

**THE NATIONAL TOBACCO COUNCIL**

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**GEORGE M. MARKS  
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**MEMORANDUM**

April 3, 1997

**TO:** Directors of the National Tobacco Council and Colleagues

**FROM:** Walter Woodson for George Marks 

Here is this week's federal update.

- The attached report on the Liggett situation may be of interest to you.
- The Food and Drug Administration (FDA) has indicated that its planned 10-state "sting-type" enforcement pilot program for the tobacco regulations may be delayed due to insufficient funding. FDA's budget for Fiscal Year (FY) 1997 for the tobacco regulations is \$4.6 million. FDA is requesting \$34 million for FY 1998.
- Federal Trade Commission (FTC) staff is urging the agency to lodge an unfair advertising complaint against R. J. Reynolds Tobacco Company (RJR) alleging that the Joe Camel advertising campaign is "designed to lure children into smoking." The FTC reopened its investigation last summer after 67 Members of Congress petitioned the agency to review "new evidence" since the 1994 vote. The Commissioners are expected to vote on the staff recommendation in May.
- Rep. McDermott (D-WA) introduced H.R. 1200, the "American Health Security Act," a single-payer health care plan to be partially funded by a 21-cent per pack increase in the federal cigarette excise tax.
- The Department of Agriculture's Farm Service Agency issued a proposed rule in the Federal Register to improve the administration of the tobacco marketing quota and price support program. Written comments on the proposal are due by May 20, 1997.

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