug use;

“(III) the extent of drug-related crime and criminal activity; and

“(IV) the contribution of drugs to the underground economy, as measured by the retail value of drugs sold in the United States;

“(iv) a determination of the status of drug treatment in the United States, by assessing—

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1 “(I) public and private treatment
2 capacity within each State, including
3 information on the treatment capacity
4 available in relation to the capacity
5 actually used;

6 “(II) the extent, within each
7 State, to which treatment is available;

8 “(III) the number of drug users
9 the Director estimates could benefit
10 from treatment; and

11 “(IV) the specific factors that re-
12 strict the availability of treatment
13 services to those seeking it and pro-
14 posed administrative or legislative
15 remedies to make treatment available
16 to those individuals; and

17 “(v) a review of the research agenda
18 of the Counter-Drug Technology Assess-
19 ment Center to reduce the availability and
20 abuse of drugs; and

21 “(F) an assessment of private sector initia-
22 tives and cooperative efforts between the Fed-
23 eral Government and State and local govern-
24 ments for drug control.

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1 “(2) SUBMISSION OF REVISED STRATEGY.—The
2 President may submit to Congress a revised Na-
3 tional Drug Control Strategy that meets the require-
4 ments of this section—

5 “(A) at any time, upon a determination by
6 the President and the Director that the Na-
7 tional Drug Control Strategy in effect is not
8 sufficiently effective; and

9 “(B) if a new President or Director takes
10 office.

11 “(c) PERFORMANCE MEASUREMENT SYSTEM.—

12 “(1) IN GENERAL.—Not later than October 1,
13 1998, the Director shall submit to Congress a de-
14 scription of the national drug control performance
15 measurement system, designed in consultation with
16 affected National Drug Control Program agencies,
17 that—

18 “(A) develops performance objectives,
19 measures, and targets for each National Drug
20 Control Strategy goal and objective;

21 “(B) revises performance objectives, meas-
22 ures, and targets, to conform with National
23 Drug Control Program Agency budgets;

24 “(C) identifies major programs and activi-
25 ties of the National Drug Control Program

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1 agencies that support the goals and objectives
2 of the National Drug Control Strategy;

3 “(D) evaluates implementation of major
4 program activities supporting the National
5 Drug Control Strategy developed under section
6 1005;

7 “(E) monitors consistency between the
8 drug-related goals and objectives of the Na-
9 tional Drug Control Program agencies and en-
10 sures that drug control agency goals and budg-
11 ets support and are fully consistent with the
12 National Drug Control Strategy; and

13 “(F) coordinates the development and im-
14 plementation of national drug control data col-
15 lection and reporting systems to support policy
16 formulation and performance measurement, in-
17 cluding an assessment of—

18 “(i) the quality of current drug use
19 measurement instruments and techniques
20 to measure supply reduction and demand
21 reduction activities;

22 “(ii) the adequacy of the coverage of
23 existing national drug use measurement in-
24 struments and techniques to measure the

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76

1 casual drug user population and groups
2 that are at risk for drug use; and

3 “(iii) the actions the Director shall
4 take to correct any deficiencies and limita-
5 tions identified pursuant to subparagraphs
6 (A) and (B) of subsection (b)(4).

7 “(2) MODIFICATIONS.—A description of any
8 modifications made during the preceding year to the
9 national drug control performance measurement sys-
10 tem described in paragraph (1) shall be included in
11 each report submitted under subsection (b).”.

12 **SEC. ___99B. REPORT BY PRESIDENT.**

13 Not later than October 1, 1998, and every April 1
14 and October 1 thereafter, the President shall prepare and
15 submit to the appropriate committees of Congress a report
16 on the prevalence of the use of any illegal drugs by youth
17 between the ages of 12 and 17.

18 **Subtitle E—Miscellaneous**
19 **Provisions**

20 **SEC. ___99D. LIMITATIONS ON FUNDING.**

21 (b) **IN GENERAL.**—Notwithstanding section 451(b),
22 amounts in the Public Health Account shall be available
23 to the extent and only in the amounts provided in advance
24 in appropriations Acts, to remain available until expended,
25 only for the purposes of—

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- 1 (1) carrying out smoking cessation activities
2 under part D of title XIX of the Public Health Serv-
3 ice Act, as added by title II of this Act;
- 4 (2) carrying out activities under section 453;
5 (3) carrying out—
- 6 (A) counter-advertising activities under
7 section 1982 of the Public Health Service Act
8 as amended by this Act;
- 9 (B) smoking prevention activities under
10 section 223;
- 11 (C) surveys under section 1991C of the
12 Public Health Service Act, as added by this Act
13 (but, in no fiscal year may the amounts used to
14 carry out such surveys be less than 10 percent
15 of the amounts available under this subsection);
16 and
- 17 (D) international activities under section
18 1132;
- 19 (4) carrying out—
- 20 (A) Food and Drug Administration activi-
21 ties;
- 22 (B) State retail licensing activities under
23 section 251;
- 24 (C) anti-Smuggling activities under section
25 1141; and

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78

- 1 (5) carrying out education and prevention relat-
- 2 ing to drugs under this title.

Tobacco Q&A
May 20, 1998

Q. Why do you focus on tobacco but ignore drugs?

- A. We are not by any means ignoring drugs. In fact, under the spending provisions that we negotiated in the McCain bill, states may use their designated funds for substance abuse treatment and prevention programs and the Safe and Drug Free Schools program. In addition, the President has a comprehensive proposal to target drugs. Nobody disagrees about the need to be tough on drug use, but that is no excuse to be less than tough on youth smoking.

Q: What exactly is the President's strategy on drugs?

- A. This past February President Clinton released the 1998 National Drug Control Strategy, a comprehensive ten-year plan to reduce drug use and availability by 50% -- to a historic new low. The strategy is backed by a \$17 billion anti-drug budget in FY 1999 -- the largest ever presented to Congress, with a \$1.1 billion increase over last year's budget.

While the strategy incorporates specific goals and objectives in the areas of drug treatment and prevention, domestic law enforcement, interdiction, and international programs, its number one goal is to educate and enable our youth to reject illegal drugs. That is why the largest budget increases (15% over last year's funding levels) are targeted for this purpose. In contrast, Speaker Gingrich and the House Republicans tried to cut the Safe and Drug-Free Schools program -- the program that funds anti-drug efforts in 97% of the nation's school districts -- by a full 50% just a few years ago.

Key initiatives in the drug strategy include:

Protecting Kids:

- \$195 Million National Youth Anti-Drug Media Campaign to make sure that when kids turn on the television or surf the "net," they learn about the dangers of drugs.
- \$50 Million for School Drug Prevention Coordinators to improve and expand the Safe and Drug-Free Schools program by hiring more than 1,000 new prevention professionals to work with thousands of schools in preventing drug use.

Strengthening Our Borders:

- \$163 Million for Border Patrol to hire 1,000 new Border Patrol officers and for "force multiplying" technology.
- \$54 Million for Advanced Technology for the Customs Service to deploy advanced technologies, such as X-ray systems and remote video surveillance.
- \$75.4 Million to Support Interdiction Efforts in the Andean region and Caribbean, and to train Mexican counterdrug forces.

Strengthening Law Enforcement:

- \$38 Million to Crack Down on Methamphetamine and Heroin by hiring 100 new DEA agents, expanding the Administration's anti-methamphetamine initiative, and targeting heroin traffickers.

Breaking the Cycle of Drugs and Crime:

- \$85 Million to Promote Coerced Abstinence to help state and local governments implement drug testing, treatment, and graduated sanctions for drug offenders.

Closing the Treatment Gap:

- \$200 Million Increase for Substance Abuse Block Grants to help states close the treatment gap.

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THE WHITE HOUSE
WASHINGTON

5-29-98

EK:

FOUR ITEMS ATTACHED:

- ① PACKAGE ON CRAIG-COVERDELL-NICKLES AMENDMENT
 - ② BILL/INFO ON DRUG-FREE BORDERS ACT MENTIONED BY SENATE R'S + PASSED BY HOUSE
 - ③ MISCELLANEOUS AMENDMENT BY ASHCROFT ON INCLUDING DRUG REDUCTIONS AS PART OF "LOOK-BACK" PENALTIES;
 - ④ SUMMARY OF HOUSE R'S DRUG PACKAGE - ALL FAIR GAME FOR TOBACCO BILL.
- JOSE'

Tob - out - drugs



Jose Cerda III

05/19/98 04:28:09 PM

Record Type: Record

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

cc:

Subject: Drug Amendments

BR:

We finally got our hands on a 2-page summary of the Craig-Coverdell drug proposal. I'm sending it over right now. It think it pretty much touches on all of the things that the R's are likely to touch on. No numbers are included, but the transcript I sent over earlier says they estimate it costing about \$3 billion. Also, it's not clear that they know where they're going to get the funds from. In the transcript, they say some of this could come out of the existing \$16 billion drug budget -- which I don't think is true -- and Chris from Biden's office expressed that they may just tack on authorizations -- which I'm not sure makes sense.

We'll keep trying to dig up the actual language for these proposals and run some numbers on what some of these things may cost. Without speaking to the important issue of where the money comes from to fund these proposals, we should be able to support most of them.

Jose'

3.5 a year

Message Sent To:

- Bruce N. Reed/OPD/EOP
- Elena Kagan/OPD/EOP
- Michelle Crisci/WHO/EOP
- Leanne A. Shimabukuro/OPD/EOP
- Cynthia A. Rice/OPD/EOP

ALSO ATTACHED:
DRAFT AMENDMENT BY
ASHCROFT ON LOOK-BACK
PENALTIES FOR NOT DECREASING
DRUG USE - NOT SURE HOW
THIS WORKS ... IF AT ALL

Jose'

Senate May Link Tobacco And Antidrug Legislation. Several GOP House sources have recently discussed the possibility of linking drug and tobacco legislation, but the approach had not been mentioned by senators until today. Republican Sens. Paul Coverdell and Larry Craig are this afternoon expected to discuss their plan to propose an antidrug amendment to any tobacco legislation brought to the Senate floor. According to a statement released by Coverdell: "I believe Congress must pass a strong anti-teen smoking bill, but we must also launch an unrelenting assault on rising rates of drug use, particularly among teens." A summary from Coverdell's office said the measure sponsored by Coverdell and Craig "contains a host of proposals designed to stop drugs at the border and better equip communities to mount effective antidrug campaigns. Specifically, the bill includes new and existing legislation to augment interdiction efforts; prevent laundering of drug money; register convicted drug dealers; ban free needles for drug addicts; and create incentives for students, schools and employers."

Nickles is expected to join Coverdell and Craig at this afternoon's press conference. In addition, GOP Sen. John Ashcroft today voiced support for the strategy of attaching antidrug provisions to a tobacco bill, saying on CNN: "The true feeling that I have is, we've got a major drug problem in America. And we shouldn't be failing to address the drug problem just because we have a cigarette problem." Ashcroft said McCain's bill has "tremendous immunity from liability for tobacco companies, and with the tremendous tax increase, this bill has very serious problems," adding: "We should be looking very carefully at what we can do to curtail the drug problem, which is a far more serious threat in the culture. And I don't think we can ignore that just because there is a lot of money on the table in the tobacco settlement."

White House Officials Meet With Attorneys General. White House Press Secretary Mike McCurry today announced that top Administration officials are meeting today with a group of state attorneys general, reportedly in an attempt to encourage agreement on the tobacco issue.

- o **House May Move Antidrug Legislation Soon.** Members of the GOP antidrug task force assembled by House Speaker Newt Gingrich – under the leadership of Reps. Dennis Hastert, Rob Portman and Bill McCollum – held a press event this morning to highlight the package of proposals mentioned several times recently by Gingrich. An aide to Portman said House leaders "have a pretty specific timetable for moving legislation over the next eight weeks or so," and in that time, the antidrug package "will...make some progress." The aide said: "There seems to be a pretty strong commitment on the Republican side of the aisle to making the drug issue a priority." The aide also said that sponsors of the bills included in the package – Reps. Michael Pappas, Mark Souder, Gerald Solomon and John Mica – will join Hastert and Portman in efforts to garner support and move the proposals.
- o **House Names Conferees To Transportation Legislation; Archer Miffed.** Last night, according to a House GOP leadership source, Speaker Newt Gingrich made a final decision on transportation conferees, and Ways and Means Committee Chairman Bill Archer did not make the cut. Those who did include Reps. Kenny Hulshof and Jim Nussle.

Archer objected today to being left off the conference committee, which he took as a sign that the House will cede to the Senate and extend the ethanol tax subsidy, something which Archer has strongly opposed. In a statement, Archer said that Gingrich's decision to exclude him from the committee is an effort to "stack the deck," and the "sole purpose of this decision is to extend the subsidy for ethanol well beyond its scheduled termination date." Both Hulshof and Nussle are from the Midwest – the region with the heart of the corn industry, which perennially champions the ethanol credit.

The conference lineup should be warmly received by key Democratic leaders as well, who were expected to have a late-morning press conference calling for an extension of the ethanol credit. Expected to press for the subsidy were Agriculture Secretary Dan Glickman of Kansas, Senate Minority Leader Tom Daschle of South Dakota, and House Minority Leader Dick Gephardt of Missouri. Notwithstanding Archer's efforts to end the break for ethanol, the 1998 and 2000 elections – which include the early Iowa presidential primary – make it unlikely Congress would end the subsidy. Archer said, "Politics will triumph over policy."

Jose
can
get
this?

Shels
BR

United States Senate

WASHINGTON, DC 20510

May 19, 1998

Dear Colleague:

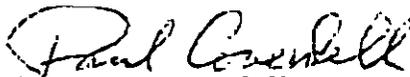
When the Senate considers S. 1415, the National Tobacco Policy and Youth Reduction Act, we will offer an amendment to address the disturbing increase in teen drug use in America.

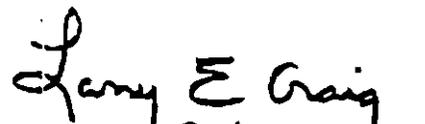
From 1991-1997, marijuana use among 10th graders increased by 135 percent, while smoking increased by 40 percent. Simply stated, teen marijuana use is growing at 3 times the rate of teen smoking. Both issues are serious and deserve our attention. However, in terms of the number of lives ruined, the public health consequences, and increased crime, especially among juveniles, there is no question what the number one problem is among our young people: drugs.

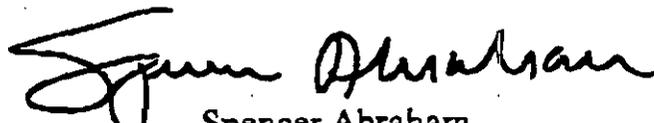
The Coverdell-Craig-Abraham Drug-Free Neighborhoods Act addresses the alarming increase in drug use among teens. First, it provides the weapons to cut drugs off at the source and at the border. Second, it provides additional resources to combat the drugs that reach our neighborhoods. Third, it creates disincentives for teens to use illegal drugs. All funds authorized under our plan, approximately \$3 billion per year, would come from the National Tobacco Trust Fund.

Attached please find a summary of our amendment. Should you have any questions or if you wish to cosponsor this amendment, please call Ziad Ojakli with Sen. Coverdell (4-5868) or Brooke Roberts with Sen. Craig (4-2752).

Sincerely,


Paul D. Coverdell
United States Senator


Larry Craig
United States Senator


Spencer Abraham
United States Senator

The Coverdell-Craig-Abraham Drug-Free Neighborhoods Act

I. Stop the Flow of Drugs at Our Borders

(1) INCREASED RESOURCES FOR INTERDICTION:

- **U.S. Customs:** doubles the interdiction budget;
- **Coast Guard:** doubles the interdiction budget;
- **Department of Defense:** doubles the interdiction budget;

(2) DRUG-FREE BORDERS ACT: strengthens civil and criminal penalties for customs violations; provides U.S. Customs greater authority to rotate agents, irrespective of any collective bargaining agreement; doubles the number of border agents by 2003.

II. Protect Our Neighborhoods & Schools From Drugs

(3) DRUG-FREE TEEN DRIVERS ACT: provides \$10 million per year in grants for states that institute voluntary drug testing for teen drivers license applicants and for states that enact and enforce laws which crack down on drivers who use drugs.

(4) DRUG-FREE SCHOOLS: makes it an allowable use of federal funds to provide school choice or compensation for K-12 students who are the victims of school violence, including drug-related crimes; creates incentives for states to provide an annual report card to parents and teachers listing incidents of school violence, weapon possession, or drug activity; makes voluntary random drug testing programs an allowable use of federal funds; provides for parental consent drug testing demonstration projects.

(5) DRUG-FREE STUDENT LOANS ACT: restricts loans for students convicted of drug possession (1 year for 1st offenders, 2 years for 2nd offenders, and indefinite for 3rd; restricts loans for students convicted of

drug trafficking (2 years for 1st offenders and indefinitely for 2nd offenders); resumes loan eligibility on an expedited basis for students who satisfactorily complete a drug rehabilitation program that includes drug testing.

-over-

(6) **DRUG-FREE WORKPLACES:** authorizes \$10 million per year in SBA demonstration grants for small and medium-sized businesses to implement drug-free workplace programs and provides technical assistance for businesses through SBA.

(7) **DRUG-FREE COMMUNITIES ACT:** authorizes \$50 million per year to encourage communities nationwide to establish comprehensive, sustainable and accountable anti-drug coalitions through flexible matching grants. Allows up to \$10 million of these funds to be used each year to encourage the formation of parent/youth drug prevention strategies.

(8) **BAN FREE NEEDLES FOR DRUG ADDICTS:** This provision, identical to S. 1959 introduced by Sen. Coverdell (R-GA), would ban taxpayer financing of needle programs.

III. Defeat the Drug Mafia

(9) INCREASED RESOURCES FOR LAW ENFORCEMENT

- ***Drug Enforcement Agency:*** increases overall budget by 25%;
- ***Federal Bureau of Investigation:*** increases drug enforcement budget by 25%;

(10) **MONEY-LAUNDERING PREVENTION ACT:** strengthens the ability of law enforcement to crack down on both international and domestic money launderers; increases criminal penalties; allows federal courts to restrain the U.S. assets of a person arrested abroad for money laundering.

(11) **REGISTRATION OF CONVICTED DRUG DEALERS:** provides \$5

million per year in incentive grants to states that require convicted drug dealers who target kids to register with local law enforcement.

IV. Increase Accountability

(12) NATIONAL DRUG CONTROL STRATEGY: requires development of
a

4-year National Drug Control Strategy at the beginning of each President's term in office; requires progress reports on or before February 1 of each year thereafter; requires a report to Congress every 6 months on illegal drug use by teens.

The Coverdell-Craig **Drug-Free Neighborhoods Act**

I. Stop the Flow of Drugs at Our Borders

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FDCH Political Transcripts

May 6, 1998, Wednesday

*Craig
Coverdell
Nickles
Mack*

TYPE: NEWS CONFERENCE

LENGTH: 4702 words

HEADLINE: HOLDS NEWS CONFERENCE WITH SENATOR LARRY CRAIG (R-ID); WASHINGTON,
D.C.

SPEAKER:

U.S. SENATOR PAUL COVERDELL (R-GA),

BODY:

U.S. SENATOR PAUL COVERDELL (R-GA) HOLDS NEWS CONFERENCE ON

DRUGS

MAY 6, 1998

SPEAKERS: U.S. SENATOR PAUL COVERDELL (R-GA)

U.S. SENATOR LARRY CRAIG (R-ID) U.S. SENATOR DON NICKLES (R-OK)

*

COVERDELL: Good afternoon.

The United States is in the midst of a ravaging drug epidemic. As chairman of the Western Hemisphere Committee on Foreign Relations, this -- the data with regard to teenage drug use since 1992 came as a staggering shock. In fact, when I first saw it, I didn't believe it. I thought there had to be some sort of aberration. But indeed, as we all now know, we have seen drug use among teenagers skyrocket in recent years.

As a result, I tried to create at home, just so you could get a warning system coming up, a program called Operation Drug Free Georgia, which now has volunteers in most of our counties. And they all handle it somewhat differently, but they're out trying to wake parents up so that they can begin to talk to their children about it. And I also was curious to understand what youngsters thought about this epidemic. They were aware of it.

And so I've been in dozens upon dozens of schools in my home state.

And one afternoon, I decided to go to them and say, can you tell us -- I'd be interested to know what you believe or perceive to be the most significant problem you face. And I said, I'll mention two or three things, hold up your hand if you think that issue is the most important problem.

I worked this as if there were a hundred students, because generally there were about a hundred students in all these classes. And I said, is cigarette smoking the number-one problem you face? And two or three hands would go up. I was sort of taken aback. And then I said, well, what about alcohol? And

So what we're here today to say is that at the end of the day, in whatever form this tobacco effort takes, we are going to insist that it have a component that forcefully and boldly deals with the abuse of drugs, particularly as they relate to teenagers.

And I just would point out, as you look at these charts, that while from 1991 to 1997, cigarette use has gone up 40 percent, marijuana -- and that's smoking; that's a cigarette -- has gone up 135 percent for 10th-graders and 12th graders, 32 percent for cigarettes, 72 percent for marijuana.

And it is a huge, huge problem.

Now, very quickly -- and I will just highlight it -- the effort that we are suggesting is much, much greater border interdiction. This proposal would double the effort of the U.S. Customs Department. This effort would double -- which means taking Coast Guard vehicles out of mothballs and putting them back into the Caribbean to fight the drug war. We would double the Department of Defense effort. And we would increase by 25 percent Drug Enforcement Agency's work to break the narcotic mafia, and we would increase the Federal Bureau of Investigation by 25 percent to deal with it.

Now, there's a provision, the Drug Free Borders Act, 70 percent of all illegal drugs in the U.S. enter through the U.S.-Mexican border. This provision would establish severe criminal penalties for the use of violence in avoiding Customs reporting requirements, create civil penalties for failure to comply with boarding by U.S. enforcement officials for possible drug trafficking violations, and a series of measures to toughen it up on the border.

It will have a title for the money-laundering prevention. It will strengthen the ability of U.S. law enforcement agents to fight both international money launderers who use U.S. banks and domestic money launderers who use international banking institutions.

COVERDELL: And it will authorize federal courts to restrain U.S. assets of a person arrested abroad for certain offenses, including money laundering.

A very, very key component of this bold new action is the section relating to protecting our communities and schools from drugs. This is the belief that you've got to get down on the floor, you've got to get down in the local communities to deal with this issue.

It would call for the registration of convicted drug dealers and that local law enforcement officials would have to notify communities if one of these convicted drug dealers were in their community.

It would call for banning free needles for drug addicts. It would create a section, drug-free student loan acts. In other words, if the federal government is making access to education and taxpayer money to you, we expect you to stay off drugs.

A drug-free teen drivers act, which would -- it's an incentive for states to experiment with programs that relate to a drug offense and your driver's license. And that's one thing you hear in school after school. Boy, the one

thing they do not want you to mess with is that driver's license. And anything that begins to do that gets everybody's attention.

Drug-free workplaces -- helping small businesses to deal with that; provision from our books (ph) education bill for drug-free schools; and a drug-free community act, which would be a vehicle by which community-based programs, such as Pride and other organizations at the local level, could seek grants in order to continue the education in their own communities.

I'm going to stop with that, and turn to my colleagues here. I would point out that Senator Mack had very much wanted to be here and could not.

I want to turn to the co-sponsor of this effort first. And then I'm going to come to Senator Nickles, who is playing an active role in this, in just a minute.

I call on Senator Craig.

CRAIG: Thank you.

Paul has outlined for you what we think is a very significant program. Every member of Congress that I know of would like to get cigarettes out of the hands of teenagers. Now, we will not tolerate tobacco companies who intentionally target teenagers in an effort to sell them cigarettes. And we will do something about that this year.

But while doing that, to stand quietly by and ignore that this year 14,000 -- let me repeat the figure -- 14,000 kids will die as a relationship to drugs is an untenable situation. Fourteen thousand kids will not die because they smoked a cigarette. But 14,000 kids in this country will die because they got caught up in some form of drug activity. And that we can no longer tolerate.

And we believe it is important that we deal with these issues on behalf of the young people of this country in tandem.

As Paul has mentioned, from '92 to '97, a phenomenal jump in the use of drugs that associate themselves with young people and teenagers, 54 percent.

Now, let me tell you, the new drug user of today is not the hippy or the punk or the gangster that we once thought it was. It's our kids. They look like your kids. They are our kids.

And to pass that one off simply because we're a baby boomer generation who developed some tolerance for this issue, or to pass that off because we have a president who said, well, he didn't inhale, is an unacceptable proposition for this country and for this Congress. And we've got to deal with it.

CRAIG: It has to be as high a priority as dealing with tobacco, and tobacco is high on our list in trying to resolve that issue.

Paul has spoken to that. Don has been intricately involved in trying to craft a resolution of that issue. And we believe it is critical that we come together on that.

I've had the same experience in Idaho school. Now, Idaho is that rural state that stayed innocent from metropolitan influences and big cities. Not true when it comes to drugs, folks.

Two of the largest marijuana busts in the history of the country took place in Idaho this last year. And when I was asking Drug Enforcement Agency people if this was an anomaly, they said, quite the opposite. It is an example of the marketplace and the demand in the marketplace. And the demand comes from teenage America.

And that's also the amphetamine labs that are popping up all around the country. And we are doing nothing about it as a government.

And this administration, in all due respect to them, in fact, has not done anything. They've done less.

Why are the Coast Guard ships moth-balled that Paul talks about? Because this administration has cut their budgets and walked away from the concept of interdiction. And that has got to be a part of it.

In Idaho recently, I was participating in the drug-free community process -- they are starved for money -- to get the kids in the schools and the industries and the communities and the community leaders involved, because we can't do it all here. But we can certainly lead on the issue, and we have to lead on the issue.

Oh, yes, the kids turn to drugs out of peer pressure and to escape the realities of life and to do a lot of other things. And we all understand that.

But what we've outlined today is talking about interdiction at the borders, helping at our schools to fight drugs, and being diligent in the policing and the arresting and the prosecuting of anyone who participates in that area. To do anything less than that is not to assume our rightful responsibility on this issue.

Tobacco is a very serious problem -- short-term and long-term.

But remember, 14,000 kids will not die this year because they lit their first cigarette. But 14,000 kids will die this year because they have associated themselves with drugs, thinking there was no risk and no liability.

And as a country, we cannot allow the next generation to die when we can do something about it. Whether it be inner city or whether it be rural Idaho, the problem is equal and the problem is real. And if this administration won't step to the line on it, then the Congress must step to the line. And that's what we do today, and I am very proud to join Paul, the work he's done on it.

Others will join us. Don is here. As he mentioned -- as Paul mentioned, Connie Mack is very anxious, and other senators will clearly join us, because we have to deal with this issue in tandem.

COVERDELL: Thank you, Larry. I appreciate, in particular, your mentioning that it has no definition by urban-rural, rich-poor. It doesn't matter where you go in the country or in your community. The story is the same. And it is not a pretty story.

I'm really pleased that Senator Nickles could join us. He's been very active in the debate over tobacco. We've had a chance to talk some about our view that this should be added. I really appreciate your being here, Don.

NICKLES: Well, thank you very much.

NICKLES: I want to compliment you and Larry for the work that you've done and say that several other senators are also very interested in having a strong anti-drug, anti-tobacco package. And I'm certainly in agreement with that.

I think to go after the evils of tobacco in young kids and to ignore the fact that drug use has spiraled under this administration with drugs would be a serious mistake.

Like some of my colleagues, during the last break, last month, I had some town meetings. One of the town meetings was in Shawnee, Oklahoma. That particular town meeting we had a lot of high school kids. And so I asked them: Hey, wait a minute, we're considering in Congress legislation to increase the price of tobacco by at least a dollar, maybe more? Would that reduce consumption amongst tobacco? Most of them were shaking their heads, no.

And then we went into the drugs and they said, well, tobacco is not the problem, it's drug use. And this is in Shawnee Oklahoma. This is a pretty average middle class-type community -- population probably 15,000.

And I said, well, how prevalent is drug use in high school? I said, the national average is 24 percent of high school seniors use drugs on a frequent basis, on a monthly basis. And they said that's probably about right.

That bothers me. That is a big change. That wasn't the case 15 years ago or 20 years ago -- certainly not 30 ago.

So it's a big change and not a change that's for the better.

And actually, if you look at the charts -- and we don't have the accurate chart right now -- but if you see the charts that Paul are showing, it's a big increase since the '90s. What it doesn't show you is we actually had a decrease in drug use amongst teenagers through the '80s.

And then around 1991, 1992 -- maybe a change in the administrations -- but there been an increase in drug use amongst teenagers, almost every year. And we have to reverse that trend.

And I think this administration's been AWOL on the war on drugs.

Well, this Congress is going to take it up. And as far as this senator is concerned, it's going to be part of any package that we have that deals with reducing consumption and addiction of tobacco. We want to reduce consumption and addiction to drugs, and we think it's a very -- it's been a message we haven't heard very much, frankly, from the administration, but we're going to put it in, or at least we hope to put it in.

I'm not necessarily saying that all the legislation that Senator Coverdell, Senator Craig worked on. There are some other ideas as well.

I compliment them. I think they've got some great idea.

But we plan on having a very energetic package that's going to try to take on not just tobacco, but also other drugs.

When I was asking these kids, what kind of drugs are you talking about. They said: Well, marijuana. Oh, but that's not all. Also, crack, crank -- I didn't even know what crank was -- and several other things.

So there's a prevalent drug problem all across American in rural and urban communities, in all income levels, in all races. And frankly, we need to take it on, and many of us are very, very serious in trying to make sure that we do take it on as part of any package we have.

Nancy.

QUESTION: You said, we are serious about offering -- are you going to offer something separate from this?

NICKLES: We will have -- we being senators, because I happen to think that we'll have Democratic senators. I could limit that to say at least some Republicans. We all happen to be in leadership. The three of us are in leadership. Senator Mack is in leadership.

So I would -- I could say Republican leadership will offer an amendment. But we're going to have -- we're going to wrestle with tobacco on the floor at some point. What we are saying is that we're going to wrestle with tobacco and we're going to take on drugs at the same time.

To ignore drugs would be a serious mistake. We think this is an evil cancer that's eating amongst our young kids, our younger population. And we want to stop it. We want to curb it. We want to take on and have at least as vigilant an effort to reduce drug use and addiction as we do against tobacco.

QUESTION: Just so I'm clear, so you're not offering this as an amendment to McCain as opposed to -- as a substitute.

NICKLES: No, I wouldn't say that. It would be one other other. It would be one or the other.

QUESTION: When will you decide whether to offer -- when are you going to decide whether to offer an alternative to McCain?

NICKLES: We're working on that right now, but right now we're still analyzing the bill.

NICKLES: Senator McCain's -- the Commerce Committee bill was reported out three weeks ago. But it was just put in the record, filed as a bill, last Friday.

It's a 400-and-some-odd page bill. It's a significantly more extensive bill than the bill that was originally introduced. That was 260 pages. This is 400-and-some-odd pages.

And so we're still reviewing it. There are a lot of things in that bill. I would urge you to review it. We're reviewing it, and we're trying to calculate its cost, its provisions, its regulatory provisions. It's extensive. I haven't completed that review. We're working on that right now.

Be that as it may, that bill doesn't touch drugs. What I'm saying, we're going to take on drugs, regardless of what we do on the Commerce Committee bill. Whether we have a substitute, whether we have amendments to it, we're going to have a significant anti-drug component of any package that we pass in the Senate this year.

QUESTION: (OFF-MIKE) members of the Republican leadership (OFF- MIKE) offer this as a substitute (OFF-MIKE)?

NICKLES: That remains to be seen.

COVERDELL: There is no way to answer that question today, because as has just been pointed by Senator Nickles, the analysis of McCain is...

NICKLES: Commerce Committee.

COVERDELL: And also...

CRAIG: And my policy committee has got a whole committee of staff people analyzing these 400 pages at this moment. We cannot turn to the Republican Senate at this moment and say here are all the components. By next week, that should be a possibility.

But what is being said here today is that whatever tobacco bill moves on the floor of the United States Senate this year, this, or a very similar package like this, will be added to it as an amendment. We think it is critical -- and I use the word "tandem" -- that this epidemic in our country be treated with equal approach from the United States Senate.

QUESTION: What would your package cost (OFF-MIKE)?

COVERDELL: This package ranges about three billion a year.

Now, again, you're at the preliminary stage -- let me say this: If the word "tobacco" had never been mentioned, the United States ought to be doing this. Now...

QUESTION: (OFF-MIKE) but how are you going to (OFF-MIKE)?

COVERDELL: Well, you know, you don't know what's to be worked with yet. Now, for example, I would argue that the current expenditure on drugs is around 16 billion a year.

And I think it -- the priority setting within the current configuration of our expenditures is not set. Interdiction has been dramatically lowered. It ought to be increased.

So within the budget itself -- forget tobacco. This is something we ought to be pursuing and within the resources we have now.

QUESTION: Why are you not pursuing it separately? Why are you inclined to attach it to the (OFF-MIKE) it's very controversial (OFF- MIKE)?

COVERDELL: Because we have had difficulty getting the administration's attention for the last two years on this issue (a). They have been nonresponsive (a).

(b) You can't separate these two subjects. If you talk to any teenager -- and I recommend you all go into those schools -- they don't separate it. They see the addiction issue in the relationship.

And you -- it is unconscionable to be talking about, you know, coming at what teenage ill effects occur with tobacco and ignore this. It's the wrong message to send.

NICKLES: Paul, ironically, some of our teenagers are telling us they start smoking marijuana first and go to cigarettes. And that's a larger figure than any of us really were willing to believe -- that they got started smoking not by the cigarette -- and that's not to lessen the value or the importance of teenage smoking, and our willingness to get rid of it. But they started here, because this was the elusive one. This was the one that their -- their peer pressure brought them to that took them to this.

And we don't have those figures yet, but they are very willing to volunteer (OFF-MIKE) young people.

COVERDELL: I have to tell you, I'm suspicious of the strategy here -- that you would have made this large issue on a legitimate health problem and ignore this.

That -- I don't know how you come to that, unless you just don't want to talk about this. And that seems to be the suggestion that you get and that you can't get them to tell you what they want to achieve on their watch.

I want to mention again, too, that this requires bold movement.

COVERDELL: If you talk to parents -- and you probably have all seen there was a poll one of you did recently that showed what teenagers know about drugs and what their parents know. And it's about a two-to-one disparity, the disconnect.

This issue requires bold statements and moves -- and now -- and cannot be separated from this other issue. Should never have been.

QUESTION: Senator Nickles, where is Senator Lott in all of this? (OFF-MIKE)?

NICKLES: No, I don't think so. I've talked to Senator Lott several times. We're still debating at what point we would bring the tobacco legislation to the floor. Again, we're still analyzing it.

But I have told him, or talked to him, several times that it would be my hope and my desire to have a strong anti-drug component of any package. I would think that he concurs with that. I've -- he's well aware of that.

And so, again, I expect that I'm not just speaking on behalf of Republican leadership. But I'm hopeful that we'll have all of our colleagues agree, and maybe optimistic that that will be the case.

When people recognize the seriousness of this problem, when Senator Coverdell mentioned the 25 -- one out of four -- 25 percent, or one out of four, high school seniors uses drugs on a monthly basis, we've got a crisis. And when you see that number has been increasing so dramatically in the '90s, we've got a crisis. We've got to work on this.

So I expect, whether it's this extensive and this expensive or whether it's more targeted toward -- you know, there's, right now, some ads that are running on TV that you've probably seen. You've seen the young girl with the frying pan crashing things around in the kitchen saying, this is what happens to drugs. That is an ad that's at least cosponsored by the federal government.

So we can run anti-drug efforts, campaigns. And we expect that we're going to do that. But we're going to increase it, and we're going to do that as we well on tobacco.

QUESTION: Senator, would you generally vote for a McCain bill based on what you know about it now if it didn't have anything (OFF- MIKE) this amendment (OFF-MIKE)?

NICKLES: I have not announced that yet, and I don't think I'll do it yet today. We're still analyzing the bill.

I've said in the past it's very much my intention to try and come up with a good, strong bill that would curb teenage consumption and addiction to tobacco. I'm not convinced that you'd have to spend hundreds of billions of dollars to do it.

And so I'm wanting to come up with a good bill that will target and take on tobacco to reduce teenage consumption and addiction. And that's my objective. That's my goal.

I'm not yet convinced that you have to spend several hundred billion dollars to do that. And so, that would be my caveat.

I am saying, though, whatever we pass, whatever we pass -- whether it's a substitute, whether it's an amendment to or whatever -- that it will have a strong anti-drug component to it.

COVERDELL: One last question right here.

QUESTION: (OFF-MIKE)

COVERDELL: I'm sorry.

QUESTION: (OFF-MIKE)

COVERDELL: I think he's given a perfect answer.

CRAIG: I just told you, 400 pages are being analyzed. I've tried to only vote for things that I have some working knowledge of. We do not yet know the details of this issue.

QUESTION: You have the last question.

CRAIG: All the details.

QUESTION: Mixing the two, tobacco and drugs, don't you think there's a possibility it will not work for either one and that you won't get it past this...

NICKLES: That's not objective. Our objective is to make sure that we go after -- you know, when the kids in Shawnee, Oklahoma, said drugs are a bigger problem than tobacco, I think they're right.

And so to ignore drugs and to go after tobacco -- some of us are concerned the president and others want to use the tobacco thing as an excuse for a cookie jar for more spending. In other words, is the real objective to go after teen smoking? We'll go after teen smoking. We'll be aggressive to try and reduce teenage consumption and addiction to tobacco and drugs.

NICKLES: We think they're inseparable. You need to go after drugs at the same time.

We're not particularly interested in giving the president a whole lot of money to spend on a cookie jar or other ideas. And so, that's what we're analyzing on the Commerce Committee bill right now.

But we are saying, hey -- I've been saying this for a month. This is not all that unusual. What we have in addition now is that Senator Coverdell and Senator Craig have said here are several things they'd like to have included, and that we also have Senator Ashcroft, who's given me a nice stack of proposals, and he says, these should be included, and there are some good ideas here.

So I think we'll be able to meld with some of the other senators, Democrats and Republicans, and come up with a good effort to reduce consumption of both tobacco and drugs amongst our young people.

Thank you all very much.

END

NOTES:

???? - Indicates Speaker Unknown

- Could not make out what was being said.

off mike - Indicates Could not make out what was being said.

LANGUAGE: ENGLISH

LOAD-DATE: May 6, 1998

Jose, one quick point: Other than the DEA number (which is scored 100% drug money), the other numbers are merely the drug-related portion of larger accounts. There is no "interdiction budget" for Coast Guard, Customs, etc. The table below represents merely the "drug-related" portion of a total, larger account. A much larger plus-up would be required to the total, larger account to achieve the increases in drug interdiction. For example, if you buy a Coast Guard Cutter, more than half of the time would be dedicated for non-drug missions; therefore, we would need an increase of approximately \$1.00 for the Coast Guard to achieve +\$0.50 of drug-related fund. We kept it simple and gathered data on the drug-related purpose only because I know you need this quickly.

TOTALS REPRESENT DRUG-RELATED PORTION ONLY.

ITEM	FY 98	DFNA* Plus-Up	DFNA Total
U.S. Customs: doubles the interdiction budget	\$502M	+\$502M	\$1,004M
Coast Guard: doubles the interdiction budget	\$401M	+\$401M	\$802M
DOD: doubles the interdiction budget			
(DOD estimate)	\$461M	+\$461M	\$922M
(ONDCP estimate)	\$468M	+\$468M	\$936M
Drug-Free Borders: doubles number of border agents (Customs) by 2003	\$502M	+\$182M	\$684M
(This Act would increase Customs staffing by a total of 1,745 positions. It would increase the number of front line Customs law enforcement personnel (including inspectors, agents, canine officers, and intelligence analysts by approximately 17% and not 200%.)			
DEA: increases overall budget by 25%	\$1,200M	+\$300M	\$1,500M
FBI: increases drug enforcement budget by 25%	\$825M	+\$206M	\$1,031M

* Drug-Free Neighborhoods Act

Drugs - needle exchange

105TH CONGRESS
2D SESSION

S. _____

IN THE SENATE OF THE UNITED STATES

Mr. COVERDELL introduced the following bill; which was read twice and referred to the Committee on _____

A BILL

To prohibit the expenditure of Federal funds to provide or support programs to provide individuals with hypodermic needles or syringes for the use of illegal drugs.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. PROHIBITION ON USE OF FUNDS FOR HYPO-**
4 **DERMIC NEEDLES.**

5 Notwithstanding any other provision of law, no Fed-
6 eral funds shall be made available or used to carry out
7 or support, directly or indirectly, any program of distribut-
8 ing sterile hypodermic needles or syringes to individuals
9 for the hypodermic injection of any illegal drug.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF MANAGEMENT AND BUDGET
WASHINGTON, D.C. 20503

May 19, 1998
(House)

STATEMENT OF ADMINISTRATION POLICY

(THIS STATEMENT HAS BEEN COORDINATED BY OMB WITH THE CONCERNED AGENCIES.)

H.R. 3809 - Drug Free Borders Act of 1998
(Crane (R) Illinois and 2 cosponsors)

The Administration strongly supports the objective of H.R. 3809, which is to increase efforts by the U.S. Customs Service to reduce the entry of illicit narcotics into the United States. The Administration opposes, however, certain provisions of H.R. 3809. While increased personnel flexibility has proved useful at certain ports and may be needed elsewhere, the provision that would permit the Customs Commissioner to override collective bargaining agreements in certain situations is inconsistent with the Administration's commitment to labor-management partnerships. In addition, at this time the Administration opposes the inclusion in H.R. 3809 of provisions that would amend the annual cap on overtime pay for Customs inspectors. These provisions should be considered in the context of achieving overall consistency in pay, including overtime and its treatment for retirement purposes, between the Customs Service and similarly situated Federal Inspection Service agencies.

The Administration looks forward to working with the Congress to: (1) address the concerns noted above; (2) conform the authorization levels to those in the President's Budget; and (3) provide for greater flexibility in the allocation of resources and the selection of technologies.

* * * * *

NEWS

FROM THE COMMITTEE ON WAYS AND MEANS SUBCOMMITTEE ON TRADE

FOR IMMEDIATE RELEASE
May 13, 1998

CONTACT: Ari Fleischer or Trent Duffy
(202) 225-8933

Trade Subcommittee Passes Bill to Boost U.S. Customs Service Drug-Fighting Capability on the Borders

**Full Committee Mark-Up is Thursday, May 14, 1998 in
Room 1100 LHOB, Beginning at 10:00 a.m.**

***Bill Would Provide More Inspectors, More Equipment, and More Enforcement Power
for Customs Efforts to Stop Narcotics Smuggling
-Increases Funding Over President's Request by \$227 Million-***

WASHINGTON — As part of House Republicans' commitment to a drug-free America, the Trade Subcommittee of the Committee on Ways and Means yesterday passed legislation which would authorize increases of \$227 million more than the President requested for U.S. Customs Service narcotics interdiction efforts. The Full Committee on Ways and Means will mark up the legislation **Thursday, May 14, 1998 in Room 1100 LHOB, beginning at 10:00 a.m.** The bill is expected to be considered by the full House of Representatives as early as next week.

The "Drug Free Border Act of 1998" is a comprehensive proposal which would add 1,705 Customs inspectors and special agents and a host of new drug-screening technologies to assist in the detection of illegal narcotics coming across U.S. borders. Rep. Philip M. Crane (R-IL), Chairman of the Trade Subcommittee of the Committee on Ways and Means which has jurisdiction over the Customs Service, introduced H.R. 3809 on May 7th with Reps. E. Clay Shaw, Jr. (R-FL) and J. Dennis Hastert (R-IL) as original cosponsors.

"I am proud to add another line of defense in our nation's war against drugs by introducing legislation to strengthen drug interdiction efforts by the U. S. Customs Service. Unfortunately, the statistics are grim — drug use, particularly among teenagers and children, is widespread and skyrocketing. A critical prong in Congress' attack on illicit drug use is stopping the flow of narcotics across our nation's borders before they fall into the hands of our children," said Crane.

In 1997, the U.S. Customs Service seized nearly 1 million pounds of illegal drugs, more than all other federal agencies combined. Last year, over 118 million automobiles, 9.3 million trucks, 321,000 railcars and 4.5 million sea containers entered the United States creating an enormous window of opportunity for drug smugglers and a massive drug enforcement dilemma for Customs.

-a one-page summary of the legislation follows-

SUMMARY OF H.R. 3809 "DRUG FREE BORDER ACT OF 1998"

Authorization of Appropriation for Customs Service

- Drug and other enforcement activities: Increase of \$227.1 million (31 percent) in FY 99 and \$214.1 million (25 percent) in FY 00 over the President's request.
 - FY 1999 — \$958.8 million
 - FY 2000 — \$1,069.9 million
- Earmarks \$89.2 mil. for drug detection equipment at land border ports and sea ports in the Gulf and Florida.
- Earmarks \$303.7 million over two years for 1,705 new Customs inspectors, special agents, internal affairs officers, etc. along the borders and at major metropolitan drug and money-laundering locations.
- Requires Customs to measure effectiveness of additional resources.
- Commercial Operations: Accepts President's budget proposal.
 - FY 1999 — \$970.8 million
 - FY 2000 — \$1,000.0 million
- Air Interdiction: Accepts President's budget proposal.
 - FY 1999 — \$98.5 million
 - FY 2000 — \$101.4 million

Overtime Pay and Premium Pay

- Corrects Overtime and Premium pay problems such as night time pay at noon, overtime pay for not working, and premium pay while on vacation.
- Removes premium pay from the overtime cap calculation resulting in a potential overtime earnings increase of \$6,000.
- Savings are devoted to fund additional drug enforcement related overtime.

Rotation of Customs Officers for Integrity Purposes

- Allows the Secretary of the Treasury to transfer up to 5 percent of the Customs officers to new duty stations each fiscal year for integrity purposes. The Secretary may also transfer Customs officers to temporary duty assignments for up to 90 days for enforcement purposes. This provision is not subject to collective bargaining. Authorizes for Appropriation \$25 million to pay for this initiative.

Adverse Impact of Collective Bargaining Agreements on Interdiction Efforts

- Ensure that collective bargaining disputes do not jeopardize essential drug interdiction efforts. If the Customs Commissioner determines any collective bargaining agreement has an adverse impact upon the interdiction of contraband, including narcotics, the parties have 90 days to resolve the problem. If no agreement can be reached, Customs may immediately implement its last offer. Either party may then pursue the impasse to the Federal Service Impasses Panel.

HR 3809 IH

105th CONGRESS

2d Session

H. R. 3809

To authorize appropriations for the United States Customs Service for fiscal years 1999 and 2000, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

May 7, 1998

Mr. CRANE (for himself, Mr. SHAW, and Mr. HASTERT) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To authorize appropriations for the United States Customs Service for fiscal years 1999 and 2000, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the 'Drug Free Borders Act of 1998'.

TITLE I--AUTHORIZATION OF APPROPRIATIONS FOR UNITED STATES CUSTOMS SERVICE

SEC. 101. AUTHORIZATION OF APPROPRIATIONS.

(a) DRUG ENFORCEMENT AND OTHER NONCOMMERCIAL OPERATIONS- Subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)) are amended to read as follows:

 (A) \$958,787,584 for fiscal year 1999.

 (B) \$1,069,928,328 for fiscal year 2000.'

(b) COMMERCIAL OPERATIONS- Clauses (i) and (ii) of section 301(b)(2)(A) of such Act (19 U.S.C. 2075(b)(2)(A)(i) and (ii)) are amended to read as follows:

 (i) \$970,838,000 for fiscal year 1999.

 (ii) \$999,963,000 for fiscal year 2000.'

(c) AIR INTERDICTION- Subparagraphs (A) and (B) of section 301(b)(3) of such Act (19 U.S.C. 2075(b)(3)(A) and (B)) are amended to read as follows:

 (A) \$98,488,000 for fiscal year 1999.

(B) \$101,443,000 for fiscal year 2000.'

(d) SUBMISSION OF OUT-YEAR BUDGET PROJECTIONS- Section 301(a) of such Act (19 U.S.C. 2075(a)) is amended by adding at the end the following:

(3) By no later than the date on which the President submits to the Congress the budget of the United States Government for a fiscal year, the Commissioner of Customs shall submit to the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate the projected amount of funds for the succeeding fiscal year that will be necessary for the operations of the Customs Service as provided for in subsection (b).'

SEC. 102. NARCOTICS DETECTION EQUIPMENT FOR THE UNITED STATES-MEXICO BORDER, UNITED STATES-CANADA BORDER, AND FLORIDA AND THE GULF COAST SEAPORTS.

(a) FISCAL YEAR 1999- Of the amounts made available for fiscal year 1999 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 101(a) of this Act, \$89,244,000 shall be available until expended for acquisition and other expenses associated with implementation and deployment of narcotics detection equipment along the United States-Mexico border, the United States-Canada border, and Florida and the Gulf Coast seaports, as follows:

(1) UNITED STATES-MEXICO BORDER- For the United States-Mexico border, the following:

- (A) \$6,000,000 for 8 Vehicle and Container Inspection Systems (VACIS).
- (B) \$11,000,000 for 5 mobile truck x-rays with transmission and backscatter imaging.
- (C) \$12,000,000 for the upgrade of 8 fixed-site truck x-rays from the present energy level of 450,000 electron volts to 1,000,000 electron volts (1-MeV).
- (D) \$7,200,000 for 8 1-MeV pallet x-rays.
- (E) \$1,000,000 for 200 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.
- (F) \$600,000 for 50 contraband detection kits to be distributed among all southwest border ports based on traffic volume.
- (G) \$500,000 for 25 ultrasonic container inspection units to be distributed among all ports receiving liquid-filled cargo and to ports with a hazardous material inspection facility.
- (H) \$2,450,000 for 7 automated targeting systems.
- (I) \$360,000 for 30 rapid tire deflator systems to be distributed to those ports where port runners are a threat.
- (J) \$480,000 for 20 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.
- (K) \$1,000,000 for 20 remote watch surveillance camera systems at ports where there are suspicious activities at loading docks, vehicle queues, secondary inspection lanes, or areas where visual surveillance or observation is obscured.

(L) \$1,254,000 for 57 weigh-in-motion sensors to be distributed among the ports with the greatest volume of outbound traffic.

(M) \$180,000 for 36 AM traffic information radio stations, with 1 station to be located at each border crossing.

(N) \$1,040,000 for 260 inbound vehicle counters to be installed at every inbound vehicle lane.

(O) \$950,000 for 38 spotter camera systems to counter the surveillance of customs inspection activities by persons outside the boundaries of ports where such surveillance activities are occurring.

(P) \$390,000 for 60 inbound commercial truck transponders to be distributed to all ports of entry.

(Q) \$1,600,000 for 40 narcotics vapor and particle detectors to be distributed to each border crossing.

(R) \$400,000 for license plate reader automatic targeting software to be installed at each port to target inbound vehicles.

(2) UNITED STATES-CANADA BORDER- For the United States-Canada border, the following:

(A) \$3,000,000 for 4 Vehicle and Container Inspection Systems (VACIS).

(B) \$8,800,000 for 4 mobile truck x-rays with transmission and backscatter imaging.

(C) \$3,600,000 for 4 1-MeV pallet x-rays.

(D) \$250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) \$300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(F) \$240,000 for 10 portable Treasury Enforcement Communications Systems (TECS) terminals to be moved among ports as needed.

(G) \$400,000 for 10 narcotics vapor and particle detectors to be distributed to each border crossing based on traffic volume.

(3) FLORIDA AND GULF COAST SEAPORTS- For Florida and the Gulf Coast seaports, the following:

(A) \$4,500,000 for 6 Vehicle and Container Inspection Systems (VACIS).

(B) \$11,800,000 for 5 mobile truck x-rays with transmission and backscatter imaging.

(C) \$7,200,000 for 8 1-MeV pallet x-rays.

(D) \$250,000 for 50 portable contraband detectors (busters) to be distributed among ports where the current allocations are inadequate.

(E) \$300,000 for 25 contraband detection kits to be distributed among ports based on traffic volume.

(b) FISCAL YEAR 2000- Of the amounts made available for fiscal year 2000 under section 301(b)(1)(B) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(B)), as amended by section 101(a) of this Act, \$8,924,500 shall be for the maintenance and support of the equipment and training of personnel to maintain and support the equipment described in subsection (a).

(c) ACQUISITION OF TECHNOLOGICALLY SUPERIOR EQUIPMENT; TRANSFER OF FUNDS-

(1) IN GENERAL- The Commissioner of Customs may use amounts made available for fiscal year 1999 under section 301(b)(1)(A) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A)), as amended by section 101(a) of this Act, for the acquisition of equipment other than the equipment described in subsection (a) if such other equipment--

(A)(i) is technologically superior to the equipment described in subsection (a); and

(ii) will achieve at least the same results at a cost that is the same or less than the equipment described in subsection (a); or

(B) can be obtained at a lower cost than the equipment described in subsection (a).

(2) TRANSFER OF FUNDS- Notwithstanding any other provision of this section, the Commissioner of Customs may reallocate an amount not to exceed 10 percent of--

(A) the amount specified in any of subparagraphs (A) through (R) of subsection (a)(1) for equipment specified in any other of such subparagraphs (A) through (R);

(B) the amount specified in any of subparagraphs (A) through (G) of subsection (a)(2) for equipment specified in any other of such subparagraphs (A) through (G); and

(C) the amount specified in any of subparagraphs (A) through (E) of subsection (a)(3) for equipment specified in any other of such subparagraphs (A) through (E).

SEC. 103. PEAK HOURS AND INVESTIGATIVE RESOURCE ENHANCEMENT FOR THE UNITED STATES-MEXICO AND UNITED STATES-CANADA BORDERS.

Of the amounts made available for fiscal years 1999 and 2000 under subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)), as amended by section 101(a) of this Act, \$112,844,584 for fiscal year 1999 and \$180,910,928 for fiscal year 2000 shall be available for the following:

(1) A net increase of 535 inspectors, 120 special agents, and 10 intelligence analysts for the United States-Mexico border and 375 inspectors for the United States-Canada border, in order to open all primary lanes on such borders during peak hours and enhance investigative resources.

(2) A net increase of 285 inspectors and canine enforcement officers to be distributed at large cargo facilities as needed to process and screen cargo (including rail cargo) and reduce commercial waiting times on the United States-Mexico border.

(3) A net increase of 300 special agents, 30 intelligence analysts, and additional resources to be distributed among offices that have jurisdiction over major metropolitan drug or narcotics distribution and transportation centers for intensification of efforts against drug smuggling and money-laundering organizations.

(4) A net increase of 50 positions and additional resources to the Office of Internal Affairs to enhance investigative resources for anticorruption efforts.

(5) The costs incurred as a result of the increase in personnel hired pursuant to this section.

SEC. 104. COMPLIANCE WITH PERFORMANCE PLAN REQUIREMENTS.

As part of the annual performance plan for each of the fiscal years 1999 and 2000 covering each program activity set forth in the budget of the United States Customs Service, as required under section 1115 of title 31, United States Code, the Commissioner of the Customs Service shall establish performance goals, performance indicators, and comply with all other requirements contained in paragraphs (1) through (6) of subsection (a) of such section with respect to each of the activities to be carried out pursuant to sections 102 and 103 of this Act.

TITLE II--OVERTIME AND PREMIUM PAY OF OFFICERS OF THE UNITED STATES CUSTOMS SERVICE; MISCELLANEOUS PROVISIONS

Subtitle A--Overtime Pay and Premium Pay of Officers of the United States Customs Service

SEC. 201. FISCAL YEAR CAP.

Section 5(c)(1) of the Act of February 13, 1911 (19 U.S.C. 267(c)(1)) is amended to read as follows:

“(1) **FISCAL YEAR CAP-** The aggregate of overtime pay under subsection (a) (including commuting compensation under subsection (a)(2)(B)) that a customs officer may be paid in any fiscal year may not exceed \$30,000, except that--

“(A) the Commissioner of Customs or his or her designee may waive this limitation in individual cases in order to prevent excessive costs or to meet emergency requirements of the Customs Service; and

“(B) upon certification by the Commissioner of Customs to the Chairmen of the Committee on Ways and Means of the House of Representatives and the Committee on Finance of the Senate that the Customs Service has in operation a system that provides accurate and reliable data on a daily basis on overtime and premium pay that is being paid to customs officers, the Commissioner is authorized to pay any customs officer for one work assignment that would result in the overtime pay of that officer exceeding the \$30,000 limitation imposed by this paragraph, in addition to any overtime pay that may be received pursuant to a waiver under subparagraph (A).”

SEC. 202. RESTRICTION ON PAYMENT OF OVERTIME PAY.

Section 5(a)(1) of the Act of February 13, 1911 (19 U.S.C. 267(a)(1)), is amended by inserting after the first sentence the following new sentence: “Overtime pay provided under this subsection shall not be paid to any customs officer unless such officer actually performed work during the time corresponding to such overtime pay.”

SEC. 203. PREMIUM PAY.

(a) **RESTRICTION ON PAYMENT OF PREMIUM PAY-** Section 5(b)(4) of the Act of February 13, 1911 (19 U.S.C. 267(b)(4)), is amended by adding after the first sentence the following new sentence: “Premium pay provided under this subsection shall not be paid to any customs officer unless such officer actually performed work during the time corresponding to such premium pay.”

(b) **REVISION OF NIGHT WORK DIFFERENTIAL PROVISIONS-** Section 5(b)(1) of such Act (19 U.S.C. 267(b)(1)) is amended to read as follows:

“(1) NIGHT WORK DIFFERENTIAL-

“(A) 6 P.M. TO MIDNIGHT- If any hours of regularly scheduled work of a customs officer occur during the hours of 6 p.m. and 12 a.m., the officer is entitled to pay for such hours of work (except for work to which paragraph (2) or (3) applies) at the officer's hourly rate of basic pay plus premium pay amounting to 15 percent of that basic rate.

“(B) MIDNIGHT TO 6 A.M- If any hours of regularly scheduled work of a customs officer occur during the hours of 12 a.m. and 6 a.m., the officer is entitled to pay for such hours of work (except for work to which paragraph (2) or (3) applies) at the officer's hourly rate of basic pay plus premium pay amounting to 20 percent of that basic rate.’

SEC. 204. USE OF AMOUNTS FOR ADDITIONAL OVERTIME ENFORCEMENT ACTIVITIES OF THE CUSTOMS SERVICE RESULTING FROM SAVINGS FROM PAYMENT OF OVERTIME AND PREMIUM PAY.

Section 5 of the Act of February 13, 1911 (19 U.S.C. 267), is amended--

(1) by redesignating subsection (e) as subsection (f); and

(2) by inserting after subsection (d) the following:

“(e) USE OF AMOUNTS FOR ADDITIONAL OVERTIME ENFORCEMENT ACTIVITIES RESULTING FROM SAVINGS FROM PAYMENT OF OVERTIME AND PREMIUM PAY-

“(1) USE OF AMOUNTS- For fiscal year 1999 and each subsequent fiscal year, the Secretary of the Treasury--

“(A) shall determine under paragraph (2) the amount of savings from the payment of overtime and premium pay to customs officers; and

“(B) shall use an amount from the Customs User Fee Account equal to such amount determined under paragraph (2) for additional overtime enforcement activities of the Customs Service.

“(2) DETERMINATION OF SAVINGS AMOUNT- For each fiscal year, the Secretary shall calculate an amount equal to the difference between--

“(A) the estimated cost for overtime and premium pay that would have been incurred during that fiscal year if this section, as in effect on the day before the date of the enactment of sections 202 and 203 of the Drug Free America Act of 1998, had governed such costs; and

“(B) the actual cost for overtime and premium pay that is incurred during that fiscal year under this section, as amended by sections 202 and 203 of the Drug Free America Act of 1998.’

SEC. 205. EFFECTIVE DATE.

The subtitle and the amendments made by this subtitle shall apply with respect to pay periods beginning on or after 15 days after the date of the enactment of this Act.

Subtitle B--Miscellaneous Provisions

SEC. 211. ROTATION OF DUTY STATIONS AND TEMPORARY DUTY ASSIGNMENTS OF OFFICERS OF THE UNITED STATES CUSTOMS SERVICE.

Section 5 of the Act of February 13, 1911 (19 U.S.C. 267), as amended by this Act, is further amended--

(1) by redesignating subsection (f) as subsection (g); and

(2) by inserting after subsection (e) the following:

(f) ROTATION OF DUTY STATIONS AND TEMPORARY DUTY ASSIGNMENTS OF CUSTOMS OFFICERS-

(1) IN GENERAL- Notwithstanding any other provision of law, bargaining agreement, or Executive order, beginning October 1, 1998, in order to ensure the integrity of the United States Customs Service, the Secretary of the Treasury--

(A) may transfer up to 5 percent of the customs officers employed as of the beginning of each fiscal year to new duty stations in that fiscal year on a permanent basis; and

(B) may transfer customs officers to temporary duty assignments for not more than 90 days.

(2) VOLUNTARY AND OTHER TRANSFERS- A transfer of a customs officer to a new duty station or a temporary duty assignment under paragraph (1) is in addition to any voluntary transfer or transfer for other reasons.

(3) RULE OF CONSTRUCTION- The requirements of this subsection, including any regulations established by the Secretary to carry out this subsection, are not subject to collective bargaining.

(4) AVAILABILITY OF AMOUNTS- Of the amounts made available for fiscal years 1999 and 2000 under subparagraphs (A) and (B) of section 301(b)(1) of the Customs Procedural Reform and Simplification Act of 1978 (19 U.S.C. 2075(b)(1)(A) and (B)), \$25,000,000 for each such fiscal year shall be available to carry out this subsection.'

SEC. 212. EFFECT OF COLLECTIVE BARGAINING AGREEMENTS ON ABILITY OF UNITED STATES CUSTOMS SERVICE TO INTERDICT CONTRABAND.

Section 5 of the Act of February 13, 1911 (19 U.S.C. 267), as amended by this Act, is further amended--

(1) by redesignating subsection (g) as subsection (h); and

(2) by inserting after subsection (f) the following:

(g) EFFECT OF COLLECTIVE BARGAINING AGREEMENTS ON ABILITY OF CUSTOMS SERVICE TO INTERDICT CONTRABAND-

(1) SENSE OF THE CONGRESS- It is the sense of the Congress that collective bargaining agreements should not have any adverse impact on the ability of the United States Customs Service to interdict contraband, including controlled substances.

(2) PROVISIONS CAUSING ADVERSE IMPACT TO INTERDICT CONTRABAND-

`(A) REQUIREMENT TO MEET- If the Commissioner of the Customs Service determines that any collective bargaining agreement with the recognized bargaining representative of its employees has an adverse impact upon the interdiction of contraband, including controlled substances, the parties shall meet to eliminate the provision causing the adverse impact from the agreement.

`(B) FAILURE TO REACH AGREEMENT- If the parties do not reach agreement within 90 days of the date of the Customs Service determination of adverse impact, the negotiations shall be considered at impasse and the Customs Service may immediately implement its last offer. Such implementation shall not result in an unfair labor practice or, except as may be provided under the following sentence, the imposition of any status quo ante remedy against the Customs Service. Either party may then pursue the impasse to the Federal Service Impasses Panel pursuant to section 7119(c) of title 5, United States Code, for ultimate resolution.

`(C) RULE OF CONSTRUCTION- Nothing in this paragraph shall be construed to limit the authority of the Customs Service to implement immediately any proposed changes without waiting 90 days, if exigent circumstances warrant such immediate implementation, or if an impasse is reached in less than 90 days.'

END

House

REPUBLICAN

Conference

John Boehner, Chairman
8th District, Ohio

April 30, 1998

CREATING A DRUG-FREE AMERICA BY 2002

House Republicans are committed to creating a drug-free America by 2002. As part of that commitment, we will work personally to mobilize kids, parents, faith-based and community organizations, educators, local officials and law enforcement officers, as well as coaches and athletes to wage a winning war on drugs. In addition, we will also support legislation that provides every American the tools that they need to protect our children from the dangers of drug addiction and violence.

The Republican War on Drugs will be fought on three major fronts:

DETECTING DEMAND

- Drug-Free America Blue Ribbon Campaign Resolution
- Drug-Free Congressional Leadership Resolution
- Drug-Free Communities Act
- Drug-Free Workplaces Act
- Drug-Free Youth Resolution (H.Res. 267)
- Drug-Free Student Loans Amendment (H.R. 6)

STOPPING SUPPLY

- Drug-Free Borders Act
- Drug-Free Hemisphere Act
- Life Imprisonment for Speed Trafficking Act (H.R. 2363)

INCREASING ACCOUNTABILITY

- Drug Czar Reauthorization Act (H.R. 2610)
- Needle Ban-Plus Bill (H.R. 3717)
- Drug-Free Money Laundering Act of 1998

The Drug Problem in America:

Nearly nine in 10 people (85%) believe solving our nation's drug crisis is more urgent than less urgent.¹ A majority of all high school seniors would say "yes," they've used an illegal drug in their short lifetime. Just consider these facts:

- > In 1992, 40.7% of all high school seniors had experimented with an illegal drug. By 1997, that number jumped to 54.3%.²
- > Overall, an estimated 13 million Americans used illegal drugs in 1996. Illegal drug users in the United States spent more than \$57 billion on their street poisons in 1995 alone. American consumers could have more wisely used that money to purchase (1) a four-year college education for one million kids; (2) 22 billion gallons of milk to feed babies; or, (3) one year's worth of child care for 14 million children.³

If this casualty rate continues, nearly **114,000 Americans** -- many of them our youth -- will die from drugs on President Clinton's watch. These numbers do not take into account deaths from **drug-related crime and violence**, which the Drug Enforcement Agency (DEA) estimates would easily top **20,000 Americans per year**. American taxpayers footed a \$150 billion bill for drug-related criminal and medical costs in 1997 alone.⁴ That's more than what we spent in the 1997 federal budget for programs to fund education, transportation improvements, agriculture, energy, space, and all foreign aid COMBINED.

DETERRING DEMAND

Prevention starts at home. We must eliminate the demand for illegal drugs in our neighborhoods through effective education and prevention programs.

Drug-Free America Blue Ribbon Campaign Resolution

The *Drug-Free America Blue Ribbon Campaign* utilizes a straight blue ribbon to serve as a visible symbol to reiterate a consistent "no-use" drug message. As part of a resolution detailing how our children are at risk, the U.S. House of Representatives will declare September 13-19, 1998, as Blue Ribbon Week. This selected week, shortly after most children return to school, will allow Americans to join together by wearing a blue ribbon on their lapel and visibly express their commitment to win the War on Drugs by 2002.

¹ *America Assesses Drug Policy*: Family Research Council, February 26, 1998.

² *Monitoring the Future*: a study by the University of Michigan, December 1997.

³ *What America's Users Spend on Illegal Drugs: 1988-1995*: Office of National Drug Control Policy, November 10, 1997.

⁴ *Ibid.*

The first necessary step to win the War on Drugs and protect our children is helping Americans recognize the seriousness of the problem. From its bully pulpit, the Congress will work with school groups, civic organizations, and anti-drug coalitions to increase public awareness about America's deteriorating drug crisis and establish a consistent "no-use" drug message. The resolution will be introduced by Mr. Hastert (R-IL). *Staff Contact: Glee Smith, x5-2577*

Drug-Free Congressional Leadership Resolution

The *Drug-Free Congressional Leadership Resolution*, which will be introduced on May 5th, expresses the sense of the House of Representatives that lawmakers can help reduce drug abuse by establishing community-based, anti-drug coalitions in their congressional districts or actively support existing coalitions. In passing the Drug-Free Communities Act (P.L. 105-20) last year, Congress reiterated its support for the idea that local solutions are most effective in combating this national problem.

- Both the Republican Conference and the Democratic Caucus have endorsed the concept of congressional leadership support for community anti-drug coalitions. In fact, 76 members of Congress have already established, or actively support existing anti-drug coalitions in their districts.

The bill will be introduced by Mr. Portman (R-OH). *Staff Contact: Chris Marston, x6-4836*

Drug-Free Communities Act

Looks like no change!
Congress is currently working to support the full appropriation of \$20 million for the Fiscal Year 1999 budget to provide matching federal grants to communities that have established accountable anti-drug efforts.

The *1997 Drug-Free Communities Act* (P.L. 105-20), which was signed into law on June 27, 1997, authorizes appropriations for the Office of National Drug Control Policy for five fiscal years—\$10 million for FY 1998, \$20 million for FY 1999, \$30 million for FY 2000, \$40 million for FY 2001, and \$43.5 million for FY 2002. The Drug Free Communities Act amended the 1988 National Narcotics Leadership Act to support and encourage local communities that demonstrate a comprehensive, long-term commitment to reduce substance abuse among youth. The measure established a program within the Office of National Drug Control Policy to provide matching federal grants to communities that have established sustainable and accountable anti-drug efforts involving every major sector of a community.

The Drug-Free Communities Act helps expand flexible matching grants to community anti-drug coalitions that mobilize parents, youth, educators, business leaders, faith-based organizations, and others to reduce teenage substance abuse

through a comprehensive and accountable battleplan. Over 4,000 community anti-drug coalitions exist, but only several hundred are currently comprehensive, sustainable, and accountable. These are the very people on the front lines of our War on Drugs. **Staff Contact: Chris Marston, x6-4836**

Drug-Free Workplaces Act

The **Drug-Free Workplaces Act** (to be introduced the week of May 4th) authorizes demonstration grants for small and medium-sized businesses to implement drug-free workplace programs.

- The bill provides technical assistance and demonstrates the cost effectiveness of drug-free workplaces to all small and medium-sized businesses.
- The measure also encourages states to create financial incentives to further promote drug-free workplaces, (e.g., an Ohio program which provides up to 20 percent discounts on worker's compensation premiums).

For our nation's workforce to be as productive as possible, it must remain drug-free. However, this goal is clearly not being achieved. Seventy percent of illicit drug users are currently employed,⁵ which means that more than 10 million employees use illicit drugs.⁶ One way to deter drug use by employees is through workplace drug testing. A recent Gallup poll of employees found that 97 percent of American employees agreed that workplace drug testing is appropriate under certain circumstances, and 85 percent believed that urine testing may deter illicit drug use.⁷

In fact, 98% of Fortune 200 companies conduct drug testing compared to only 3% of companies that employ fewer than 100 workers. Overall, only about 20% of employed Americans have a drug testing policy in their workplaces. Substance abuse costs U.S. business approximately \$60 billion annually in lost productivity due to accidents, absenteeism, and increased health care costs. The bill is being introduced by Mr. Portman (R-OH). **Staff Contact: Chris Marston, x6-4836**

Drug-Free Youth Resolution

H.Res. 267

The **Drug-Free Youth Resolution** expresses the sense of the Congress that:

- all schools should be drug-free;

⁵ *Drug Testing in the Workplace*: National Clearinghouse for Alcohol and Drug Information.

⁶ Ibid.

⁷ Ibid.

- › all federal, state, and local drug fighting agencies should work together with schools and parents to ensure that there is a renewed effort to fight the distribution, sale, and use of illegal drugs in our schools and to America's youth;
- › all government leaders, educators, and parents share a role in raising public awareness on this issue and offering constructive alternatives to illegal drug use; and
- › Congress and the President should work to end the distribution, sale, and use of illegal drugs in the nation's schools and work with local communities, schools, and parents to implement meaningful anti-drug policies.

Our schools face a number of challenges, chief among them is illegal drugs. This comes at a time when our children are most at risk. Some of the most troublesome problems include schools that do not know what kind of programs to implement or don't have the resources to plan and develop effective programs. **This is a prime example of where national leadership combined with community activism can help us to win the War on Drugs and protect our children.**

By the time the average child reaches age 13, ONE IN FOUR will have attended a party in the last six months where marijuana was available. Fewer than ONE IN THREE teenagers under 18 say they attend a drug-free school. One-third of teenagers (33%) were offered drugs at school in 1997 -- a significant increase of 44% from 1993 (23%), and for children 9-to-12 years old (4th-6th graders), almost three out of ten (28%) were offered drugs in 1997 -- a 47% increase since 1993 (19%). By the time a child reaches age 13, ONE IN TEN will say they know a schoolmate who has died because of drugs or alcohol. Congress will put forth a series of initiatives aimed at helping students, parents, teachers, and principals clean up their schools and campuses. The bill was introduced by Mr. Pappas on October 7, 1997. **Staff Contact: Paul Pisano, x5-5801**

Drug-Free Student Loans Amendment to Higher Education Act of 1998

H.R. 6

The *Drug-Free Student Loans Amendment*, which is part of the *Reauthorization of the Higher Education Act (H.R. 6)* (currently being debated on the House Floor) restricts loan eligibility for students convicted of drug possession (one year for first offenders, two years for second offenders, and indefinite for third offenders). It restricts loan eligibility for students convicted of drug trafficking (two years for first offenders and indefinitely for second offenders). It also resumes loan eligibility on an expedited basis for those students who satisfactorily complete a drug rehabilitation program. The amendment targets substance abuse on college and university campuses without creating any federal mandates or authorizing new spending. It does not attack students or their education, rather it helps to identify those students with drug problems

and puts them on the road to recovery. The proposal requires those who benefit from federal student loan assistance to meet federal anti-drug standards and be accountable for their actions. The amendment was offered by Mr. Souder (R-IN). **Staff Contact:** Amy Adair, x5-4436

STOPPING SUPPLY

Controlling our borders is crucial. We must eliminate the demand for illegal drugs by strengthening eradication and interdiction efforts.

A plurality of those surveyed in the U.S. (39%) say the primary objective of U.S. foreign policy toward Latin America should be to decrease drug trafficking.⁸ 72% of people in the U.S. and 65% of people in Latin America favor U.S.-imposed sanctions on countries that don't do enough to combat drug production or trafficking.⁹ 34% see drug interdiction as a top priority foreign policy issue -- more than illegal immigration (22%), the threat of terrorism (22%), or free trade (17%).¹⁰

Drug-Free Borders Act

The *Drug-Free Borders Act* (to be introduced the Week of May 18th) establishes severe criminal penalties for the use of violence in avoiding customs reporting requirements while creating civil penalties for failure to comply with lawful boarding by law enforcement officers if they suspect possible drug trafficking law violations. It provides critical funding for high technology equipment, such as vehicle and container inspection systems, mobile and fixed x-ray systems, and other surveillance systems. Finally, the bill increases the construction of fences along specific points of the 2,000 mile southwest border, and authorizes the hiring of thousands of more border patrol officers (increasing the number of agents from the current 7,600 to approximately 20,000).

Controlling our borders is crucial in our efforts to create a Drug-Free America and protect our children. Our borders must be secured, since they are a line of defense against foreign-produced poisons. America's national security depends upon an aggressive stand against illegal drugs crossing any and all of our borders.

- > 70% of all hard drugs and illegal narcotics found in the United States originally crossed the U.S./Mexican border.¹¹
- > Approximately 760 metric tons of cocaine were produced in South America in 1996.¹² Of this amount, U.S. officials estimate that approximately 608 metric tons

⁸ "A Meeting of Minds. From Peoria to Patagonia," *The Wall Street Journal*, April 16, 1998.

⁹ *Ibid.*

¹⁰ *America Assesses Drug Policy*: Family Research Council, February 26, 1998.

¹¹ *Mexico-U.S. Relations: Issues for the 105th Congress*: Congressional Research Service, February 20, 1998.

¹² Department of State: *1997 International Narcotics Control Strategy Report*.

moved through the transit zone destined for the United States, with only 40 metric tons going to Europe.¹³

House Republicans will fight for initiatives that enhance border control activities and empower American law enforcement officers to fight the importation of drugs. The bill is being introduced by Mr. Hunter (R-CA). **Staff Contact: Matt Simmons, x5-5672**

Drug-Free Hemisphere Act

The ***Drug-Free Hemisphere Act*** enhances technology and intelligence tools so American law enforcement officers and international authorities can intercept illegal drugs being transported by land, air, and sea before they reach the U.S. border. The measure provides U.S. assistance to help foreign nations eradicate plants that produce illegal drugs where they're grown. It continues U.S. leverage over other countries to continue working toward winning the War on Drugs through the threat of losing American monetary assistance.

Furthermore, the bill authorizes the creation of International Law Enforcement Academies (ILEA) in Asia, Latin America and the Caribbean, and Africa to train anti-drug police and advance our national interest in the fight against drugs. The bill creates an inter-agency money-laundering task force between the Treasury Department and the Intelligence Community to help U.S. officials lead the War on Drugs through better coordination and cooperation with the countries where drugs are grown and smuggled. It reiterates America's commitment, as leader of the free world, to win the War on Drugs by 2002.

Drug trafficking and abuse is not limited to problems at the U.S. border. Illicit drug crime is a worldwide problem, specifically in the Western Hemisphere.

- It is estimated that the illicit drug industry generates between \$100 billion and \$500 billion per year for international crime organizations.
- U.S. dollars are used by Colombian drug cartels to sponsor the largest guerrilla movement in this hemisphere, a group that has killed 3,000 police officers and thousands of civilians in Colombia over the past five years.
- 34% of citizens surveyed in a poll conducted by the Family Research Council said that drug interdiction was more important than free trade agreements (17 percent), illegal immigration (22 percent), and the threat of terrorism (22 percent).¹⁴

House Republicans will promote initiatives to protect our borders from foreign poisons by enhancing international efforts to win the War on Drugs by 2002. The bill will be

¹³ Ibid.

¹⁴ *America Assesses Drug Policy*: Family Research Council, February 26, 1998.

introduced the Week of June 22nd by Mr. Hastert (R-IL). **Staff Contact: Glee Smith, x5-2577**

Life Imprisonment for Speed Trafficking Act

The ***Life Imprisonment for Speed Trafficking Act*** amends the 1970 Controlled Substances Act and the Controlled Substances Import and Export Act (*P.L. 91-513*) to change the penalties for the possession of certain amounts of methamphetamines to equal those of crack cocaine. For example, current law states that if a person is caught with 100 grams of methamphetamines or one kilogram of a substance containing methamphetamines, the prison sentence must be at least 10 years or at least 20 years if death or serious bodily injury results from use of the substance.

A fine of between \$4 million and \$10 million may also result from the possession of these amounts of the illegal substances. Under this proposed measure, the penalties will remain the same, but the amount of methamphetamines which would result in such penalties will be reduced from 100 grams to 50 grams of the drug and one kilogram to 500 grams of a methamphetamine byproduct. Currently, the penalty for possession of 10 or more grams of methamphetamines or 100 grams or more of a methamphetamine-containing substance is at least five years and at most 40 years in prison. A fine of between \$2 million and \$5 million may also result from the possession of these amounts of illegal substances.

This bill will lower the amount of methamphetamines necessary for the prison sentence from five grams or 50 grams of a methamphetamine byproduct.

The need to bring the penalties for possession of methamphetamines in line with those of crack cocaine is of great importance, according to supporters of the bill. The amount of people dying from use of methamphetamines is increasing at a rapid pace.

- > In 1994, there were more than 700 methamphetamine-related deaths in the United States.
- > In several major cities, the same types of death have increased by over 50 percent. Furthermore, in 1995, the Drug Enforcement Agency seized 241 methamphetamine laboratories.
- > In 1997, this number increased to 1,366 laboratories. Through passage of this legislation, the penalties for possession of methamphetamines will be strengthened, thus deterring those who seek possession of the deadly substance.

The bill will be introduced by Mr. Sessions the week of May 4th. **Staff Contacts: Pam Arruda or Robert Shea, x5-2231.**

INCREASING ACCOUNTABILITY

Federal, state, and local agencies must be empowered to win the War on Drugs and held accountable for their actions. Precious resources must be maximized to achieve required results.

The federal budget provides for more than \$16 billion a year for the War on Drugs. In addition, American taxpayers footed a \$150 billion bill for drug-related criminal and medical costs in 1997 alone. That's more than what we spent in the 1997 federal budget for programs to fund education, transportation and infrastructure improvements, agriculture, energy, space, and all foreign aid COMBINED.

Drug Czar Reauthorization Act

H.R. 2610

The *Office of National Drug Control Policy Reauthorization Act of 1997 (H.R. 2610)*, passed the House on October 21, 1997, by voice vote and was placed on the Senate legislative calendar on November 6, 1997. This bill amends the 1988 National Narcotics Leadership Act to extend the authorization for the Office of National Drug Control Policy (i.e., the office of the Drug Czar) through FY 1999, and expand the responsibilities and powers of the office.

The legislation creates two deputy directors (for state and local affairs and intelligence) to further drug tracing methods throughout the United States. It also augments the powers of the director to coordinate efforts among and receive information from all National Drug Control Program Agencies (NDCPAs).

H.R. 2610 expands the director's authority to transfer up to five percent of an NDCPA's account between different drug-fighting agencies. Moreover, the bill requires the director to submit a four-year plan to Congress to reduce drug use in the United States to less than three percent of the total population by 2002. Currently, drug use in the United States stands at 6.1 percent.

The director will also be charged with developing a plan to reduce drug-related crimes, such as trafficking, by at least 50 percent by 2002. Finally, the 54 agencies of the federal government that receive anti-drug funding must submit a bi-annual report to Congress on their current activities and progress in the War on Drugs. The bill was introduced by Mr. Hastert (R-IL). *Staff Contact: Glee Smith, x5-2577*

Prohibiting Federal Funds for Hypodermic Needles or Syringes to Inject Illegal Drugs

H.R. 3717

H.R. 3717 which passed the House by a 287-140 vote on April 29, permanently prohibits the federal government from subsidizing the distribution of hypodermic needles or syringes for the injection of illegal drugs.

The bill repeals a provision of the FY 1998 Labor, Health and Human Services, and Education Appropriations Act (*P.L. 105-78*) that allows the federal government to fund needle exchange programs after March 31, 1998, if (1) the Health and Human Services (HHS) Secretary determines that exchange projects are effective in preventing the spread of HIV and do not encourage the use of illegal drugs; and (2) the project is operated in accordance with criteria established by the HHS Secretary to prevent the spread of HIV and to ensure that the project does not encourage the use of illegal drugs.

On Monday, April 20, 1998, the Clinton Administration endorsed needle exchange programs for drug users and stated that such programs were scientifically sound. However, the administration reversed its expected course of action and refused to lift the nine-year old ban on federal funding for such programs. For now, state and local governments that receive federal dollars for AIDS prevention efforts may not use those funds for needle exchange programs. The bill was introduced by Mr. Solomon and cosponsored by Mr. Wicker. **Staff Contact: Drew Maloney (Wicker), x5-4306**

Drug-Free Money Laundering Act

House Republicans introduced the ***Drug-Free Money Laundering Act*** on April 30th to strengthen the ability of American law enforcement agents to fight both international money launderers who use U.S. banking institutions to hide their illegal profits and domestic money launderers who use international banking institutions to launder their drug profits.

Among other provisions, the bill adds the offense of operating an illegal money transmitting business to the offenses covered by civil forfeiture. It also authorizes federal courts to restrain the U.S. assets of a person arrested abroad for certain offenses, including money laundering. Finally, it expands the foreign offenses giving rise to forfeiture to include crimes of violence, fraud, bribery, and smuggling. Overall, the bill seeks to make drug-involved money laundering more difficult both inside U.S. borders and abroad. The American professional community must be empowered and held accountable for stopping this multi-billion dollar illegal drug trade.

- > American drug users spent more than \$57 billion on drugs in 1995 alone.
- > Overall, the illegal drug industry generates more than an estimated \$100 billion per year for international crime organizations and narco-terrorists, which are fast becoming the biggest threats to U.S. national security.

The bill will be introduced by Mr. McCollum. **Staff Contact: Dan Bryant, x5-3926**

AMENDMENT NO. _____ Calendar No. _____

Purpose: To provide for the inclusion of illegal drugs in provisions relating to the reduction in the underage use of tobacco products.

IN THE SENATE OF THE UNITED STATES—105th Cong., 2d Sess.

S. 1415

To facilitate implementation of the settlement reached between the Attorneys General of the several States and manufacturers of tobacco products, and for other purposes.

Referred to the Committee on _____
and ordered to be printed

Ordered to lie on the table and to be printed

AMENDMENTS intended to be proposed by Mr. ASHCROFT

Viz:

1 Beginning on page 345, strike line 18 and all that
2 follows through line 11 on page 361 insert the following:

3 **Subtitle A—Underage Use**

4 **SEC. 201. GOALS FOR REDUCING UNDERAGE DRUG USE.**

5 (a) GOALS.—As part of a comprehensive national
6 drug control strategy, the Director of the Office of Na-
7 tional Drug Control Strategy and the Secretary, working
8 in cooperation with State, Tribal, and local governments
9 and the private sector, shall take all actions under this

1 Act necessary to ensure that the required percentage re-
 2 ductions in underage use of illegal drugs and tobacco prod-
 3 ucts set forth in this title are achieved.

4 (b) REQUIRED REDUCTIONS FOR MARIJUANA, CO-
 5 CAINE, HEROIN, METHAMPHETAMINE, AND CIGA-
 6 RETTES.—With respect to marijuana, cocaine, heroin,
 7 methamphetamine, and cigarettes, the required percentage
 8 reduction in underage use, as set forth in section 202,
 9 means—

Calendar year after date of enactment	Required percentage reduction as a percentage of basic incidence percentage in underage illegal drug and cigarette use
Years 3 and 4	15 percent
Years 5 and 6	30 percent
Years 7, 8, and 9	50 percent
Year 10 and thereafter	60 percent.

10 (c) REQUIRED REDUCTIONS FOR SMOKELESS TO-
 11 BACCO.—With respect to smokeless tobacco products, the
 12 required percentage in underage use, as set forth in sec-
 13 tion 202, means—

Calendar year after date of enactment	Required percentage reduction in basic incidence percentage in underage smokeless tobacco use
Years 3 and 4	12.5 percent
Years 5 and 6	25 percent
Years 7, 8, and 9	35 percent
Year 10 and thereafter	45 percent.

1 **SEC. 202. LOOK-BACK ASSESSMENT FOR UNDERAGE USE OF**
2 **TOBACCO.**

3 (a) **DETERMINATION OF UNDERAGE USE.—**

4 (1) **IN GENERAL.—**Upon the conclusion of the
5 third year after the date of enactment of this Act,
6 and annually thereafter, the Secretary shall deter-
7 mine the percent incidence of underage use of ciga-
8 rettes and smokeless tobacco by calculating the aver-
9 age, weighted by relative population of such age
10 groups in 1995 as determined by the Bureau of the
11 Census, of the percentages of individuals in grade 12
12 (ages 16 and 17), in grade 10 (ages 14 and 15), and
13 in grade 8 (age 13) who used cigarettes or smokeless
14 tobacco, as appropriate, on a daily basis during the
15 preceding year.

16 (2) **USE OF DATA OR METHODOLOGY.—**The
17 percentages used for purposes of paragraph (1) shall
18 be those measured by—

19 (A) the University of Michigan Survey; or

20 (B) such comparable index using identical
21 methodology as is selected by the Secretary
22 after notice and the opportunity for comment in
23 accordance with section 553 of title 5, United
24 States Code.

25 (3) **USE OF MICHIGAN SURVEY.—**If the meth-
26 odology employed by the University of Michigan Sur-

1 vey described in paragraph (2)(A) is changed in a
2 material manner from that employed from 1986
3 through 1996 (including by changing the States or
4 regions on which the University of Michigan Survey
5 is based), or is (in the opinion of the Secretary) no
6 longer the best available data, the Secretary shall
7 use the percentages measured by an index selected
8 by the Secretary, after notice and the opportunity
9 for comment in accordance with section 553, title 5,
10 United States Code, that has a methodology iden-
11 tical to that employed by the University of Michigan
12 Survey from 1986 through 1996.

13 (4) AVAILABILITY OF DATA.—For purposes of
14 this section, the Secretary shall make the data on
15 which the results of the University of Michigan Sur-
16 vey or such other comparable index are based avail-
17 able to the public opinion request.

18 (b) CALCULATION OF NON-ATTAINMENT PEN-
19 ALTIES.—

20 (1) SECRETARY TO DETERMINE NON-ATTAIN-
21 MENT PERCENTAGE.—The Secretary shall determine
22 the non-attainment percentage for cigarettes and for
23 smokeless tobacco for each calendar year.

24 (2) NON-ATTAINMENT PENALTY FOR CIGA-
25 RETTES.—For each year in which the percentage re-

1 duction in the underage use of cigarettes under sec-
 2 tion 201 is not attained, the Secretary shall impose
 3 a penalty on cigarette manufacturers as follows:

If the non-attainment per-centage is:	The penalty is:
Not more than 5 percent	\$80,000,000 multiplied by the non-attainment percentage
More than 5% but not more than 10%	\$4,000,000, plus \$160,000,000 multiplied by the non-attainment percentage in excess of 5% but not in excess of 10%
More than 10% but not more than 20%	\$1,200,000,000, plus \$240,000,000 multiplied by the non-attainment percentage in excess of 10% but not in excess of 20%
More than 20%	\$3,500,000,000, and sections 706 and 707 shall cease to apply

4 (3) NON-ATTAINMENT PENALTY FOR SMOKE-
 5 LESS TOBACCO.—For each year in which the per-
 6 centage reduction in the underage use of smokeless
 7 tobacco as required by section 201 is not attained,
 8 the Secretary shall impose a penalty on smokeless
 9 tobacco cigarette manufacturers as follows:

If the non-attainment per-centage is:	The penalty is:
Not more than 5 percent	\$80,000,000 multiplied by the non-attainment percentage
More than 5% but not more than 10%	\$40,000,000, plus \$16,000,000 multiplied by the non-attainment percentage in excess of 5% but not in excess of 10%
More than 10% but not more than 20%	\$120,000,000, plus \$24,000,000 multiplied by the non-attainment percentage in excess of 10% but not in excess of 20%
More than 20%	\$350,000,000, and sections 706 and 707 shall cease to apply

1 (4) ANNUAL CAP.—Notwithstanding the provi-
2 sions of paragraphs (1) and (2), the maximum pen-
3 alty under this section for any year may not exceed
4 \$3,500,000,000.

5 (c) JOINT, SEVERAL, AND STRICT OBLIGATION FOR
6 PENALTIES.—

7 (1) CIGARETTE MANUFACTURERS.—Any pen-
8 alty due and payable by cigarette manufacturers
9 under this section shall be the joint, several, and
10 strict obligation of such manufacturers, allocated by
11 actual market share.

12 (2) SMOKELESS TOBACCO.—Any penalty pay-
13 able by smokeless tobacco product manufacturers
14 under this section shall be the joint, and strict obli-
15 gation of such manufacturers, allocated by actual
16 market share.

17 (3) MANNER OF ALLOCATION.—The Secretary
18 shall make such allocations according to each manu-
19 facturer's share of the domestic cigarette or smoke-
20 less tobacco market, as appropriate, in the year for
21 which the penalty is being assessed, based on actual
22 Federal excise tax payments.

23 (d) METHOD OF PENALTY ASSESSMENT.—The Sec-
24 retary shall assess a penalty for a specific year on or be-
25 fore May 1 of the subsequent calendar year. Penalty pay-

1 ments shall be paid on or before July 1 of the year in
 2 which they are assessed. The Secretary may establish, by
 3 regulation, interest at a rate up to 3 times the prevailing
 4 prime rate at the time the penalty is assessed, and addi-
 5 tional charges in an amount up to 3 times the penalty
 6 for late payment of the penalty.

7 (e) TRANSFER OF PENALTY RECEIPTS TO STATES.—

8 (1) IN GENERAL.—The Secretary shall transfer
 9 90 percent of all penalties paid under this section,
 10 without further appropriation, as grants to units of
 11 State and local government for additional efforts by
 12 State and local government agencies to reduce fur-
 13 ther the use of tobacco products and illegal drugs by
 14 persons under the age of 18 years.

15 (2) ADMINISTRATION.—The Secretary may re-
 16 tain up to 10 percent of all penalties paid under this
 17 section and not refunded to pay the costs of the ad-
 18 ministration of this subtitle. If the costs of adminis-
 19 tration of this subtitle are less than 10 percent of
 20 all penalties paid, the Secretary may—

21 (A) transfer any portion of the excess to
 22 other Federal agencies, or to State and local
 23 government agencies, for the purpose of reduc-
 24 ing further underage tobacco use; or

1 (B) expend such amounts directly for the
2 purpose of reducing further underage tobacco
3 use.

4 (f) BUSINESS EXPENSE DEDUCTION.—Any penalty
5 paid by a tobacco product manufacturer under this section
6 shall not be deductible as an ordinary and necessary busi-
7 ness expense or otherwise under the Internal Revenue
8 Code of 1986.

9 (g) PENALTY LIABILITY AMONG MANUFACTUR-
10 ERS.—

11 (1) IN GENERAL.—The District Courts of the
12 United States shall have jurisdiction to adjudicate
13 any claim brought under this section by a tobacco
14 manufacturer against one or more other tobacco
15 manufacturers—

16 (A) to recover a portion of the penalty paid
17 by the plaintiff manufacturer; or

18 (B) for a reallocation of the penalty among
19 manufacturers.

20 (2) CONTRIBUTION OR REIMBURSEMENT LI-
21 ABILITY.—A manufacturer shall be liable under this
22 subsection to one or more other manufacturers if the
23 plaintiff manufacturer establishes by a preponder-
24 ance of the evidence that the defendant manufac-
25 turer, through its acts or omissions, was responsible

1 for a disproportionate share of the non-attainment
2 penalty as compared to the responsibility of the
3 plaintiff manufacturer.

4 (3) RESPONSIBILITY FOR AGENTS, ETC.—In
5 any action brought under this subsection, a manu-
6 facturer shall be held responsible for any act or
7 omission of it's attorneys, advertising agencies, or
8 other agents that contributed to that manufacturer's
9 responsibility for the penalty assessed under this
10 section.

11 **SEC. 203. SUBSTANTIAL NON-ATTAINMENT OF REQUIRED**
12 **REDUCTIONS IN USE OF CIGARETTES AND**
13 **SMOKELESS TOBACCO.**

14 (a) ACTION BY SECRETARY.—

15 (1) IN GENERAL.—

16 (A) CIGARETTES.—If the Secretary deter-
17 mines that the non-attainment percentage for
18 cigarettes is greater than 20 percentage points
19 for any brand of cigarettes, the Secretary may
20 commence an action under this section against
21 the tobacco product manufacturer that manu-
22 factures that brand of cigarettes.

23 (B) SMOKELESS TOBACCO.—If the Sec-
24 retary determines that the non-attainment per-
25 centage for any brand of smokeless tobacco

1 products is greater than 20 percentage points,
2 the Secretary may commence an action under
3 this section against the tobacco product manu-
4 facturer that manufactures that brand of
5 smokeless tobacco products.

6 (2) DETERMINATION.—The Secretary shall use
7 research methodology that is similar to, or the same
8 as, that used in the University of Michigan Survey,
9 except—

10 (A) the methodology shall be adapted to
11 determining underage usage by brand; and

12 (B) the base period shall be calendar year
13 1999.

14 (b) PROCEDURES.—Any action under this section
15 shall be commenced by the Secretary in the United States
16 District Court for the District of Columbia within 90 days
17 after making the determination that the non-attainment
18 percentage for the tobacco product in question is greater
19 than 20 percentage points. Any such action shall be heard
20 and determined by a 3-judge court under section 2284 of
21 title 28, United States Code.

22 (c) DETERMINATION BY COURT.—In any action
23 under this section, the court shall determine whether the
24 preponderance of the evidence shows that a tobacco prod-
25 uct manufacturer—

1 (1) has failed to comply substantially with the
2 provisions of this Act regarding underage tobacco
3 use, of any rules or regulations promulgated there-
4 under, or of any other applicable Federal, State, or
5 local laws, rules, or relations; or

6 (2) has taken any material action to undermine
7 the achievement of the required percentage reduction
8 for the tobacco product in question.

9 (d) REMOVAL OF ANNUAL AGGREGATE PAYMENT
10 LIMITATION.—Except as provided in subsections (e) and
11 (g), if the court determines that the preponderance of the
12 evidence shows that a tobacco product manufacturer en-
13 gaged in conduct described in subsection (c) then—

14 (1) section 707 of this Act does not apply to
15 the enforcement against, or the payment by, such to-
16 bacco product manufacturer of any judgment or set-
17 tlement that becomes final after that determination
18 is made; and

19 (2) the tobacco product manufacturer will re-
20 ceive a credit under section 707(e) of this Act and
21 section 1(d)(3) of the Protocol only for payment of
22 that portion of judgments and settlements that it
23 would have been required to pay but for this section.
24 The liability apportionment agreement described in section
25 707(j) of this Act shall not require that other tobacco

1 product manufacturers pay an increased amount in any
2 year over the amount they would have had to pay but for
3 this section.

4 (e) DEFENSE.—An action under this section shall be
5 dismissed, and subsection (d) shall not apply, if the court
6 finds that the Secretary's determination under subsection
7 (a) was unlawful under subparagraph (A), (B), (C), or (D)
8 of section 706(2) of title 5, United States Code. Any judg-
9 ments paid under section 707(e) of this Act and section
10 (1)(d)(3) of the Protocol prior to a final judgment deter-
11 mining that the Secretary's determination was erroneous
12 shall be fully credited, with interest, under section 707(e)
13 of this Act and section (1)(d)(3) of the Protocol.

14 (f) REVIEW.—Decisions of the court under this sec-
15 tion are reviewable only by the Supreme Court by writ
16 of certiorari granted upon the petition of any party. The
17 applicability of subsection (d) shall be stayed during the
18 pendency of any such petition or review.

19 (g) CONTINUING EFFECT.—Subsection (d) shall
20 cease to apply to a tobacco product manufacturer found
21 to have engaged in conduct described in subsection (c)
22 upon the later of—

23 (1) a determination by the Secretary under sec-
24 tion 201 after the commencement of action under
25 subsection (a) that the non-attainment percentage

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13

1 for the tobacco product in question is 20 or fewer
2 percentage points; or

3 (2) a finding by the court in an action filed
4 against the Secretary by the tobacco product manu-
5 facturer not earlier than 2 years after the deter-
6 mination described in subsection (c) that the prepon-
7 derance of the evidence shows that, in the period
8 since that determination, the tobacco product manu-
9 facturer—

10 (A) has complied with the provisions of
11 this Act regarding underage tobacco use, of any
12 rules or regulations promulgated thereunder,
13 and of any other applicable Federal, State, or
14 local laws, rules, or regulations;

15 (B) has not taken any action to undermine
16 the achievement of the required percentage re-
17 duction for the tobacco product in question; and

18 (C) has pursued substantial additional
19 measures reasonably calculated to attain the re-
20 quired percentage reduction for the tobacco
21 product in question.

22 A judgment or settlement against the tobacco product
23 manufacturer that becomes final after a determination or
24 finding described in paragraph (1) or (2) of this sub-
25 section is not subject to subsection (d). An action under

1 paragraph (2) of this subsection shall be commenced in
2 the District Court for the District of Columbia, and shall
3 be heard and determined by a 3-judge court under section
4 2284 of title 28, United States Code. A decision by the
5 court under paragraph (2) of this subsection is reviewable
6 only by the Supreme Court by writ of certiorari granted
7 upon the petition of any party, and the decision shall be
8 stayed during the pendency of the petition or review. A
9 determination or finding described in paragraph (1) or (2)
10 of this subsection does not limit the Secretary's authority
11 to bring a subsequent action under this section against
12 any tobacco product manufacturer or the applicability of
13 subsection (d) with respect to any such subsequent action.

14 (h) DEFINITIONS.—The definitions set forth in sec-
15 tion 702 of this Act apply to terms used in this section.
16 A judgment or settlement becomes final within the mean-
17 ing of this section when it would qualify as a final judg-
18 ment or final settlement under section 702.

19 **SEC. 204. LOOK-BACK FOR ILLEGAL DRUG USE.**

20 (a) DETERMINATION OF UNDERAGE USE.—

21 (1) IN GENERAL.—Upon the conclusion of the
22 third year after the date of enactment of this Act,
23 and annually thereafter, the Director shall determine
24 the percent incidence of the underage use of mari-
25 juana, cocaine, heroin, and methamphetamine by

1 calculating the average, weighted by relative popu-
2 lation of such age groups in 1995 as determined by
3 the Bureau of the Census, of the percentages of in-
4 dividuals in grade 12 (ages 16 and 17), in grade 10
5 (ages 14 and 15), and in grade 8 (age 13) who used
6 marijuana, cocaine, heroin, or methamphetamine, as
7 appropriate during the preceding year.

8 (2) USE OF DATA OR METHODOLOGY.—The
9 percentages used for purposes of paragraph (1) shall
10 be those measured by—

- 11 (A) the University of Michigan Survey; or
12 (B) such comparable index using identical
13 methodology as is selected by the Director after
14 notice and the opportunity for comment in ac-
15 cordance with section 553 of title 5, United
16 States Code.

17 (3) USE OF MICHIGAN SURVEY.—If the meth-
18 odology employed by the University of Michigan Sur-
19 vey is changed in a material manner from that em-
20 ployed from 1986 through 1996 (including by
21 changing the States or regions on which the Univer-
22 sity of Michigan Survey is based), or is (in the opin-
23 ion of the Director) no longer the best available
24 data, the Director shall use the percentages meas-
25 ured by an index selected by the Director, after no-

1 tice and the opportunity for comment in accordance
2 with section 553, title 5, United States Code, that
3 has a methodology identical to that employed by the
4 University of Michigan Survey from 1986 through
5 1996.

6 (4) AVAILABILITY OF DATA.—For purposes of
7 this section, the Director shall make the data on
8 which the results of the University of Michigan Sur-
9 vey or such other comparable index are based avail-
10 able to the public opinion request.

11 (b) DETERMINATION OF NON-ATTAINMENT FUND
12 AVAILABILITY.—

13 (1) DIRECTOR TO DETERMINE NON-ATTAIN-
14 MENT PERCENTAGE.—The Director shall determine
15 the non-attainment percentage for marijuana, co-
16 caine, heroin, and methamphetamine for each cal-
17 endar year.

18 (2) AVAILABILITY OF FUNDS FOR USE REDUC-
19 TION ACTIVITIES.—For each year in which the per-
20 centage reduction in the underage use of marijuana,
21 cocaine, heroin, and methamphetamine required
22 under section 201 is not attained, funds in the Trust
23 Fund under section 401 [that are otherwise made
24 available to State for the year involved,] other than
25 amounts made available for the State Litigation Set-

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1 tlement Account, may be used by the States as de-
 2 scribed in paragraph (3) in the following percent-
 3 ages:

If the nonattainment percentage is:	The percentage of funds made available under section 401 (other than amounts in the State Litigation Settlement Account) that may be used by States under this section shall be:
Not more than 5 percent	15 percent
More than 5 percent but not more than 10 percent	30 percent
More than 10 percent	50 percent.

17 miss is by hve,

4 (3) USE OF FUNDS.—Amounts made available for use
 5 by the State in accordance with paragraph (2), may be
 6 used to fund anti-illegal drug programs in the State and
 7 other programs that target illegal drug use.

8 **SEC. 205. DEFINITIONS.**

9 As used in this subtitle—

10 (1) BASE INCIDENCE PERCENTAGE.—The term
 11 “base incidence percentage” means—

12 (A) in the case of cigarettes, the average,
 13 weighted by relative population of the following
 14 age groups in 1995 as determined by the Bu-
 15 reau of the Census, of—

16 (i) the average of the percentages of
 17 individuals in grade 12 (ages 16 and 17)
 18 from 1986 to 1996 who used cigarettes on
 19 a daily basis;

1 (ii) the average of the percentages of
2 individuals in grade 10 (ages 14 and 15)
3 from 1991 to 1996 who used cigarettes on
4 a daily basis; and

5 (iii) the average of the percentages of
6 individuals in grade 8 (age 13) from 1991
7 to 1996 who used cigarettes on a daily
8 basis; and

9 (B) in the case of smokeless tobacco prod-
10 ucts, the average, weighted by relative popu-
11 lation of the following age groups in 1995 as
12 determined by the Bureau of the Census, of the
13 percentage of individuals in grade 12 (ages 16
14 and 17), individuals in grade 10 (ages 14 and
15 15), and individuals in grade 8 (age 13) who
16 used smokeless tobacco products on a daily
17 basis in 1996.

18 The percentages specified in subparagraph (B) are
19 those measured by the University of Michigan Sur-
20 vey or by such comparable index using identical
21 methodology as is chosen by the Secretary after no-
22 tice and the opportunity for comment in accordance
23 with section 553 of title 5, United States Code.

1 (2) CIGARETTE MANUFACTURERS.—The term
2 “cigarette manufacturers” means manufacturers of
3 cigarettes sold in the United States.

4 (3) DIRECTOR.—The term “Director” means
5 the Director of the Office of National Drug Control
6 Strategy.

7 (4) ILLEGAL DRUGS.—The term “illegal drugs”
8 means a controlled substance (as defined in section
9 102 of the Controlled Substances Act (21 U.S.C.
10 802)) described in section 201(b).

11 (5) NON-ATTAINMENT PERCENTAGE FOR CIGA-
12 RETTES.—The term “non-attainment percentage for
13 cigarettes” means the number of percentage points
14 yielded by—

15 (A) in a year in which the percent inci-
16 dence of underage use of cigarettes is less than
17 the base incidence percentage, subtracting—

18 (i) the percentage by which the per-
19 cent incidence of underage use of ciga-
20 rettes in that year is less than the base in-
21 cidence percentage; from

22 (ii) the required percentage reduction
23 applicable in that year; and

1 (B) in a year in which the percent inci-
2 dence of underage use of cigarettes is greater
3 than the base incidence percentage, adding—

4 (i) the percentage by which the per-
5 cent incidence of underage use of ciga-
6 rettes in that year is greater than the base
7 incidence percentage; and

8 (ii) the required percentage reduction
9 applicable in that year.

10 (6) NON-ATTAINMENT PERCENTAGE FOR
11 SMOKELESS TOBACCO PRODUCTS.—The term “non-
12 attainment percentage for smokeless tobacco prod-
13 ucts” means the number of percentage points yield-
14 ed by—

15 (A) in a year in which the percent inci-
16 dence of underage use of smokeless tobacco
17 products is less than the base incidence percent-
18 age, subtracting—

19 (i) the percentage by which the per-
20 cent incidence of underage use of smoke-
21 less tobacco products in that year is less
22 than the base incidence percentage; from

23 (ii) the required percentage reduction
24 applicable in that year; and

1 (B) in a year in which the percent inci-
2 dence of underage use of smokeless tobacco
3 products is greater than the base incidence per-
4 centage, adding—

5 (i) the percentage by which the per-
6 cent incidence of underage use of smoke-
7 less tobacco products in that year is great-
8 er than the base incidence percentage; and

9 (ii) the required percentage reduction
10 applicable in that year.

11 (7) SMOKELESS TOBACCO PRODUCT MANUFAC-
12 TURERS.—The term “smokeless tobacco product
13 manufacturers” means manufacturers of smokeless
14 tobacco products sold in the United States.

15 (8) UNIVERSITY OF MICHIGAN SURVEY.—The
16 term “University of Michigan Survey” means the
17 University of Michigan’s National High School Drug
18 Use Survey entitled, “Monitoring the Future”.

19 On page 415, between lines 10 and 11, insert the fol-
20 lowing:

21 **SEC. 413. USE OF CERTAIN AMOUNT OF REDUCTIONS IN**
22 **THE USE OF ILLEGAL DRUGS.**

23 For each year in which the percentage reduction in
24 the underage use of marijuana, cocaine, heroin, and meth-

1 amphetamine as required by section 201 is not attained, *What fund is this?*
 2 the Trustees of the Trust Fund may make available funds
 3 from the Trust Fund for the year involved to be used by
 4 the Secretary for illegal drug use reduction purposes in-
 5 cluding—

6 (1) activities to reduce the demand for and
 7 availability of illegal drugs under the Anti-Drug
 8 Abuse Act of 1986 (Public Law 99-570) and the
 9 Omnibus Crime Control and Safe Streets Act of
 10 1968 (Public Law 90-351);

11 (2) activities to reduce crime and improve pub-
 12 lic safety under the Local Law Enforcement Block
 13 Grant Program (Public Law 104-134); and

14 (3) continuing judicial supervision over non-vio-
 15 lent offenders with substance abuse problems and
 16 the administration of sanctions and services, such as
 17 drug testing and drug treatment programs under the
 18 Violent Crime Control and Law Enforcement Act of
 19 1994 (Public Law 103-322).

Tob-ser-drugs

Sandra Thurman 05/26/98 02:37:41 PM

Record Type: Record

To: Sylvia M. Mathews/WHO/EOP

cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Richard Socarides/WHO/EOP

Subject: Re: Coverdell Bill 

Sorry I didn't get back to you sooner on the Coverdell Bill. I was in Russia at an AIDS meeting.

Fortunately, the Coverdell Bill has been integrated into the Nichols substitute to the McCain tobacco bill. It will be offered as a package sometime next week and is likely to fail. However, it may then be offered piece by piece.

We will keep you posted.

Thanks.

 Sylvia M. Mathews
05/19/98 11:41:53 AM

Record Type: Record

To: Sandra Thurman/OPD/EOP, Richard Socarides/WHO/EOP
cc: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
bcc:
Subject: Re: Coverdell Bill 

Where are we now on this legislation?
Sandra Thurman 05/13/98 02:59:57 PM

Sandra Thurman 05/13/98 02:59:57 PM

Record Type: Record

To: Sylvia M. Mathews/WHO/EOP, Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP
cc:
Subject: Coverdell Bill

On Friday Senator Lott rule 14nd the Coverdell bill (which is pending in the Labor Committee, and bans federal funding for programs which support needle exchange either directly or indirectly) which means that the bill has been placed on the Senate calendar for consideration but for the Kennedy hold.

The Senate Democratic cloak room has notified the Kennedy staff that given his hold on the bill freestanding he should be prepared for it to be offered as an amendment to some other pending legislation. Labor Committee Republicans, including Jeffords and Frist are probably inclined to be helpful but will be looking for cues from the White House. The Kennedy folks are also looking for cues from us.

Folks on the Hill are most interested in having Drs. Varmus and Satcher speak to Jeffords, Frist and others regarding the issue. I also spoke to Kevin Thurm about this and he, too, was looking for some direction on how to proceed.

Do we happen to have any cues give them, by chance?

Thanks.



EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF NATIONAL DRUG CONTROL POLICY
 Washington, D.C. 20503

Tobacco drugs

FOR IMMEDIATE RELEASE
 Wednesday, May 6, 1998

Contact: Mike Hegarty/Bob Weiner
 (202)395-6618

**WHITE HOUSE DRUG CZAR BARRY McCAFFREY,
 MISSISSIPPI ATTORNEY GENERAL MIKE MOORE
 SPEAK OUT ON YOUTH SMOKING AS
 PART OF NATIONAL DRUG STRATEGY**

(BILOXI, Miss.) – Tobacco use by young people plays a dangerous role in leading to more dangerous, illicit drugs, Barry R. McCaffrey, Director of the Office of National Drug Control Policy, and Mississippi Attorney General Mike Moore said today after a meeting in Biloxi.

“We need to fight gateway behaviors like smoking,” McCaffrey said. “Many kids get on the addiction expressway with tobacco and end up crashing with heroin or cocaine. A responsible drug policy must include preventing youth cigarette use, and the President’s 1998 National Drug Strategy sends this message clearly.”

“I am very pleased that the nation’s Drug Czar, Gen. Barry McCaffrey, is speaking out on the correlation between youth smoking and the usage of other drugs,” Moore said. “My entire 20-year career has been focused on educating kids about the dangers of using alcohol, tobacco and other illicit drugs.”

Every day, 3,000 children start smoking; 1,000 of them will die because of it. Children who smoke cigarettes are 2.5 times more likely to use drugs than those who do not smoke. Recent studies also show a “reverse gateway” effect with cigarettes: increasing numbers of young people are now using cigarettes to prolong marijuana highs.

“By targeting youth smoking, we can reduce youth drug use before it starts,” McCaffrey said. “Studies show that if we can get children to age 21 without them starting addictive behaviors, like cigarettes, they will probably never experience an addiction problem – and that includes drugs like heroin and cocaine.”

The Administration has a comprehensive plan to reduce youth smoking, including a substantial price increase and tough penalties, full authority to FDA to regulate tobacco products; changing the way the industry does business; progress on the public health front; and protecting farmers and communities.

“Not only is selling tobacco products to kids illegal – just like pushing any other illegal drug – but youth smoking plays a role in other more dangerous behaviors,” McCaffrey said. “No one committed to fighting drugs like marijuana and heroin can in good conscience stand up for tobacco and smoking among our children.”

Note: Mike Hegarty may be contacted on-site through Pager # 1-800-800-7759, PIN# 57369.

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