

## **News from U.S. Rep. John Spratt (D-SC)**

Assistant to the Democratic Leader

Ranking Member, Committee on the Budget

US House of Representatives – Washington, DC

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### **Spratt Letter on Tobacco Buyout**

*WASHINGTON – U.S. Rep. John Spratt (D-SC) sent the following letter in support of a tobacco buyout to House Ways and Means Committee Chairman Bill Thomas. A House-Senate conference on the buyout is expected to meet soon.*

September 28, 2004

The Honorable William M. Thomas  
Chairman  
House Committee on Ways and Means  
U.S. House of Representatives  
1102 Longworth House Office Building  
Washington, DC 20515-0001

Dear Chairman Thomas:

You will soon be meeting with your counterparts in the Senate to resolve the differences between the versions of H.R. 4520 as passed by the U.S. House of Representatives and U.S. Senate. I am writing to restate the critical importance that a buyout of the federal tobacco quota program be included as part of the final corporate tax bill.

Your willingness to include buyout language in H.R. 4520 was an important first step toward reforming a farm program that desperately needs fixing if America's tobacco growers are to survive. The Senate took the next step by amending H.R. 4520 to include its own version of a tobacco buyout. Under either version, farmers expect to receive approximately \$13 billion either all from the buyout or from a combination of buyout and Phase II Tobacco Grower Settlement payments.

In addition to buyout language, the U.S. Senate also included provisions granting the U.S. Food and Drug Administration the authority to regulate tobacco products. This marriage of FDA and the buyout was absolutely necessary for the Senate to include the buyout in the corporate tax bill. As a consequence of this marriage, the Senate passed the FDA/buyout amendment by a bipartisan vote of 78-15.

From the vote in the U.S. Senate, it has become clear that the success of a tobacco buyout is directly tied to the inclusion of FDA regulation, and doubts have been raised as to whether H.R. 4520 can pass the Senate with a buyout but no FDA regulation. You should know that tobacco growers, quota holders and I are ready to accept regulation of tobacco products in order to ensure the final successful passage of a tobacco buyout.

Similarly, in the Senate version of H.R. 4520, the buyout is paid for by a user fee on tobacco manufacturers, minimizing its budget impact. Given the \$422 billion budget deficit we face, I am sure you share my desire to be fiscally prudent in any tobacco policy we pursue. While I supported the House bill without this user fee, I believe including a user fee would increase support for a buyout, and would make sound budget and policy sense.

I stand ready to work with you to ensure America's tobacco farmers have an honest chance at survival through a tobacco buyout. Thank you for your efforts in this regard.

Sincerely,

John M. Spratt, Jr.  
Member of Congress