

**NLWJC - Kagan**

**DPC - Box 046 - Folder-006**

**Tobacco-Settlement: Legislative  
Outreach [2]**

Elena/Cynthia  
This is list for team meetings

SENATE TOBACCO CONTACT LIST

The purpose of these meetings would be to share with key Senate staff the Administration's most significant concerns with the Commerce Committee reported tobacco bill and our priorities for the floor. Principals would participate in the group and leadership meetings. Individual office visits would be staffed by teams of DPC/HHS/Treasury/Justice staff.

Paper for the meetings could include a revised version of the talking points on key concerns prepared for the Commerce Committee mark-up (Rice), as well as the 2-3 pagers on major issues that DPC requested last week (Rice).

Group/Leadership Meetings

- ✓ Bill Corr (Daschle)
- ✓ Lott's staff?
- ✓ Eric Ueland (Nickles)
- McCain's Committee Staff
- Democratic Task Force Staff
- ✓ Harkin/Chafee/Graham Staff
- Commerce Committee Democratic Staff (may also wish to do some offices individually - see below)
- Labor Committee Democratic Staff

Individual Office Meetings

Democratic Staff

- Kennedy (Labor Staff)
- Lautenberg
- Durbin
- Reed
- Leahy (Judiciary Staff)
- Rockefeller
- Breaux
- Kerry
- Bryan
- Dorgan
- Wyden
- Moynihan (Finance Staff)
- Robb

Republican Staff

- Jeffords (Labor Staff)
- Snowe
- Frist
- Hatch (Judiciary Staff)
- Collins
- DeWine
- Specter
- Domenici (Budget Staff)
- Mack
- Gregg?
- Roth (Finance Staff)
- Lugar (Agriculture Staff)
- Bond
- Warner?
- Bennett

TOBACCO MEETING LIST

**BOWLES/REED**

**Democrats**

- Daschle\*
- Conrad\*
- Kennedy\*
- Breaux\*
- Durbin\*
- Lautenberg\*
- Robb
- Ford
- Hollings (Scheduled)
- Graham/Harkin
- Kerry
- Wyden

**Republicans**

- Lott\*
- Nickles\*
- Mack\*
- McCain\*
- Hatch\*
- Chafee\*
- Domenici\*
- Frist (Wednesday)
- Jeffords
- Roth
- Lugar
- Bennett
- DeWine
- Abraham

**SHALALA/REED**

**Democrats**

- Conrad (follow up)
- Reed
- Leahy
- Rockefeller
- Bryan
- Dorgan
- Moynihan

**Republicans**

- Snowe
- Collins
- Stevens
- Hatch (follow up)
- Specter
- Rond
- Smith
- Hutchison

\*Meeting has already occurred.

THE WHITE HOUSE  
WASHINGTON

April 27, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Frist

As you know, Senator Frist worked out a deal with the Administration and public health representatives on the FDA provisions in the McCain bill, after negotiations with Senators Hatch and Jeffords proved fruitless. Frist has agreed to support these provisions on the floor and to oppose any weakening amendments. The value of this agreement cannot be overstated; only Frist's and McCain's continued support will allow us to keep the FDA provisions as strong as they are. You should use this meeting to thank Frist, to ask for his advice in maintaining FDA provisions, and to assure him that we will adopt a reasonable approach to seeking changes to other aspects of the McCain bill. You can say:

- Thank you for coming to the White House on Monday. It means a great deal to the President to keep this bipartisan.
- You are to be commended for your extraordinary work on the FDA provisions of the McCain bill. The bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee shows that we have real momentum in both parties to pass comprehensive tobacco legislation this year. Now we need to work together to pass the bill on the Senate floor.
- The Commerce Committee bill is a strong, comprehensive proposal to reduce youth smoking, which is due, in large part, to your contribution. While we believe that we can make the bill even stronger in a few key areas, we understand that we need to be reasonable in our demands.
- Our #1 enemy is a skinny bill -- one that raises the price of cigarettes without restricting advertising or including public health efforts. We hope to secure some improvements while protecting the progress we have already made on FDA and other issues. In particular, we would value your advice on how to protect the FDA provisions in the bill.
- We will seek the following improvements:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.

2. Eliminate or greatly narrow the antitrust exemption.
3. Eliminate the "opt-out" provision that allows states to adopt weaker environmental tobacco smoke, ("second-hand smoke") laws.
4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).

THE WHITE HOUSE  
WASHINGTON

April 22, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Mack

You are meeting with key Senators to address their concerns about Senator McCain's legislation and to enlist their support in moving forward. Senator Mack, with whom you will meet tomorrow, has for many years championed increased funding for medical research, and he has said that Big Tobacco needs to pick up the tab for finding cures to tobacco-related diseases, as well as for conducting research into addiction and smoking cessation. Additionally, Senator Mack, along with Senator Rockefeller, proposed legislation to allow Medicare to cover cancer clinical trials. The President's Budget included a more limited version of this proposal, which was funded through tobacco revenue.

Our key goal in this meeting is to enlist Mack's help in getting Lott to work off the McCain bill, not a skinny Nickles substitute.

We want Senator Mack to understand that while we will press for some key changes to the McCain bill, we will be reasonable in our demands, lest the entire legislation effort fall apart. We should also try to gain his assistance in securing funding for medical research and public health. You may want to say:

- The McCain bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee makes the McCain bill the vehicle to use to pass comprehensive tobacco legislation this year.
- We will forge ahead in our efforts with or without the industry, but we would prefer that the tobacco companies consent to the legislation in the end.
- We do want to strengthen the bill, but we plan to be reasonable in our demands. Our #1 enemy is a skinny bill -- one that raises the price of cigarettes without restricting advertising or including significant funding for public health efforts.
- We will seek the following improvements:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.
  2. Eliminate the "opt-out" provision that allows states to adopt weaker environmental

tobacco smoke("second-hand smoke") laws.

3. Eliminate or narrow the antitrust exemption.
  4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).
- You have done so much over the years to promote increased funding for medical research, and we agree that the tobacco companies should foot the bill for research into tobacco-related illnesses. We would appreciate your advice on how to ensure that adequate funding is contained in the bill for this purpose, and for Medicare cancer clinical trials.

THE WHITE HOUSE  
WASHINGTON

April 20, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator McCain

As you know, we believe the best way to get a strong, comprehensive bill that meets our core public health objectives is to engage in negotiations with Senators Lott, Daschle, McCain, and Hollings that are designed to produce an agreed-upon bill to go to the Senate floor. The greatest danger we face is chaos on the Senate floor, in which some amendments roll back what we already have achieved (e.g., on FDA jurisdiction), while other amendments make the bill essentially unpassable (e.g., by stripping all liability protections while increasing the overall price of the deal).

We should use this meeting to discuss how to structure these negotiations. We should also use this meeting to make clear what legislative changes we will seek. Senator McCain criticized us last weekend for not detailing our concerns about his bill, although he may have done so simply to avoid looking too cozy with us. We want the Senator to understand that while we want to secure some key changes, we will be reasonable in our demands and that our overall concern is moving this effort forward. You may want to say:

- The McCain bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee shows that we have real momentum in both parties to pass comprehensive tobacco legislation this year. You are to be commended for your hard work to get this through Committee, and now we need to work together to pass the bill on the Senate floor.
- The Commerce Committee bill is a strong, comprehensive proposal to reduce youth smoking. While we believe that we can make the bill even stronger in a few key areas, we understand that we need to be reasonable in our demands.
- Our #1 enemy is a skinny bill -- one that raises the price of cigarettes without restricting advertising or including public health efforts. As the President said yesterday, "This is not a time for half measures that won't reduce teen smoking and will only play into the tobacco industry's hands. It is a time for the kind of comprehensive approach to the problem that Senator McCain's legislation takes."
- We believe we should try to work out a way to address the President's remaining concerns, so that we can avoid a potentially dangerous free-for-all on the Senate floor. We are interested in hearing your views on how best to structure this process. We hope to secure some improvements while protecting the progress we have already made on FDA and other

issues.

- We would recommend the following improvements in the current bill:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion. We're willing to entertain alternative proposals, but a company-specific penalty of \$500 for each youth smoker (which represents the present value of lifetime profits) would be appropriate.
  2. Eliminate or greatly narrow the antitrust exemption.
  3. Eliminate the "opt-out" provision that allows states to adopt weaker environmental tobacco smoke, ("ETS" or "or second-hand smoke") laws.
  4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).

THE WHITE HOUSE  
WASHINGTON

April 20, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Breaux

As you know, the Commerce Committee vote two weeks ago brought new momentum to our effort to enact a strong, comprehensive tobacco bill; the industry's response should only add to that momentum, by making it even harder for Members of Congress to block legislation, lest they look as if they are doing the industry's bidding.

At the same time, we need to meet with key Senators to address their concerns and to enlist their help in advancing the key improvements we seek in the bill. While Senator Breaux voted in favor of the McCain bill in the Commerce Committee, he indicated support for broader liability protections than are now in the bill. He favors keeping the industry on board the agreement, because he believes that broad advertising restrictions are necessary to reduce youth smoking and that they would be unconstitutional without the industry's consent. He accordingly has urged the Administration to signal its willingness to accept liability caps in exchange for the advertising restrictions.

The goal of this meeting should be to address Senator Breaux's concerns, and to gain his assistance in advancing a list of reasonable improvements. He needs to understand that while we want to secure some key changes, we will be reasonable in our demands and not demand too much, lest the entire legislative effort to fall apart. You may want to say:

- The McCain bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee shows that we have real momentum in both parties to pass comprehensive tobacco legislation this year.
- We will forge ahead in our efforts with or without the industry, but we would prefer that the tobacco companies willingly participate in these discussions and consent to the legislation.
- Of course, we understand the potential significance of liability limits in this legislation. While we would prefer not to see liability caps, we will not make this a deal-breaker if the bill meets the President's other public health goals.
- We do want to strengthen the bill -- but we plan to be reasonable in our demands. Our #1 enemy is a skinny bill -- one that raises the price of cigarettes without restricting advertising or including public health efforts.

- We would recommend the following improvements in the current bill:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.
  2. Eliminate or greatly narrow the antitrust exemption.
  3. Eliminate the "opt-out" provision that allows states to adopt weaker environmental tobacco smoke, ("ETS" or "or second-hand smoke") laws.
  4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).

THE WHITE HOUSE

WASHINGTON

April 22, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Lautenberg

You are meeting with key Senators to address their concerns about Senator McCain's legislation and to enlist their support in moving forward. Senator Lautenberg, with whom you will meet tomorrow, has been an outspoken critic of the tobacco industry for several years, and is a cosponsor of the Conrad bill. He opposes liability protections for the industry, supports strong industry and company-specific look back penalties, and supports using tobacco revenues to fund the President's budgetary priorities in the areas of public health, education and child care. He introduced a bill on international tobacco control which was incorporated in the McCain bill, and has said that "our war against teen smoking should not stop at our nation's borders."

We want Senator Lautenberg to understand that while we will press for some key changes to the McCain bill, we need to be reasonable in our demands, lest the entire legislative effort fall apart. You may want to say:

- I know how truly committed you are to protecting people from the dangers of smoking. You have played a key role in keeping the pressure on Congress to pass comprehensive tobacco legislation designed to reduce youth smoking.
- Just as the Conrad bill helped to jump-start this process, the McCain bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee makes the McCain bill the vehicle to use to pass comprehensive tobacco legislation this year.
- We do want to strengthen the bill -- but we need to be reasonable in our demands. Our #1 enemy is a skinny bill -- one that raises the price of cigarettes without restricting advertising or including public health efforts.

- We will seek the following improvements:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.
  2. Eliminate the "opt-out" provision that allows states to adopt weaker environmental tobacco smoke("second-hand smoke") laws.
  3. Eliminate or narrow the antitrust exemption.
  4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).
- As you may know, we are working with Senator Wyden's staff on the international provisions in the bill. While we support significant funding for international tobacco control efforts, we need to ensure that these provisions do not interfere with our ability to negotiate tariff reductions on other goods or enforce US trade agreement rights. We want to work with other countries on a multilateral basis to share our expertise on tobacco control laws, rather than extend US laws unilaterally to other nations.

#### **Background: Q&A on International Tobacco Issues**

##### **Q. Does the Administration support the international provisions in the McCain bill?**

- A. Tobacco use is a global health problem. Comprehensive tobacco legislation should address this problem by funding multilateral and bilateral efforts designed to discourage youth smoking abroad. Such funding will enable us to provide technical assistance to other countries, and will support diplomatic, media, and grass roots efforts designed to reduce youth smoking.

We do have concerns, however, about certain provisions in the McCain legislation addressing international issues. Some of these provisions raise important legal and foreign policy concerns. As we move forward in this area, we want to ensure that international tobacco control legislation does not interfere with our diplomatic and trade priorities or result in policies that are unenforceable abroad. Rather than extend US laws unilaterally to other nations, we want to work bilaterally and multilaterally through the World Health Organization and other entities to share our experiences with other nations, and encourage them to adopt laws to reduce tobacco advertising that targets children.

**Q. Do you support the funding provisions in the McCain bill for international tobacco control efforts? How much funding will be needed? How will you guarantee funding?**

A. Comprehensive tobacco legislation needs significant funding to discourage youth smoking abroad through bilateral and multilateral efforts designed to promote public health and education. This funding will enable us to provide technical assistance to other countries, and should support diplomatic, media, and grass roots efforts designed to reduce youth smoking. The funding should be channeled through NGOs, federal agencies such as the CDC, and international organizations that have expertise in international public health efforts, such as the World Health Organization and the World Bank. While we have not yet developed a detailed proposal, we think around \$200 million a year may be needed.

THE WHITE HOUSE  
WASHINGTON

April 22, 1998

MEMORANDUM FOR THE VICE PRESIDENT AND THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senators Conrad and Kennedy

You are meeting with Senators Conrad and Kennedy to address their concerns about Senator McCain's legislation and to enlist their support in moving forward. Senator Conrad chairs the Democratic Tobacco Caucus and has introduced his own tobacco bill. He has criticized the McCain bill in recent weeks for being too weak on the tobacco industry. Specifically, Conrad opposes liability protections, supports strong industry and company-specific look back penalties, and supports using tobacco revenues to fund the President's budgetary priorities, including child care, education, and public health.

Senator Kennedy cosponsored the Conrad bill and shares his concerns, although Kennedy may be readier to make a deal. In fact, prior to the Conrad bill, Kennedy introduced his own comprehensive tobacco bill which raised the per pack cigarette tax by \$1.50 and dedicated this revenue to public health programs, child care, and early childhood development. In addition to offering Conrad's bill as a substitute amendment on the Senate floor, Conrad and Kennedy will be looking for specific amendments to offer to strengthen the McCain bill.

We want Senators Conrad and Kennedy to understand that while we will press for some key changes to the McCain bill, we need to be reasonable in our demands, lest the entire legislative effort fall apart. You may want to say:

- You have done a great job with the Democratic Tobacco Caucus and keeping the pressure on Congress to pass comprehensive tobacco legislation designed to reduce youth smoking.
- Just as the introduction of your bills helped to jump-start this process, the McCain bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee makes the McCain bill the clear vehicle to use to pass comprehensive tobacco legislation this year.
- We do want to strengthen the bill -- but we need to be reasonable in our demands. Our #1 enemy is a skinny bill, one that raises the price of cigarettes without restricting advertising or including public health efforts.

- We will seek the following improvements:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.
  2. Eliminate the "opt-out" provision that allows states to adopt weaker environmental tobacco smoke("second-hand smoke") laws.
  3. Eliminate or narrow the antitrust exemption.
  4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).
- We want to negotiate with Senators Daschle and Lott on how to improve improve the McCain bill, but we want to make sure that we consult you throughout those discussions. We welcome your suggestions for improving the McCain bill and moving it to the next stage in the process.

THE WHITE HOUSE  
WASHINGTON

April 27, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Hollings

As you know, Senator Hollings and Senator McCain worked in partnership on the bill that passed the Commerce Committee. During discussions on that bill, Hollings worked hard to keep the price down and the tobacco companies on board. He is nervous about how far he ultimately agreed to go, and nervous as well that the bill will get more expensive on the floor. He fears that the tobacco industry advertisements charging that the bill is an example of "tax-and-spend liberalism" will have real effect in South Carolina.

We should use this meeting to thank Senator Hollings for his work on the bill and to reassure him that we will not make unreasonable demands as the bill goes forward. You can say:

- The McCain/Hollings bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee shows that we have real momentum in both parties to pass comprehensive tobacco legislation this year. You and Senator McCain are to be commended for your hard work to get this through Committee, and now we need to work together to pass the bill on the Senate floor.
- The Commerce Committee bill is a strong, comprehensive proposal to reduce youth smoking. While we believe that we can make the bill even stronger in a few key areas, we understand that we need to be reasonable in our demands.
- We believe we should try to work out a way to address the President's remaining concerns, so that we can avoid a potentially dangerous free-for-all on the Senate floor. We are interested in hearing your views on how best to approach this. We hope to secure some improvements while protecting the progress we have already made on FDA and other issues.
- We would recommend the following improvements in the current bill:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.
  2. Eliminate or greatly narrow the antitrust exemption.
  3. Eliminate the "opt-out" provision that allows states to adopt weaker environmental

tobacco smoke, (“ETS” or “or second-hand smoke”) laws.

4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).
- I understand your opposition to the international provisions in the bill. While we support funding for international public health and education efforts, we agree that these provisions should not interfere with our ability to negotiate tariff reductions on other goods or enforce US trade agreement rights. We also do not want to extend US laws unilaterally to other nations, but hope instead to share our expertise on tobacco on a multilateral basis.

THE WHITE HOUSE  
WASHINGTON

April 21, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Durbin

You are meeting with key Senators this week to address their concerns about Senator McCain's legislation and to enlist their support in moving forward. Senator Durbin, with whom you will meet tomorrow, has been an outspoken critic of the tobacco industry for several years, and is a cosponsor of the Conrad bill. He opposes liability protections for the industry, supports strong industry and company-specific lookback penalties, and supports using tobacco revenues to fund the President's budgetary priorities in the areas of public health, education, and child care. He also supports strong international provisions and believes we have a "moral responsibility" to work to reduce youth smoking abroad.

We want Sen. Durbin to understand that while we will press for some key changes to the McCain bill, we need to be reasonable in our demands, lest the entire legislative effort fall apart. You may want to say:

- You have played a key role in keeping the pressure on Congress to pass comprehensive tobacco legislation designed to reduce youth smoking.
- Just as the Conrad bill helped to jump-start this process, the McCain bill represents dramatic progress. The 19-1 vote in the Senate Commerce Committee shows that we have real momentum in both parties to pass comprehensive tobacco legislation this year.
- We do want to strengthen the bill -- but we need to be reasonable in our demands. Our #1 enemy is a skinny bill, one that raises the price of cigarettes without restricting advertising or including public health efforts.

- We will work to make the following changes:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.
  2. Eliminate the "opt-out" provision that allows states to adopt weaker environmental tobacco smoke ("second-hand smoke") laws.
  3. Eliminate or narrow the antitrust exemption.
  4. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).
- As you know, we are working with your staff on the international provisions in the bill. While we support significant funding for international tobacco control efforts, we need to ensure that these provisions do not interfere with our ability to negotiate tariff reductions on other goods or enforce US trade agreement rights. We want to work with other countries on a multilateral basis to share our expertise on tobacco control laws, rather than to extend US laws unilaterally to other nations.

#### **Background: Q&A on International Tobacco Issues**

#### **Q. Does the Administration support the international provisions in the McCain bill?**

- A. Tobacco use is a global health problem. Comprehensive tobacco legislation should address this problem by funding multilateral and bilateral efforts designed to discourage youth smoking abroad. Such funding will enable us to provide technical assistance to other countries, and will support diplomatic, media and grass roots efforts designed to reduce youth smoking.

We do have concerns, however, about certain provisions in the McCain legislation addressing international issues. Some of these provisions raise important legal and foreign policy concerns. As we move forward in this area, we want to ensure that international tobacco control legislation does not interfere with our diplomatic and trade priorities or result in policies that are unenforceable abroad. Rather than extend US laws unilaterally to other nations, we want to work bilaterally and multilaterally through the World Health Organization and other entities to share our experiences and success with other nations, and encourage them to adopt laws to reduce tobacco advertising addressed to children.

**Q. Do support the funding provisions in the McCain bill for international tobacco control efforts? How much funding will be needed? How will you guarantee funding?**

A. Comprehensive tobacco legislation needs significant funding to discourage youth smoking abroad through bilateral and multilateral efforts designed to promote public health and education. This funding will enable us to provide technical assistance to other countries, and should support diplomatic, media, and grass roots efforts designed to reduce youth smoking. The funding should be channeled through NGOs, federal agencies such as the CDC, and international organizations that have expertise in international public health efforts, such as the World Health Organization and the World Bank. While we have not developed a detailed proposal, we think around \$200 million a year may be needed.

Tob - sur - notes + memos  
and  
Tob - sur - legislative outreach

THE WHITE HOUSE  
WASHINGTON

April 17, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Daschle

As you know, we believe the best way to get a strong, comprehensive bill that meets our core public health objectives is to engage in negotiations with Senators Lott, Daschle, McCain, and Hollings that are designed to produce an agreed-upon bill to go to the Senate floor. The greatest danger we face is chaos on the Senate floor, in which some amendments roll back what we already have achieved (e.g., on FDA jurisdiction), while other amendments make the bill essentially unpassable (e.g., by stripping all liability protections while increasing the overall price of the deal).

The goal of this meeting should be to make clear to Senator Daschle that we want to negotiate before going to the floor. He needs to understand that we should be reasonable in our demands, and ensure that we don't demand too much, lest the entire legislative effort should fall apart. You may want to say:

- The McCain bill represents dramatic progress. The 19-1 vote in the Senate-Commerce Committee shows that we have real momentum in both parties to pass comprehensive tobacco legislation this year.
- The best way to put pressure on the Republicans is to get an overwhelming vote for a good bill in the Senate, and beat Gingrich over the head with it until the House acts.
- We do want to strengthen the bill -- but we need to be reasonable in our demands.
- We have a lot to lose from chaos on the floor: a Jeffords amendment to weaken FDA; a Lugar amendment to gut farmers; party line votes on how to spend the money.
- Our #1 enemy is a skinny bill, one that raises the price of cigarettes without restricting advertising or including public health efforts. We need to push for improvements we can achieve while protecting the progress we have already make on FDA and other issues.
- We should seek to:
  1. Strengthen the penalties, by including a company-specific component, and increasing the industry-wide surcharge cap above \$3.5 billion.
  2. Ensure spending on research, public health, and farmers, and press for spending on child care and education (or at least a menu including these programs).

3. Eliminate the antitrust exemption.
4. Eliminate the "opt-out" provision that allows states to adopt weaker environmental tobacco smoke, or second-hand smoke, laws.

Tobac - re: legislative outreach

REVISED - 3/5/98

SUGGESTIONS FOR CONGRESSIONAL MEETINGS ON TOBACCO

Preparation for Senate Commerce Committee Markup

- ▶ Develop paper on six major issues with S. 1415
- ▶ Prepare marked-up version of S. 1415
- ▶ Elene/Cynthia to discuss concerns with McCain's staff by phone
- ▶ Meet with Hollings staff re: concerns (3/5/98, 4:30 pm, SD-558)
- ▶ Meet with committee Democratic staff convened by Hollings
- ▶ Meet with Breaux and Wyden staff (Friday)
- ▶ Meet with Breaux, Wyden, Hatch, McCain staff (Friday or Monday)
- ▶ Individual meetings with:
  - ✗ Snowe
  - ✗ Frist
  - Rocketteller
  - Kerry
  - Bryan
  - Dorgan
  - ✗ Wyden
- ▶ Staff phones calls with (meetings as appropriate):
  - Stevens
  - Gorton
  - Hutchison
  - Abraham
  - Inouye

Preparation for Senate Labor Committee Markup

- ▶ Finalize paper re: FDA concerns with Jefford's bill -- Schultz project
- ▶ Share concerns with Jeffords (meeting as appropriate)

**Page 2 - Suggestions for Congressional Meetings on Tobacco**

- ▶ **Meet with Committee Democratic staff convened by Kennedy**
- ▶ **Meet with Frist, DeWine, Collins**

**OTHER CONGRESSIONAL MEETINGS**

- ▶ **Dingell Staff**
- ▶ **Sherrod Brown**
- ▶ **Mike Bilirakis**
- ▶ **John Conyers**
- ▶ **Greg Ganske**
- ▶ **Fred Upton**
  
- ▶ **Senator Leahy**
- ▶ **Senator Lautenberg**
- ▶ **Senator Durbin**
- ▶ **Senator Specter**
- ▶ **Senator Reed**
- ▶

tobacco - settle  
leg. outreach

THE WHITE HOUSE  
WASHINGTON

March 13, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed  
SUBJECT: Meeting with Senator McCain

As you know, Senator McCain is leading an effort -- blessed by Trent Lott -- to report a comprehensive bill out of the Commerce Committee. He plans to begin marking up a bill on March 25th. Currently, he is working off a draft bill that reflects the settlement and has significant weaknesses, especially with regard to price and FDA jurisdiction. There is little doubt, however, that McCain would like our support and that he is listening carefully to our concerns.

On Friday, we were invited to a meeting chaired by Senator McCain's and Hollings' staffs which was very constructive in its tone and content. Mostly, we discussed FDA jurisdiction. While we are not sure that they are ready to adopt our view that the legislation should reaffirm FDA's current authority to regulate tobacco products, they are clearly working hard to understand our concerns and are seriously considering our views.

McCain has been working primarily with Hollings so far, but plans to expand his working group next week to include Breaux and Gorton and perhaps others. They have made clear that they want us to participate with them in this bipartisan working group. They want us to review and provide feedback on their ideas. They seem to want to produce a bill we can support, or at least one that we will not criticize.

Talking Points

- I know that our staffs have met, and we are very pleased with your willingness to consider our views.
- Let me assure you that at every step along the way, we will give you our honest assessment of your proposals and how they measure up to the principles the President has articulated. We want to make sure you understand our views, so that when you mark up a bill, you are not surprised by our reactions..
- We look forward to helping you craft a bipartisan bill that the President can support.

THE WHITE HOUSE  
WASHINGTON

March 13, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Representative Deborah Pryce

As you know, most of the legislative activity on tobacco so far has taken place in the Senate. The House remains inactive. Bliley has held some hearings and may try to draft legislation, but prospects for a Bliley-Waxman collaboration now seem slight. The House Republican leadership is interested in tobacco revenue to pay for tax cuts, but has done nothing to spur legislative action.

Speaker Gingrich has appointed Representative Deborah Pryce as his leadership team's point person on tobacco. It is unclear, however, how much real influence she will have. A key goal of the meeting should be to persuade her that the President does not want to play politics with this issue, and that he is serious about enacting bipartisan, comprehensive tobacco legislation this year.

Talking Points

- The President wants comprehensive, bipartisan legislation this year. Every day we delay, 3,000 kids become regular smokers and 1,000 of them will die prematurely from this addiction.
- The President has made his priorities clear. He has called on Congress to enact comprehensive, bipartisan legislation that:
  - ▶ Raises the price of cigarettes by up to \$1.50 a pack over the next ten years and imposes tough penalties on companies that continue to sell to kids;
  - ▶ Expressly confirms the FDA authority to regulate tobacco products;
  - ▶ Gets tobacco companies out of the business of marketing to children;
  - ▶ Furthers public health research and goals;
  - ▶ Protects tobacco farmers and their communities.

- We want to work together with the Republican leadership in both the House and Senate to enact a bipartisan bill this year. We'd like to talk about the process that you are going to follow in the House, and about how we can best engage with that process.

THE WHITE HOUSE  
WASHINGTON

March 5, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Conrad and the Democratic Task Force

As you know, we are continuing to lay the groundwork for a possible bipartisan summit to negotiate comprehensive tobacco legislation. We are (1) attacking Republican plans to enact piecemeal legislation; (2) praising comprehensive bills, such as Senator Conrad's, which meet the President's principles; and (3) holding one-on-one meetings with key House and Senate Members.

Talking Points

Senator Conrad, as you know, worked extensively with the Administration in crafting his comprehensive tobacco legislation, which was the first piece of legislation that met the five principles outlined by the President last September. This bill, however, does not have any Republican support. Senator Conrad also has expressed concern about giving the tobacco industry any liability protections, particularly in light of documents showing a focus on younger smokers.

We should start by thanking him for his support and reiterating the President's commitment to enacting a comprehensive bill this year.

In response to his concerns on liability issues, you can say:

- We are launching a high-profile effort with House and Senate Democrats to turn up the volume on this issue and turn up the heat on the Republicans.
- We will hold out for a high standard, and we will not do anything that undermines our public health goal of dramatically reducing teen smoking.
- We would prefer not to have liability limits either, but we have said they are not a dealbreaker because we think the most important thing is to get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.

- The President has said he wants a bipartisan solution to this problem. He has met with leaders of both parties, and senior Administration officials have met -- and will continue to meet -- with both Democratic and Republican Members to help draft legislation.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction.

### Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
2. **Full authority for the FDA to regulate tobacco products**, including authority over the manufacture, sale, and advertising of tobacco products.
3. **The tobacco industry must change the way it does business**, including stopping advertising to children.
4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE  
WASHINGTON  
March 5, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Nickles

As you know, we are continuing to lay the groundwork for a possible bipartisan summit to negotiate comprehensive tobacco legislation. We are (1) attacking Republican plans to enact piecemeal legislation; (2) praising comprehensive bills, such as Senator Conrad's, which meet the President's principles; and (3) holding one-on-one meetings with key House and Senate Members.

Talking Points

Senator Lott had originally designated Senator Nickles as the point person on tobacco legislation; now, however, Senator McCain seems to have taken the lead. Senator Nickles issued a deadline of March 16 for committee chairpersons to report back to him on the status of legislation on various issues. On February 2, Senator Nickles told The New York Times that he does not want to "fund a variety of social programs out of this deal." On February 28, he stated: "Amongst the leadership on the Republican side, there's not a lot of interest in granting immunity to tobacco. And if you don't have immunity, the tobacco boys aren't going to be willing to participate."

We should start by reiterating the President's commitment to working on a bipartisan basis on these issues. We must then emphasize what we need to see in a bill -- particularly, a substantial price increase and full FDA jurisdiction.

In general, you can say:

- The President has made clear he wants a bipartisan solution to this problem. He said so on September 17 when he announced his plan. Since then, he has met with leaders of both parties, and senior Administration officials have met -- and will continue to meet -- with both Democratic and Republican Members to help draft legislation.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction. We believe your help can be invaluable in making progress on comprehensive legislation.

- In order for us to support a bill, it must have a substantial price increase of about \$1.50 per pack, full FDA jurisdiction, and tough youth smoking penalties.

Senator Nickles will likely ask our views about liability limits. To these questions, we should say:

- We have stated many times our position on liability limits. We would prefer a bill without liability limits, but if we get a bill that meets the President's principles, then reasonable liability limits are not a dealbreaker. The most important thing is to get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.

### Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
2. **Full authority for the FDA to regulate tobacco products**, including authority over the manufacture, sale, and advertising of tobacco products.
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4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

tobacco - nrllment -  
leg. outreach



**Toby Donenfeld @ OVP**

02/10/98 05:27:53 PM



Record Type: Record

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

cc:

Subject: Tobacco Letter from Ford, Hollings, Robb and Cleland

Senators Ford, Hollings, Robb and Cleland have just sent a letter to the VP saying that the President called for "comprehensive, bipartisan legislation," and that they too want a bipartisan solution. They want the VP to use tomorrow's event to "detail the steps the Administration is willing to take, and to enter into direct negotiations with Republican leaders by a date certain to achieve a bipartisan solution." They end with another call for the Administration to take "concrete steps to initiate negotiations as soon as possible." ]

Message Sent To:

Ron Klain/OVP @ OVP  
Bruce N. Reed/OPD/EOP  
Elena Kagan/OPD/EOP  
Jerold R. Mande/OSTP/EOP  
Thomas L. Freedman/OPD/EOP

THE WHITE HOUSE

WASHINGTON

March 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Hatch

Talking Points

Senator Hatch is working with Senator McCain on comprehensive tobacco legislation. Senator McCain is planning to start marking up a bill in the next few weeks, and is currently working off of draft legislation that codifies the Attorneys' General settlement. Senator Hatch, as Judiciary Committee chairman, is expected to play a strong role in developing possible liability limits. Last week, Senator Hatch testified before McCain's committee that liability limits were the trade-off that made the deal possible, and he has told The New York Times that he believes that if Congress tried to limit advertising without the approval of the tobacco companies, it would lead to years of costly litigation.

When Senator Hatch asks our views about liability limits, we can say:

- Reasonable liability limits are not a dealbreaker. The most important thing is to get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.

In general, we should reiterate the President's commitment to working on a bipartisan basis on these issues. We must then emphasize what we need to see in a bill -- particularly, a substantial price increase and full FDA jurisdiction.

In general, you can say:

- The President has made clear he wants a bipartisan solution to this problem. He said so on September 17 when he announced his plan.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction. We believe your help can be invaluable in making progress on comprehensive legislation.

- - In order for us to support a bill, it must have a substantial price increase of about \$1.50 per pack, full FDA jurisdiction, and tough youth smoking penalties.

### Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
2. **Full authority for the FDA to regulate tobacco products**, including authority over the manufacture, sale, and advertising of tobacco products.
3. **The tobacco industry must change the way it does business**, including stopping advertising to children.
4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE  
WASHINGTON

March 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Tobacco Growers

Talking Points

You will be meeting with Rep. Bob Etheridge (D-NC), Rep. Vic Fazio (D-CA), Rep. Mike McIntyre (D-NC), Rep. Bill Hefner (D-NC), Rep. Clayton (D-NC), Rep. David Price (D-NC), Rep. Scotty Baesler (D-KY), Rep. Virgil Goode (D-VA), Rep. Rick Boucher (D-VA), and Rep. John Spratt (D-NC). There are three basic options currently being discussed regarding tobacco farmers. The first option would maintain the current quota system and compensate farmers for price declines. The second option would have a governmental buy-out of the current quota holders and put in place a new private licensing system with production controls. The third option would buy out current quota holders and permit tobacco to revert to a free market system.

In general, you can say:

- The President has committed himself to protecting tobacco farmers and their communities -- this was one of the five key elements the President outlined in September.
- The President has made clear he wants a bipartisan solution to this problem. He said so on September 17 when he announced his plan. Since then, he has met with leaders of both parties, and senior Administration officials have met -- and will continue to meet -- with both Democratic and Republican Members to help draft legislation.

- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction. We believe your help can be invaluable in making progress on comprehensive legislation.

### Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
2. **Full authority for the FDA to regulate tobacco products**, including authority of the manufacture, sale, and advertising of tobacco products.
3. **The tobacco industry must change the way it does business**, including stopping advertising to children.
4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE  
WASHINGTON

March 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Congressman Bliley

As Commerce Committee chairman, Congressman Bliley is viewed as the key to moving tobacco legislation on the House side. Last week, he criticized the Administration for not submitting legislation and for stepping up its efforts to get Congress to act when it has not done proposed specific legislation. Congressman Bliley is not expected to propose legislation until his committee has completed its series of hearings. He has subpoenaed 39,000 tobacco industry documents, which are due by March 12. He is also interested in protecting tobacco farmers and their communities.

Congressman Bliley will likely ask our views about liability. You should respond by saying:

- Reasonable liability limits are not a dealbreaker. The most important thing is to get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.

In general, you can say:

- The President has made clear he wants a bipartisan solution to this problem. He said so on September 17 when he announced his plan.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction. We believe your help can be invaluable in making progress on comprehensive legislation.
- The President has committed himself to protecting tobacco farmers and their communities -- this was one of the five key elements the President outlined in September.

Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
2. **Full authority for the FDA to regulate tobacco products**, including authority of the manufacture, sale, and advertising of tobacco products.
3. **The tobacco industry must change the way it does business**, including stopping advertising to children.
4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE  
WASHINGTON

March 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Representative Fazio and Others in House Tobacco Task Force

Talking Points

You will be meeting with Congressman Fazio and other members of the House tobacco task force. Congressman Fazio plans on introducing his own comprehensive tobacco legislation. His bill is expected to be similar to Senator Conrad's, though it will probably contain more money for tobacco farmers.

We should urge Rep. Fazio to increase the education funding in the Conrad bill to meet our budget levels, i.e., to fund 100,000 new teachers. We should also reiterate the President's commitment to working on a bipartisan basis on these issues.

Rep. Fazio might ask our views about minority issues relating to tobacco legislation. To these questions, we can say we look forward to working with the minority community in addressing their concerns, particularly in the areas of research and public health.

## Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

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THE WHITE HOUSE

WASHINGTON

March 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Nickles

Talking Points

Senator Lott has designated Senator Nickles as the leadership's point person on tobacco legislation. Senator Nickles has publicly opposed spending tobacco funds on social programs. He has also spoken publicly about liability, saying on February 28 "Amongst the leadership on the Republican side, there's not a lot of interest in granting immunity to tobacco. And if you don't have immunity, the tobacco boys aren't going to be willing to participate."

We should start by reiterating the President's commitment to working on a bipartisan basis on these issues. We must then emphasize what we need to see in a bill -- particularly, a substantial price increase and full FDA jurisdiction.

In general, you can say:

- The President has made clear he wants a bipartisan solution to this problem. He said so on September 17 when he announced his plan. Since then, he has met with leaders of both parties, and senior Administration officials have met -- and will continue to meet -- with both Democratic and Republican Members to help draft legislation.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction. We believe your help can be invaluable in making progress on comprehensive legislation.
- In order for us to support a bill, it must have a substantial price increase of about \$1.50 per pack, full FDA jurisdiction, and tough youth smoking penalties.

Senator Nickles will likely ask our views about liability limits. To these questions, we should say:

- Reasonable liability limits are not a dealbreaker. The most important thing is to

get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.

### Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

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5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE

WASHINGTON

March 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Chafee

Talking Points

Senator Chafee is working with Senators Harkin and Graham on comprehensive bipartisan legislation that has not been introduced yet. The Chafee bill would cap the annual liability of tobacco companies at about \$8 billion. The Chafee bill seems to have strong measures to prevent teen smoking such as a price increase of \$1.50 per pack over two years and full FDA authority. However, his bill reportedly leaves state spending unrestricted.

We should emphasize that we would like to work with him on refining his bill, while highlighting the following:

- Urge him to fund the Administration's child care and class size initiatives in his bill, rather than give an unrestricted block grant to states.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction. We believe your help can be invaluable in making progress on comprehensive legislation.
- In order for us to support a bill, it must have a substantial price increase of about \$1.50 per pack, full FDA jurisdiction, and tough youth smoking penalties.

Senator Chafee will likely ask our views about liability limits, and whether we could support his bill which contains liability limits. To these questions, we can say:

- Reasonable liability limits are not a dealbreaker. The most important thing is to get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.

### Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
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5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE  
WASHINGTON

March 6, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Senator Domenici and Tobacco

I understand your meeting with Senator Domenici is about the budget resolution more broadly -- thus Frank Raines is attending instead of me -- but here is the information you would need should the conversation turn to tobacco.

Talking Points

Senator Domenici has proposed that any tobacco funds should "go towards keeping the Medicare system solvent, not new Washington spending." He gave a GOP radio address on February 7th on this topic saying "We should save Medicare first." This is obviously in conflict with our budget, which provides unrestricted funds to states as well as nearly \$15 billion in child care and education block grants.

We want to work with Senator Domenici to ensure that the budget resolution he crafts does not limit all tobacco spending to Medicare. To that end, we could say:

- The President believes it is critical that we enact comprehensive, bipartisan legislation to dramatically reduce teen smoking this year.
- Obviously, there are many members of Congress who have different ideas about how tobacco funds should be spent. We think it is critical that we leave our options open while the remainder of the tobacco bill is being debated.
- Thus, we urge you to propose a budget resolution that does not limit tobacco spending to certain categories, but has enough flexibility to allow that these decisions be made as part of a larger legislative package. Restricting our spending options may make it more difficult for us to garner enough votes to enact comprehensive tobacco legislation.

## Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
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3. **The tobacco industry must change the way it does business**, including stopping advertising to children.
4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

**Talking Points for Senate Democratic Caucus  
March 10, 1998**

- The President wants comprehensive, bipartisan legislation this year. Every day we delay, 3,000 kids become regular smokers and 1,000 of them will die prematurely from this addiction.
- The President has made his priorities clear. He has called on Congress to enact comprehensive, bipartisan legislation that:
  - ▶ Raises the price of cigarettes by up to \$1.50 a pack over the next ten years and imposes tough penalties on companies that continue to sell to kids;
  - ▶ Expressly confirms the FDA authority to regulate tobacco products;
  - ▶ Gets tobacco companies out of the business of marketing to children;
  - ▶ Furthers public health research and goals;
  - ▶ Protects tobacco farmers and their communities.
- We will hold out for a high standard, and we will not do anything that undermines our public health goal of dramatically reducing teen smoking. A piecemeal approach will not meet our overriding goal of dramatically reducing teen smoking.
- We're raising the public profile on this issue -- Presidential speeches, countdown calendars, etc. But we can't just play politics -- we need to move ahead to enact comprehensive legislation. That's why we need to engage Republicans at every step of the process to make our priorities clear, and work to produce bipartisan legislation that meets our priorities.

MEMORANDUM

Tobacco - settlement -  
legislative outcome

**TO:** TOM FREEDMAN  
ELENA KAGAN  
BRUCE REED  
CYNTHIA RICE  
MARY SMITH

**FROM:** AMY BLOCK

**RE:** TOBACCO COMMENTS

**DATE:** MARCH 3, 1998

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This list includes comments on tobacco from:

1. Representative Bliley (R-VA)
2. Representative Burr (R-NC)
3. Senator Cochran (R-MS)
4. Senator Collins (R-ME)
5. Senator Conrad (D-ND)
6. Representative DeLay (R-TX)
7. Representative Dingell (D-MI)
8. Representative Doggett (D-TX)
9. Senator Domenici (R-NM)
10. Senator Durbin (D-IL)
11. Senator Faircloth (R-NC)
12. Representative Fazio (D-CA)
13. Senator Ford (D-KY)
14. Speaker Gingrich (R-GA)
15. Senator Harkin (D-IA)
16. Senator Hatch (R-UT)
17. Senator Hollings (D-SC)
18. Representative Kasich (R-OH)
19. Senator Kennedy (D-MA)
20. Senator Lautenberg (D-NJ)
21. Senator Lott (R-MS)
22. Senator McCain (R-AZ)
23. Senator McConnell (R-KY)
24. Representative Meehan (D-MA)
25. Senator Nickles (R-OK)
26. Senator Robb (D-VA)
27. Representative Waxman (D-CA)
28. Senator Wellstone (D-MN)
29. Senator Wyden (D-OR)

## ADVERTISING

Sen. Conrad	The Washington Post 3/3/98	Those willing to concede liability limits to the industry should recognize that even if cigarette makers agree to ad restrictions, others, such as the advertising industry, could challenge them in court.
Sen. Durbin	Senate Judiciary Hearing 2/10/98	<p>“I believe we can legislate tobacco advertising restrictions without violating the free speech rights enshrined in the Constitution.”</p> <p>“We should [legislate tobacco advertising restrictions] on public health grounds, independent of other issues in the legislation -- not in exchange for the grant of immunity that buys the industry support.”</p>
Sen. Hatch	<p>Senate Commerce, Science and Transportation Hearing 2/26/98 (and at Senate Judiciary Hearing 2/10/98)</p> <p>The New York Times 2/11/98</p>	<p>“If tobacco advertising restrictions are a necessary ingredient in reducing youth smoking, then a constitutional way must be found to accomplish that goal. It is for this reason that in my bill, S.1530, the advertising restrictions are placed in a binding contract -- termed a Protocol -- whereby the tobacco companies waive any First Amendment rights they possess in exchange, in part, for the civil liability limitations.”</p> <p>Tobacco companies would have to be given considerable protection against lawsuits if their advertising practices were to be restricted.</p> <p>Congress’ most important goal should be reduced smoking by teenagers and strict limits on tobacco advertising are essential to attaining that goal.</p> <p>If Congress tried to limit advertising without the approval of the companies, it would lead to years of costly litigation that would delay implementation of the law.</p>

## DOCUMENT DISCLOSURE

<p>Rep. Bliley</p>	<p>AP Online 1/29/98 and The Boston Globe 1/30/98</p> <p>The LA Times and The New York Times 2/20/98</p> <p>The Washington Post 2/20/98</p> <p>The Washington Times 2/20/98</p>	<p>“The recent disclosures in documents subpoenaed by this committee and released by (Rep. Henry) Waxman have shaken my confidence that you companies care about the truth.”</p> <p>“Congress and the American people deserve to know what’s in the documents so we can make informed decisions about tobacco policy.”</p> <p>Rep. Bliley said the documents [he subpoenaed] had been identified by Minnesota court officials as “possibly containing evidence of crime or fraud” and thus “must see the light of day.”</p> <p>“This should come as no surprise. I’ve said all along that if more documents were identified ... as possibly containing evidence of crime or fraud that I would request them.”</p>
<p>Sen. Hatch</p>	<p>The Wall Street Journal 3/2/98</p>	<p>“There is no question that the tobacco companies have known their products were addictive and have deliberately marketed them as such. My focus is more on future opportunities than on past misconduct.”</p>
<p>Rep. Meehan</p>	<p>The Wall Street Journal 2/27/98</p> <p>The LA Times 2/26/98</p>	<p>“It’s important not only to have internal documents that show potential criminal behavior, but to have a live witness who can corroborate events and testify before a grand jury.”</p> <p>“If Liggett is turning state’s evidence, this could break the entire investigation wide open. From a prosecutor’s perspective, it’s important not only to have documents that indicate potential criminal behavior, but it is equally, if not more, important to have a witness who can confirm the information on the documents, particularly people from upper management.”</p>
<p>Sen. Waxman</p>	<p>The Courier-Journal (Louisville, KY) 1/30/98</p>	<p>“What we have is [sic] words said in public, but deeds done in private that are very, very different.”</p>
<p>Sen. Wyden</p>	<p>The New York Times 2/25/98</p>	<p>Wyden is skeptical that “it is actually a new day with respect to this subject [tobacco]. I think that the words are more artful than they were four years ago. But a little bit of this is like Yogi Berra -- it’s deja vu all over again.”</p>

**FARMERS**

<p>Rep. Bliley</p>	<p>The Herald Sun (Durham, NC) 1/30/98</p>	<p>Rep. Bliley pledged “not to forget about the thousands and thousands of hardworking men and women who toil on the farms, in union plants and on the assembly lines. Their lives and livelihoods matter. Their futures are important.”</p>
<p>Rep. Burr</p>	<p>The Herald Sun (Durham, NC) 1/30/98</p>	<p>“My constituents depend on tobacco for their livelihoods. We need to know what the future holds for the people whose lives depend on farming tobacco.”</p> <p>“Members of Congress have said if we don’t take care of those affected who are not at the table, then there is no agreement. I think the farmers are the most prominent of those. Their needs are probably driving a lot of the process.”</p> <p>“If the tools are there, we need to look at some type of repurchase of quotas and a redesign of what the agricultural community will look like in the future.”</p>
<p>Sen. Faircloth</p>	<p>The Herald-Sun (Durham, NC) 2/7/98</p> <p>The News and Observer (Raleigh, NC) 2/12/98</p>	<p>Sen. Faircloth and Rep. Etheridge asked President Clinton to consider an assistance program to help “ensure a safe and stable future for farmers and their communities.”</p> <p>“The tobacco settlement was fat for lawyers and thin for farmers. While the Conrad bill falls short of what is needed, we have helped to shift the debate to the point where almost everyone is paying attention to the farmers.”</p>
<p>Sen. Ford</p>	<p>The Courier-Journal (Louisville, KY) 1/29/98</p> <p>The Courier Journal (Louisville, KY) 2/14/98</p>	<p>Sen. Ford and Rep. Baesler agreed it was good that the president recognized farmers in his speech, but both criticized his proposed \$1.50 increase in cigarette taxes. “At some point, Washington has to realize that we simply cannot pay for every new initiative on the backs of hard-working tobacco farmers and their families.”</p> <p>Ford’s spokesman said Sen. Ford pledged to “fight to represent the tobacco farmers, their families and communities even if he had not received one penny in campaign contributions.”</p>
<p>Sen. McConnell</p>	<p>The Courier-Journal (Louisville, KY) 2/14/98</p>	<p>“Like all members of Congress from Kentucky, regardless of political affiliation, I fight hard to save the livelihood of our 60,000 tobacco growers. Consequently, it’s not surprising that I enjoy campaign support from political action committees and individuals which represent tobacco interests.”</p>

**FDA AUTHORITY**

Rep. Dingell	The News and Observer (Raleigh, NC) 1/30/98	Dingell said he would not tolerate any weakening of the FDA's authority to regulate tobacco.
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**FEDERAL SHARE OF MEDICAID (CHILD CARE/CLASS SIZE)**

Rep. Bliley	AP 2/3/98	"The president is putting the cart before the horse. So far he's negotiated ... and promoted it. He's even spent the proceeds. The one thing he hasn't done is send Congress a tobacco bill."
Sen. Cochran	Gannett News Service 2/6/98	"It's very unlikely there will be anything done in this Congress because there is no agreement, no consensus, as to what should be done. It's not a realistic expectation that there will be any \$65.5 billion worth of money coming to the federal treasury from the tobacco settlement. That's the bottom line."
Sen. Conrad	AFX News 2/3/98	"I think (Clinton) is right on to tie new programs, like education, to tobacco and I am hopeful this legislation can pass before the budget resolution."
Sen. Domenici	AP Online 2/7/98 and The New York Times 2/8/98  The National Journal 2/14/98	"We should save Medicare first. If there is tobacco money, it should go toward keeping the Medicare system solvent, not for new Washington spending" (comments in the GOP weekly radio address).  Tobacco money should go toward Medicare and Medicaid because of the tobacco-related health costs to those programs. Lott has said he favors Domenici's idea.
Sen. Hatch	The Deseret News (Salt Lake City, UT) 2/24/98	Sen. Hatch is opposed to using any money from a tobacco settlement, or a separate tobacco tax, for child care.
Sen. Hollings	The Post and Courier (Charleston, SC)	With a lucrative settlement with tobacco manufacturers now in jeopardy, Hollings is highly skeptical that money can be found to finance either the Clinton or GOP agendas.

<p>Sen. Lott</p>	<p>AFX News 2/9/98</p> <p>Health Line (American Political Network) 2/24/98</p>	<p>“A lot of costs of Medicare are driven by health-related problems that could be associated with smoking so rather than use it as a cookie jar to spend on the lollipop list the President came up with, I thought the idea of putting it aside for Medicare is something we should think about.”</p> <p>Sen Lott said he opposes a tax increase on tobacco products and ruled out using tobacco settlement funds for a tax cut, saying they should be used for Medicare, medical research and a campaign to discourage teenagers from smoking. Lott said that the states should receive the majority of tobacco funds approved under any settlement.</p>
<p>Sen. McCain</p>	<p>AP Online 2/2/98</p> <p>The Boston Globe 2/3/98</p>	<p>“The president has not exercised his leadership responsibility to propose specific tobacco legislation detailing how the money he would spend will be raised.”</p> <p>The President cannot truly claim his budget is in balance “because it includes \$65 billion in nonexistent revenue from prospective tobacco legislation” that Congress may not adopt.</p>
<p>Sen. Nickles</p>	<p>The New York Times 2/2/98</p>	<p>“I’m not inclined to help [the President] fund a variety of social programs out of this deal.”</p>

#### INTERNATIONAL

<p>Rep. Doggett</p>	<p>Press Release 2/26/98</p>	<p>“Around the world, U.S. tobacco companies are using the methods they perfected on our children to addict the children of other nations to nicotine.”</p> <p>“We should seize this unique opportunity to be a leader in promoting global public health by acting responsibly ourselves. The code of conduct we propose requires such responsible action from U.S. tobacco companies around the world. All we say to them is comply with a common, uniform standard: don’t market to children anywhere; warn consumers of the deadly effects of your products anywhere.”</p>
<p>Sen. Durbin</p>	<p>Press Release 2/26/98</p>	<p>“It will be a shameful legacy if our tobacco control efforts end up protecting America’s kids at the expense of children in other countries. Products labeled ‘MADE IN THE USA’ should make us proud. Tobacco products which addict and kill fail that test.”</p> <p>“Tobacco use in developing countries threatens to turn back the clock on public health advances in those nations. As the world’s leading exporter of tobacco products, the United States has a moral responsibility to address the health devastation tobacco is causing in other countries. If we don’t, people will equate our country with the tobacco epidemic they suffer.”</p>

Sen. Lautenberg	Press Release 2/26/98	“On the run in America, tobacco companies are aggressively seeking to peddle their poison to children overseas. Our war against teen smoking should not stop at our nation’s borders.”
Sen. Wellstone	Press Release 2/26/98	<p>“Comprehensive tobacco control legislation would be incomplete without strong international tobacco controls. Unless we include strong international controls as part of tobacco control legislation, this outlaw industry will continue to exploit the overseas market, preying disproportionately on people in developing countries. Tobacco control legislation must protect children and protect public health at home and abroad while conceding no special protections to the tobacco industry.”</p> <p>“Children all over the world must be protected from the manipulations of this outlaw industry. It is a matter of fairness.”</p>

**LIABILITY**

Rep. Bliley	The Washington Post 2/20/98	While Bliley has not made his position clear on legal protections, he has said that Congress needs to know if the industry engaged in “criminal or fraudulent activities” before it considers granting the industry “unprecedented immunity from future lawsuits.”
Sen. Conrad	<p>Healthy Kids Act Press Conference 2/11/98</p> <p>The Washington Times 2/20/98</p>	<p>“I think it would be inappropriate, more important than what I think, the American people think it is inappropriate to give special unprecedented protection to this industry, of all industries.”</p> <p>“There was a turning point, and it happened when those [RJR] documents were released. You look at those, which turn on its head the industry’s claims that it didn’t market to children, and you ask, ‘How can we give this industry legal protections going forward?’”</p>
Rep. DeLay	The New York Times 2/2/98	While admitting that the tobacco companies are “big contributors of mine,” DeLay said that immunity “would be very difficult for me to support.”

Speaker Gingrich	<p>Extel Examiner 2/12/98</p> <p>The New York Times 2/18/98</p> <p>The New York Times 2/28/98</p>	<p>Gingrich said Republicans are unlikely to support public policy that would benefit the industry. "I think what we learned about the tobacco companies planning, their awareness of addiction, and their efforts to target 14 year-olds is frankly reprehensible.</p> <p>"Their effort to target 14-year-olds is frankly reprehensible. I think that they are weaker than they have ever been in this city, and I think that there is virtually no sentiment for in any way listening favorably to the tobacco companies."</p> <p>Gingrich has told other GOP leaders in recent weeks that he favors legislation that would force the industry to pay the cost of treating sick smokers, but refuse to grant tobacco companies immunity from lawsuits, according to three senior Republican sources.</p>
Sen. Harkin	NPR Weekend Edition 2/28/98	Harkin's bill provides tobacco companies no immunity , but they would get a cap on the amount of damages they would have to pay out in any year. "We're gonna come up with a very bitter pill for the tobacco companies to swallow. But I think in the end, they're going to have to swallow that bitter pill."
Sen. Hatch	<p>Senate Commerce, Science and Transportation Hearing 2/26/98</p> <p>The Wall Street Journal 2/27/98</p> <p>NPR Weekend Edition 2/28/98</p>	<p>"The fact of the matter is that it is the limited liability provisions which brought the tobacco industry to the bargaining table with the attorneys general. They are what made any talk of the settlement possible ... And I believe it is possible for us to craft legislation built on the framework of that settlement which does not reward the industry for past ill deeds, but rather, which provides them with limited assurances of the financial predictability that will make a new national tobacco program possible."</p> <p>Testifying before the Senate Commerce, Science and Transportation Committee: "I want to work with the members of this committee to craft bipartisan, comprehensive anti-tobacco legislation which can be enacted this year."</p> <p>"You can't ignore the fact that there has to be some sort of benefit both ways in order to have a voluntary agreement. If there isn't, then I think it's all-too-easy for the tobacco companies to walk away from this. And if they do, then there just won't be the monies that we're talking about, there won't be the cooperation, there won't be the ban on advertising that would be constitutionally sound and upheld. And I think in the end, the farmers aren't gonna quit producing tobacco."</p>
Sen. Kennedy	Healthy Kids Act Press Conference 2/11/98	"Our proposal does not give tobacco companies immunity from private litigation. We're committed to keeping the courthouse door open to those who suffer from tobacco induced illness."

Sen. Lautenberg	St. Petersburg Times 1/16/98	“These revelations make it almost impossible for members of Congress to give the industry immunity and then go home to face the children in their districts.”
Sen. McCain	<p>The LA Times 2/18/98</p> <p>The New York Times 2/25/98</p> <p>The LA Times 2/25/98</p> <p>Dallas Morning News 2/27/98</p>	<p>McCain has not yet taken a position on whether the companies should get limited liability in future lawsuits.</p> <p>McCain, a former smoker, said he knew from personal experience that tobacco was addictive and asked tobacco company executives if they agreed.</p> <p>“Disappointed,” was the way McCain described industry executives’ answers to his litmus-test question on whether they consider nicotine to be addictive. McCain said that the executives’ refusal to acknowledge that cigarettes are addictive has “become symbolic of the skepticism that exists about their trustworthiness.”</p> <p>“The whole settlement hinges on that single issue [liability]. How much do we give away and what are we getting in exchange? This is make or break. On this issue alone, if there is a divergence of views with the president [sic], we are going to have a problem passing a comprehensive deal.”</p>
Rep. Meehan	<p>The New York Times 2/6/98</p> <p>Good Morning America 2/26/98</p>	<p>Protection from lawsuits “is and certainly should be dead.”</p> <p>“There is no question that [tobacco company executives] could be looking at potential criminal liability, which could include jail time, sure.”</p> <p>“I would think members of Congress would be very, very careful about granting any kind of civil immunity to an industry that may be on the verge of being implicated in the highest level of culpability, which is criminal culpability. I think it would make Congress back off and wait to see what happens and wait until the full truth comes out about what the tobacco executives knew and when they knew it.”</p>
Sen. Nickles	<p>The New York Times 2/2/98</p> <p>The New York Times 2/28/98</p>	<p>“I don’t want to say the global settlement is dead, but it’s getting more difficult to see a package that would have immunity.”</p> <p>“Amongst the (Senate) leadership on the Republican side, there’s not a lot of interest in granting immunity to tobacco. And if you don’t have immunity, the tobacco boys aren’t going to be willing to participate.”</p>

Rep. Waxman	Newsday 1/16/98 and St. Louis Post-Dispatch 1/16/98	“Let’s pass legislation right now to stop tobacco companies from targeting children” and forget the controversial legal protections.
	The Herald Sun (Durham, NC) 1/30/98	Liberals like Rep. Waxman want more concessions from the tobacco industry before Congress grants it what he called “virtual immunity from liability.”
	The News and Observer (Raleigh, NC) 1/30/98	“We face an enormous challenge. Can we put the public interest ahead of the special interests of the tobacco industry? Our goal and our only goal should be to pass legislation that protects our children. We don’t need the tobacco industry’s blessing to do this. We don’t even need their agreement. All we need is the political will to do what’s right.”
	AP Newsfeed 1/31/98	Waxman has urged Congress to scrap the immunity provision and urged legislators to focus on laws protecting children.
	The News and Observer (Raleigh, NC) 2/12/98	“Unlike the tobacco settlement announced last year, [Sen Conrad’s] legislation isn’t a sweetheart deal for the tobacco industry.”
Sen. Wellstone	Star Tribune (Minneapolis, MN) 2/6/98	Wellstone urged fellow senators to avoid giving cigarette makers immunity from civil suits in any tobacco legislation they pass this year. “We can and must pass legislation to crack down on this industry. To do so, we don’t need their permission, and we certainly don’t need to grant them any concessions.”

#### MINORITIES

Rep. Bliley	The News and Observer (Raleigh, NC) 1/30/98	“The documents suggest that tobacco companies targeted children. These documents suggest racial stereotypes were used in part of your marketing plans. These documents suggest possible manipulation of scientific research by industry attorneys. If these things are true, you should know that this kind of behavior is unacceptable and will not be allowed.”
Rep. Fazio	Healthy Kids Act Press Conference 2/11/98	“This bill also hits big tobacco where it hurts, by taking on their shameful strategy of targeting minority communities. African-Americans, Hispanic-Americans, and Native Americans need redress and we intend to provide it in this legislation.”

**PRICE PER PACK**

<p>Speaker Gingrich</p>	<p>The New York Times 2/12/98</p> <p>The New York Times 2/16/98</p>	<p>Any money raised from a higher tobacco tax should be used for a tax cut elsewhere.</p> <p>Gingrich said that reducing teen-age smoking was important, that any tax increase on tobacco products should be offset by a tax cut elsewhere and that it was important not to make cigarettes so expensive that a black market developed.</p>
<p>Sen. Hatch</p>	<p>Senate Commerce, Science and Transportation Hearing 2/26/98</p>	<p>“We have thrown away a giant opportunity to do a lot of public health good if we dilute the impact of these [cigarette tax] funds by using the revenues for non-tobacco related purposes.”</p>
<p>Rep. Kasich</p>	<p>Extel Examiner 2/3/98</p>	<p>“I don’t think the American people want any more taxes, any more fees ... and if there is a settlement, why should (we) give the money from one family to another” instead of cutting taxes.</p>
<p>Sen. Kennedy</p>	<p>AFX News 2/3/98</p>	<p>“We can pass a tobacco tax. It’s the best way to reduce” teenage smoking.</p>
<p>Sen. Lautenberg</p>	<p>AFX News 2/3/98</p>	<p>Any new tax money could be used to pay for President Clinton’s initiatives.</p>
<p>Sen. Lott</p>	<p>AFX News 2/9/98</p>	<p>“I do not like the idea of a tobacco tax. I have no problem with the price (of tobacco) going up, or the companies taking it from profits or however that would work. (But) a tax is a tax is a tax where I came [sic] from and I never met one I liked.”</p>
<p>Sen. McCain</p>	<p>Evans and Novak 2/21/98</p>	<p>“I believe that the American people want us to address the issue of children smoking and the fact that 3,000 young children everyday start smoking. And if the \$1.50 a pack tax on cigarettes will help in that effort, I think the American people will support it. And I believe that they expect us to enact a lot of other measures in order to address this issue.”</p> <p>Novak: Some House-Republican leaders would like to use the revenue from the \$1.50 tax on cigarettes to fund a tax cut for general taxpayers. What’s your preference on that?</p> <p>McCain: “My first priority would obviously be campaigns to stop children from smoking. Second of all, I think the states do deserve some reimbursement for their Medicaid expenses, and I then think that perhaps a tax cut would be more appropriate. But I think there’s going to be a big fight about that. But the most important thing is to have us coalesce and work together to at least address the issue of kids smoking.”</p>

Sen. Nickles	AFX News 2/3/98	"I don't know how a tobacco tax could pass."
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**PUBLIC HEALTH SPENDING**

Sen. Collins	Press Release 2/12/98	One of the guiding principles of the PAST Act is that any settlement dollars be committed exclusively to anti-tobacco efforts, including public health programs and research.
Sen. Lott	AFX News 2/9/98	Lott said he believed the odds are against Congress passing the comprehensive tobacco settlement, but a smaller teenage antismoking bill is likely to pass. Lott said a teenage bill would include an education program promoting antismoking habits to teenagers, but he would not specify how such legislation would be paid for. He said a tobacco tax would not be acceptable."
Sen. Robb	The Richmond Times Dispatch 2/16/98	A Robb spokesperson said that Sen. Robb signed up with the Congressional Prevention Coalition because he has supported "forward-thinking, prevention-based health policy solutions, and this coalition can help advance such solutions."

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Tobacco - re- legislative  
outreach

THE WHITE HOUSE  
WASHINGTON

March 5, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed  
SUBJECT: Meeting with Senator Domenici

As you know, we are continuing to lay the groundwork for a possible bipartisan summit to negotiate comprehensive tobacco legislation. We are (1) attacking Republican plans to enact piecemeal legislation; (2) praising comprehensive bills, such as Senator Conrad's, which meet the President's principles; and (3) holding one-on-one meetings with key House and Senate Members.

Talking Points

Senator Domenici has proposed that any tobacco funds should "go towards keeping the Medicare system solvent, not new Washington spending." He gave a GOP radio address on February 7th on this topic saying "We should save Medicare first." This is obviously in conflict with our budget, which provides unrestricted funds to states as well as nearly \$15 billion in child care and education block grants.

We want to work with Senator Domenici to ensure that the budget resolution he crafts does not limit all tobacco spending to Medicare. To that end, we could say:

- The President believes it is critical that we enact comprehensive, bipartisan legislation to dramatically reduce teen smoking this year.
- Obviously, there are many members of Congress who have different ideas about how tobacco funds should be spent. We think it is critical that we leave our options open while the remainder of the tobacco bill is being debated.
- Thus, we urge you to propose a budget resolution that does not limit tobacco spending to certain categories, but has enough flexibility to allow that these decisions be made as part of a larger legislative package. Restricting our spending options may make it more difficult for us to garner enough votes to enact comprehensive tobacco legislation.

## Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
2. **Full authority for the FDA to regulate tobacco products**, including authority over the manufacture, sale, and advertising of tobacco products.
3. **The tobacco industry must change the way it does business**, including stopping advertising to children.
4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE

WASHINGTON

March 4, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator Mack

As you know, we are continuing to lay the groundwork for a possible bipartisan summit to negotiate comprehensive tobacco legislation. We are (1) attacking Republican plans to enact piecemeal legislation; (2) praising comprehensive bills, such as Senator Conrad's, which meet the President's principles; and (3) holding one-on-one meetings with key House and Senate Members.

Talking Points

Senator Mack's support will be important to enacting bipartisan tobacco legislation. He has a long history of supporting anti-cancer efforts and is particularly interested in funding research efforts. (As you may know, many members of his family have had cancer.) He has made statements indicating his interest in the legislation; we should use this meeting to find out more about his views.

In general, you can say:

- The President has made clear he wants a bipartisan solution to this problem. He said so on September 17 when he announced his plan. Since then, he has met with leaders of both parties, and senior Administration officials have met -- and will continue to meet -- with both Democratic and Republican Members to help draft legislation.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction.
- We believe your help can be invaluable in making progress on comprehensive legislation that includes a substantial per-pack price increase, tough youth penalties to stop tobacco companies from selling cigarettes to minors, full FDA jurisdiction, and strong provisions on youth access and advertising

## Background

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1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
2. **Full authority for the FDA to regulate tobacco products**, including authority over the manufacture, sale, and advertising of tobacco products.
3. **The tobacco industry must change the way it does business**, including stopping advertising to children.
4. **There needs to be progress towards other public health goals** including cutting second-hand smoke and increasing funding for health research and cessation programs.
5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.

THE WHITE HOUSE  
WASHINGTON

March 4, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Congressman Waxman

As you know, we are continuing to lay the groundwork for a possible bipartisan summit to negotiate comprehensive tobacco legislation. We are (1) attacking Republican plans to enact piecemeal legislation; (2) praising comprehensive bills, such as Senator Conrad's, which meet the President's principles; and (3) holding one-on-one meetings with key House and Senate Members.

Talking Points

Congressman Waxman, as you know, is one of Congress's toughest tobacco critics. He thinks that we should be taking a harder line, and he fears that we will be too quick to rush to a deal. He thinks that we can get a bill that does not give the industry any liability limits.

In response, you can say:

- We are launching a high-profile effort with House and Senate Democrats to turn up the volume on this issue and turn up the heat on the Republicans.
- We will hold out for a high standard, and that we will not do anything that undermines our public health goal of dramatically reducing teen smoking.
- We would prefer not to have liability limits either, but we have said they are not a dealbreaker because we think the most important thing is to get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.
- The President has said he wants a bipartisan solution to this problem. He has met with leaders of both parties, and senior Administration officials have met -- and will continue to meet -- with both Democratic and Republican Members to help draft legislation.

- The believe it is important to get comprehensive legislation this year. As you know better than anyone, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction.

### Background

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1. **Tough penalties and price increases** to reduce youth smoking. Price increases of up to \$1.50 if necessary over the next ten years.
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THE WHITE HOUSE

WASHINGTON

March 5, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed

SUBJECT: Meeting with Senator McCain

As you know, we are continuing to lay the groundwork for a possible bipartisan summit to negotiate comprehensive tobacco legislation. We are (1) attacking Republican plans to enact piecemeal legislation; (2) praising comprehensive bills, such as Senator Conrad's, which meet the President's principles; and (3) holding one-on-one meetings with key House and Senate Members.

Talking Points

Senator McCain is planning to start marking up a bill next week, and he would like to report a bill out of the Commerce Committee by March 18th. He is currently working off of draft legislation that codifies the Attorneys' General settlement. His staff tells us they would like to produce a bill that we would support, and we are providing him with advice and technical assistance. (As you know, we responded last week to 74 written questions they sent us, and we have had two productive meetings with his staff this week.)

We should start by reiterating the President's commitment to working on a bipartisan basis on these issues. We must then emphasize what we need to see in a bill -- particularly, a substantial price increase and full FDA jurisdiction.

In general, you can say:

- The President has made clear he wants a bipartisan solution to this problem. He said so on September 17 when he announced his plan. Since then, he has met with leaders of both parties, and senior Administration officials have met -- and will continue to meet -- with both Democratic and Republican Members to help draft legislation.
- We believe it is important to get comprehensive legislation this year. As you know, every day 3,000 kids start smoking and 1,000 of them will die prematurely from this addiction. We believe your help can be invaluable in making progress on comprehensive legislation.
- In order for us to support a bill, it must have a substantial price increase of about

\$1.50 per pack, full FDA jurisdiction, and tough youth smoking penalties.

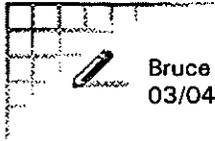
Senator McCain will likely ask our views about liability limits. Our understanding is that he is not eager to be the first to propose limits, and that he may be seeking ways to avoid addressing these issues in the Commerce Committee. To these questions, we can say:

- We have stated many times our position on liability limits. We would prefer a bill without liability limits, but if we get a bill that meets the President's principles, then reasonable liability limits are not a dealbreaker. The most important thing is to get a comprehensive bill that raises the costs of cigarettes substantially, imposes tough penalties on companies that sell to kids, and reaffirms the FDA's authority to regulate tobacco products.

### Background

On September 17th, President Clinton announced the five key principles that must be included in any comprehensive tobacco legislation. They are:

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5. **There should be protection for tobacco farmers and their communities** so they do not suffer economically because of this legislation.



Bruce N. Reed  
03/04/98 06:54:10 PM

Record Type: Record

To: Donald H. Gips/OVP @ OVP, Lawrence J. Stein/WHO/EOP  
cc: Cathy R. Mays/OPD/EOP, Virginia N. Rustique/WHO/EOP, Cynthia A. Rice/OPD/EOP, Elena Kagan/OPD/EOP  
Subject: Re: Hollings

I called Ivan and set up a mtg for tomorrow afternoon. I told him we didn't want to get out front of them, and said that Don had passed along their concerns last night. It was a very good conversation. He was very impressed at how quickly Gips gets things done.

The mtg is tentatively at 4:30 in 558 Dirksen. I'll invite Rich Tarplin. Either of you are welcome if you want to come (or let me know if the time doesn't work and you want to be there).

tobacco - settlement -  
legislation introduced

March 3, 1998

**MEMORANDUM FOR CAROLE PARMELEE AND JASON GOLDBERG**

**FROM: VIRGINIA RUSTIQUE** *WR*

**SUBJECT: PROPOSED TOBACCO MEMBER BRIEFINGS**

Larry and Bruce met with Erskine yesterday regarding tobacco and discussed scheduling Erskine to meet with key Members and the House and Senate Tobacco Task Forces.

The following is a list of proposed meetings (in order of importance):

- Sen. McCain
- Rep. Bliley
- Sen. Chafee
- Sen. Hatch
- Sen. Conrad and Senate Tobacco Task Force
- Rep. Fazio and House Tobacco Task Force
- Sen. Domenici
- Sen. Mack

I will schedule the meetings in blocks, beginning Thursday, 3/5 (after EBB and Larry meet with Newt).

cc: Cathy Mays  
Laura Emmett

Tobacco - settlement -  
legislative outreach

EK

THE WHITE HOUSE  
WASHINGTON

February 18, 1998

MEMORANDUM FOR THE CHIEF OF STAFF

FROM: Bruce Reed  
Larry Stein

SUBJECT: Congressional Outreach on Tobacco

As we have discussed, our tobacco strategy over the next month is two-fold -- first, an aggressive public campaign to demand a comprehensive bill; and second, a high-level effort behind the scenes to reach out to key Republican and Democratic members and Congressional leadership. Now that the public campaign has begun in earnest with the Conrad bill and the President's speech, we need to set up a series of meetings and/or phone calls for you to begin next week. The purpose of these contacts will be to send a clear signal that the Administration is serious about enacting bipartisan tobacco legislation.

**A. Senate**

1. **Conrad Task Force:** We can take care of all the Senate Democrats at once. As you know, some on the left (esp. Lautenberg) want us to rule out liability limits, while others on the right (Ford, Robb, Hollings, Cleland) think we're being too partisan and tough on tobacco. But most Senate Democrats want a deal in the end, and like where we are.

2. **Nickles** needs a phone call, not a meeting.

3. **McCain** is working on a bipartisan bill with Breaux, Hollings, and Gorton. He sent us a list of 74 detailed questions, which we're answering.

4. **Hatch** is very eager to pass a bill. We've met with him once and are providing technical assistance.

5. **Chafee** is working on a strong bipartisan bill with Harkin, Graham, and Lugar that would include \$1.50 and some limits on liability. (They have not reached agreement on how to spend the money.) We're providing extensive technical assistance. They would like to introduce a bill in the next two weeks.

6. **Domenici** could be a real ally both in securing money from tobacco and in making sure it doesn't all get spent for tax cuts. He is a former smoker and is close to Dr. Koop.

7. **Mack** is a strong opponent of the tobacco industry, and could be influential in turning around his colleagues in the leadership.

Other influential Senate Republicans include Lugar, Frist (on FDA), and Specter (who chairs the Labor/HHS appropriations subcommittee).

## **B. House**

1. **Fazio Task Force**: As in the Senate, some House Democrats think we're too soft, while tobacco-state members think we're too tough. Fazio will introduce a bill similar to Conrad's in the next two weeks.

2. **Gingrich** needs a heads-up phone call. He has been the most outspoken about using tobacco for tax cuts.

3. **Bliley** is still holding hearings and trying to decide what to do. He very much wants to meet with you.

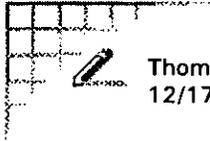
4. **Pryce** is head of Gingrich's new tobacco task force; we don't know what direction she wants to take it.

5. **Dingell** and **Waxman** will be the key Democrats if anything gets going. We could invite them down here together for a meeting if there is time.

We will work with Jason to schedule as many of these over the next two weeks as your time permits. The two of us can accompany you on the Republican visits, which need to be as discreet as possible so we don't paint a target on their backs. Secretary Shalala should join us for the Democratic meetings. Obviously, we'll continue to make sure Ron Klain is involved in this legislative strategy every step of the way.

We should also keep the goal in clear view. After we've nudged all concerned parties toward productive momentum, we need to be prepared for the President to announce a time period during which he is willing to wait for a bipartisan work product -- and a clear deadline at which time he will force action with a summit.

Tobacco - out - leg outreach



Thomas L. Freedman  
12/17/97 11:34:50 AM

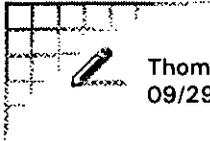
Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP  
cc: Jerold R. Mande/OSTP/EOP, Mary L. Smith/OPD/EOP  
Subject: Nickles Tobacco meeting

We had a good meeting with Nickles tobacco staff guy, Eric Ueland. Things of note: they would like to do a bill early, they would be looking to the House for the base bill first, could do Senate bill on the ISTEAs (base bill) or reconciliation model, there is some pretty mixed feelings on giving industry immunity, and they may request more company documents.

Also, he said a couple of times that the members were looking to the SOTU to see how President sets a non-partisan tone. They have a planning meeting 1/30 with members. He said there was interest in sending (before the SOTU) the President a formal letter requesting an executive branch bill. He suggested that it would help set a common course if the President felt like calling Nickles. ~~He said that right after mentioning that he knew the President had talked to Lott. As Rich said~~ later, if we are going to do that, Hilley might talk to Lott's guy so there is no misunderstanding.  
Regards, Tom

tobacco - settlement -  
legislative outreach



Thomas L. Freedman  
09/29/97 08:15:04 PM

Record Type: Record

To: Elena Kagan/OPD/EOP  
cc: Laura Emmett/WHO/EOP  
Subject: Draft List of Members for the Tobacco Meeting

This is the current list of members for the tobacco meeting. I've talked to Tate about it, I think we should meet and talk about the script for this.

----- Forwarded by Thomas L. Freedman/OPD/EOP on 09/29/97 08:10 PM -----

**DANIEL C. TATE**

09/29/97 07:49:17 PM

Record Type: Record

To: Thomas L. Freedman/OPD/EOP  
cc:  
Subject: Draft List of Members for the Tobacco Meeting

add to this list Lautenberg , Waxman, Inouye, and Campbell

----- Forwarded by Daniel C. Tate/WHO/EOP on 09/29/97 07:32 PM -----

▶ Elisa Millsap  
09/27/97 11:54:18 AM  
.....

Record Type: Record

To: See the distribution list at the bottom of this message  
cc:  
Subject: Draft List of Members for the Tobacco Meeting

EVENT: Tobacco Meeting  
DATE: Wednesday, October 1, 1997  
TIME: 10:45-11:45 (T)  
LOCATION: Yellow Oval

MEMBERS TO BE INVITED(27):

Leadership  
Senator Tom Daschle (plus one Member)

Senator Trent Lott (plus one Member)  
Representative Newt Gingrich (plus one Member)  
Representative Dick Gephardt (plus one Member)  
Representative Dick Armey

Committees of Jurisdiction

Senator Richard Lugar  
Senator Tom Harkin  
Senator John McCain  
Senator Fritz Hollings  
Senator Orrin Hatch  
Senator Patrick Leahy  
Senator William Roth  
Senator Daniel Patrick Moynihan  
Senator Jim Jeffords  
Senator Edward Kennedy

Rep. Robert Smith  
Rep. Charlie Stenholm  
Rep. Tom Bliley  
Rep. John Dingell  
Rep. Henry Hyde  
Rep. John Conyers  
Rep. Bill Archer  
Rep. Charlie Rangel

Message Sent To:

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John L. Hilley/WHO/EOP  
Susan A. Brophy/WHO/EOP  
Virginia N. Rustique/WHO/EOP  
Raymond E. Donnelly III/WHO/EOP  
Janet Murguia/WHO/EOP  
Jessica L. Gibson/WHO/EOP  
Daniel C. Tate/WHO/EOP  
Paul R. Carey/WHO/EOP