

To: 5800 - Houston Region (MYERSL), 5600 - Seattle Region (UNDERDK), 5400 - S. California Region, 5100 - N. California Region, (FLOTTMD)
From: S=Ellegate; G=John; I=J.; O=mmail; P=rjrt; A=rjrx400; C=us
Posted: 6/9/98 14:53
Opened: 6/9/98 13:41
Subject: FW: TobaccoLines

WSA RSM's:

Attached FYI.

Best regards,
Barbara Berry

-----Original Message-----

From: Bratich, Ashley
Sent: Thursday, June 04, 1998 2:04 PM
To: B&W - DC - Sissy Pressnell; C&B - Remes, David; C&B - King, Erika; C&B - Williams, Jarrett; C&B - Socarras, Mike; WKA - Lundgren, Eric; NACS - Beckwith, Lyle; WKA - Maher, Karl; WKA - Tilley, Matthew; WKA - Nelson, Byron; WKA - Osmon, Greg; WKA - Jackson, Paul; WKA - Powell, Lisa; Buckley, Pat; Duran, Jim W.; Fackler, Bob; Fox, William; Gallagher, Elizabeth; Gallant, Kark; Gomez, H. Bert; Graves, Greg; Hennes, Bruce; Hoy, John; Rixter, Denise S.; Roberts, Yvonne; Vigneault, J.J.; Walton, Ken; Loeser, Gary; Padalino, Janet; Stone, Robert J.; Baker, Karen M.; Brinkley, Carolyn G.; Cole, Ron W.; Ellegate, John J.; Ellis, Jim W.; Ellis, Maura; Eubanks, Linda D.; Fish, John H.; Fitzgerald, Don P.; Foreman, Donald D.; Goodyear, Doug; Hutchens, Lynn F.; Jackson, Priscilla M.; Jones, Murray W.; Lester, Frank G.; Lowstetter, Jean S.; Meyne, Rob; Odom, J. Tom; Powers, David M.; Qualkinbush, Steve R.; Singleton, John W.; Skinner, Frank; Stokes, Henry S.; Suggs, Michael L.; Tompson, Randy; Tucker, Wayne; Walker, Nat; Williams, Richard L.; Yoe, Cathey; ACCT_USERS
Subject: TobaccoLines

TOBACCOLINES

Public Affairs Division - The Tobacco Institute - 1875 I Street, NW -
Washington, DC 20006

June 4, 1998

HEADLINES

. The hearing for New York Attorney General Vacco+s petition to dissolve The Tobacco Institute and Center for Tobacco Research, scheduled for 6/8, has been postponed until 7/8.

. The Baltimore, MD City Council introduced a proposal to tax individual cigars at 36 cents each, a package of six or fewer cigars at 90 cents and pipe tobacco at 72 cents...a levy of 54 cents on chewing tobacco also would be established...further consideration in two weeks.

. The Counsel for the Fairfax County, VA Board of Supervisors determined that the county does not have the legal authority to require employees to be non-smokers. Earlier this month, Supervisor Gerald W. Hyland had proposed a no-smoking policy to explore whether the county could hire only non-smokers, force new employees to stop smoking or give preference to non-smokers in the hiring process.

-SETTLEMENT- LEGISLATION/ISSUES

. The \$216 billion transportation reauthorization bill (HR2400) passed by the

U.S. Congress on 5/22 includes a Sense of the Congress amendment encouraging the Attorney General or the Secretary of Veterans Affairs to -take all steps necessary to recover from tobacco companies amounts corresponding to the costs which would be incurred by the Department of Veterans Affairs for treatment of tobacco-related illnesses of veterans.- The package also includes \$15.4 billion in offsets for new road construction by denying disability payments for veterans+ -smoking-related- illnesses.

. The U.S. Senate resumed debate 6/1 on S1415, the -National Tobacco Policy and Youth Smoking Reduction Act.- The Senate is expected to consider amendments to abolish the marriage tax penalty, strengthen the bill+s -look back- provisions, and eliminate the tax deductibility of tobacco advertising. Senator Gramm (R-TX) announced that he and Senators Domenici (R-NM) and Coverdell (R-GA) will offer a substitute to S1415 providing for a -tough anti-smoking, anti-drug program.-

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-SETTLEMENT- LEGISLATION/ISSUES (cont+d)

. On 6/2, Senator McCain (R-AZ) offered an amendment to provide \$3 billion to the Veterans Administration for health care for veterans with -tobacco-related- illnesses since that benefit was eliminated to offset funding for HR2400, the transportation reauthorization legislation. Senator McCain also said he intends to file a cloture motion to limit debate on the tobacco bill by early next week. In addition, Senator Wellstone (D-MN) said he planned to offer an amendment to make the bill+s advertising and marketing restrictions apply internationally.

. Also on 6/2, U.S. Senate Majority Leader Lott+s (R-MS) motion to proceed to the -Nuclear Waste Policy Act- failed by a 56-39 vote (60 votes were needed), thereby allowing the Senate to continue debate on S1415. Earlier in the day, U.S. Senate Minority Leader Daschle (D-SD) announced that he was leading an effort to defeat Senator Lott+s (R-MS) motion to proceed on nuclear waste legislation in order to allow the Senate to complete its consideration of S1415 by next week.

. The U.S. House returned 6/3 from its Memorial Day recess.

. In the States. California A734 was re-referred to the Health and Human Services Cmte...would declare the intent of the legislature to implement any tobacco settlement reached by Congress and the President and establish the -Tobacco Settlement Fund- in the State Treasury. A2483 passed the Assembly 43-27 and was sent to the Senate for consideration...would require damages recovered by the state from tobacco manufacturers through legislative or judicial action be used to provide health care for families in the state. A1899 passed the Assembly 46-27 and was sent to the Senate for consideration...would provide that the first \$10 million from the National Tobacco Settlement Trust Fund shall, upon appropriation by the legislature through the annual Budget Act, be allocated for specified heart disease purposes.

. Florida Governor Chiles signed into law S1660 appropriating to the Department of Children and Family Services \$10 million from the state tobacco settlement.

TAXES

. Louisiana H237 was amended on the House floor and defeated by a 57-36 vote...as introduced, would have levied a 39.7 percent tax on smokeless tobacco.

. The Ohio House concurred in Senate amendments to H770, the budget bill...the legislation includes language that would prohibit municipal corporations from levying any tax that is -the same or similar to- many of the taxes currently levied by the state and counties, including sales and use taxes, tax on cigarettes and other tobacco products, and tax on alcoholic

beverages.

- . Two Montana Bill Requests to increase the cigarette tax have been filed for the 1999 Legislative Session... BR24 would use revenues to help fund child health insurance...BR25 would deposit revenues in the State General Fund.

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SMOKING/USE RESTRICTIONS

. California A506 is scheduled for consideration 6/23 in the Senate Public Safety Subcmte on Prison Construction and Operation...would prohibit prisoners from smoking. The Santa Cruz City Council adopted by a vote of 6-0 an amendment to the Municipal Code prohibiting smoking in outdoor service or entertainment lines, all bus stops and taxi stands, and in areas where smoke may drift into enclosed non-smoking locations.

. New Jersey A554 reported favorably from the Assembly Health Cmte...would prohibit the use of smokeless tobacco in public schools.

. Ohio H783 would require rules enacted by a board of health related to smoking be adopted by the legislative authority of a municipal corporation or township before becoming effective in that municipality.

. Massachusetts. The Franklin Board of Health was scheduled to consider 6/3 a proposed ordinance banning smoking in restaurants. The Hingham Board of Health is scheduled to consider 6/9 a comprehensive tobacco control ordinance banning smoking in restaurants and increasing penalties on retailers selling tobacco products to minors.

. The Niagara County, NY Board of Health is scheduled to consider 6/25 a proposed ordinance that bans smoking in all public places, including bars and restaurants.

SAMPLING/ADVERTISING/SALES RESTRICTIONS

. Michigan S341 reported favorably from the House Transportation Cmte as a substitute with amendments by a vote of 15-1...would prohibit tobacco ads on billboards.

. New York S5688 reported favorably from the Senate Investigation Cmte and was referred to the Rules Cmte...would increase the presumptive minimum sales price for cigarettes. S6572 was amended in the Senate Health Cmte...would increase the penalties for illegal sales of tobacco products to minors and require the Department of Health to publish the name and address of the retailer selling tobacco products to minors.

. Ohio H784 would extend the business logo sign program operated by the Department of Transportation to include highways located in urban as well as rural areas.

. The King County, WA Board of Health is scheduled to consider 7/17 a proposed regulation prohibiting the location of publicly visible outdoor advertising of tobacco products within 1,000 ft. of schools, public playgrounds or playgrounds in a public park, and requiring that all publicly visible advertising of tobacco products be in black text on white background format...public meetings will be held 6/8 and 6/18.

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SAMPLING/ADVERTISING/SALES RESTRICTIONS (cont+d)

. The San Francisco, CA Board of Supervisors adopted a resolution extending Interim Zoning Controls for an additional six month period to temporarily prohibit the establishment of new enterprises that sell tobacco paraphernalia. The Millbrae City Council passed first reading of a proposed ordinance requiring tobacco retailers to possess licenses...second reading

scheduled for 6/9.

. The Washington County, MN Board temporarily approved a proposed ordinance banning vending machines and single-pack self-service sales, and requiring clerks selling tobacco to be 18 years of age or older...final consideration was scheduled for 6/2.

. Correction: The Denver, CO ordinance adopted 5/27 requires all tobacco sales to be employee-assisted... the ordinance does not ban tobacco displays anywhere other than behind the counter or in locked cabinets. The ordinance also bans tobacco billboards and posters within 1,000 feet of schools, parks, and recreation centers, and the distribution of free samples.

SIDEBARS

. California S1433 passed the Senate by a vote of 21-10 and was sent to the Assembly for consideration... would prohibit the Public Employee Retirement Fund and the State Teacher Retirement Fund from being used after 1/1/99 for new investment or renewal of existing investments in tobacco companies and require phased divestment beginning 1/1/2000. S2134 passed the Senate 37-0 and was sent to the Assembly for consideration...would prohibit any stamp or meter impression from being affixed to packages of cigarettes unless those packages comply with federal requirements for labels and warnings. A2777 passed the Assembly 41-26 and was sent to the Senate for consideration...would state the intent of the legislature to make statutory changes relative to programs funded by the Cigarette and Tobacco Products Surtax Fund. A1821 was heard in the Senate Appropriations Cmte with no action taken...would require the Department of Education to include students in grades seven and eight in existing tobacco use prevention programs. A2075 passed the Assembly on reconsideration 65-6 and was sent to the Senate...would require the State Board of Equalization to provide similar refunds to distributors of tobacco products as given to distributors of cigarettes for tax paid on those products that have become unfit for use, unsaleable, or have been destroyed. A2484 passed the Assembly and was sent to the Senate for consideration...would provide that any business failing to pay an amount due pursuant to a contract with another business may be liable for the amount due plus an additional 50 percent.

IN+S & OUT+S

. The Oklahoma legislature adjourned 5/29. Delaware resumed legislative session 6/3.
