

The key element to changing the tobacco legislation is providing for a very strong, very tough, and a very appropriate look-back provision which essentially would extract additional payments from the tobacco industry if they fail to meet the goals in reducing teenage smoking. This is at the heart and soul of the whole tobacco debate—preventing children from getting easy access to tobacco products, preventing them from engaging in an addiction which will lead to their premature death in too many cases.

When the tobacco industry announced their initial agreement a year ago with the attorneys general, they indicated a sincere desire, we hoped, to change the culture of tobacco, to change the culture of the way they deal with this product. Unfortunately, for many, many years, perhaps the whole history of the tobacco industry, they have been targeting young people as a means to boost their sales, as a means to enlist and, indeed, addict a whole generation of young people to be their customers. This approach, this marketing approach over many, many, many years, has led to the premature deaths of thousands of Americans. We have the opportunity now to stop that, if we do, in fact, legislate strong protections like a good, solid look-back provision.

The tobacco industry has, as I indicated, spent billions of dollars trying to ensure that children become addicted to tobacco. In many respects, sadly, the tobacco industry has become addicted to children. They just can't seem to thrive economically without them. We want to change that addiction. We want to change the addiction that affects children, and we would like to change the addiction that has affected the industry. We would like them, if they are to market their product, to do so to adults.

At the core of ensuring this happens is the requirement of having stiff assessments against the industry if they fail to meet the goals we have set out. That is at the core of the amendment proposed by Senator DURBIN and Senator DEWINE. I commend them for this amendment. It would strengthen significantly the protections and strengthen significantly the look-back assessments that the industry would pay if they fail to meet the goals of reducing teenage smoking.

We have seen, over the course of many, many years, the deliberate attempt on the part of the industry to attract young people, to attract teenagers, to get them smoking early, so that by the time they thought about it, they were already addicted to tobacco products.

The most revealing source of information about the industry's tactics has been the industry itself. In various litigation proceedings around the country, documents have been discovered and released publicly that indicate the systematic and very deliberate attempts by the industry to addict children.

Documents obtained through the Mangini litigation further document these efforts. A presentation from a C.A. Tucker, vice president of marketing for RJR Industries, concluded, "This young adult market, the 14 to 24 age group, represents tomorrow's business." Only, I think, would the industry think of "young adults" as 14-year-old children. And it is quite clear and quite obvious they were targeting these young children. They have done it in so many different ways.

They have also indicated in documents released by the Mangini litigation that they conducted extensive surveys of smoking habits of teenagers. They were trying to find out essentially what makes teenagers tick and how they can use those psychological forces to addict children to cigarette smoking. This hasn't changed and won't change this until we have a good, strong look-back provision.

The improvements which Senator DURBIN and Senator DEWINE are suggesting are just the right approach to make this look-back assessment a positive and forceful one. For example, they will move away from the industry-wide assessment contained in the underlining McCain bill and have more company-specific assessment. This makes sense, because if a company thinks that they can act inappropriately, they can take chances, play loose with the rules, market to kids, and their competitors will help bail them out because the penalty is assessed across all the companies—the good and the bad equally—there will be no real incentive to change the behavior of individual companies, to change the marketing approaches, to change the advertising approaches, to assume and to ensure that what we have is a situation where children are no longer subject to this type of advertising.

This company-specific approach is going to be, I think, the key. That is what is so critical about this amendment. If we don't have an industry-wide standard for the look-back assessment, we will never effectively change the behaviors of these companies. And, frankly, that is what we should be about. This legislation should not be about simply racking up huge payments from the industry. It should not be about how we spend those payments, necessarily. It should be quite a bit about changing behavior and the incentive of the industry so they stop trying to market tobacco products to children.

Another important aspect of this amendment that is critical is that this amendment would increase the target the industry must reach in 10 years from 60 percent to 67 percent. In essence, this amendment would require a 67-percent reduction in teenage smoking in 10 years. That is comparable to what the industry itself agreed to when they settled with the attorneys general. These two provisions—the company-specific approach, together with increasing the target reduction rate for

teen smoking—are absolutely essential to having comprehensive tobacco legislation that will work and actually produce results. They will save the lives of thousands and perhaps hundreds of thousands of young people today, who otherwise will continue to be the targets of tobacco advertising, will continue to be the targets of the industry and will, I fear, fall under the sway of this tobacco addiction prematurely, shortening their lives and impacting the public health of America.

I urge my colleagues to do all they can to ensure that this amendment passes, and that we move from this amendment to consider other amendments that will also control the access of information that kids have about tobacco. I will propose an amendment that will condition the receipt of tax deductibility of advertising expenditures in compliance with the FDA rules for advertising. These amendments, together, are steps that we can and should take immediately to ensure that we succeed in changing the culture of the tobacco industry, that we succeed in ensuring that we take historic steps so that children in America will no longer be the victims of an industry that has preyed on them for too long.

I urge my colleagues to join myself, Senator DURBIN, Senator DEWINE, and the other cosponsors, in passing this act.

I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CRAIG. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until 2:15 p.m.

Thereupon, the Senate, at 12:30 p.m. recessed until 2:15 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. THOMAS).

The PRESIDING OFFICER. The Senator from Arizona.

#### NATIONAL TOBACCO POLICY AND YOUTH SMOKING REDUCTION ACT

The Senate resumed consideration of the bill.

Mr. MCCAIN. Mr. President, as we resume debate on the issue of the tobacco bill, I want to discuss a very serious issue that arose concerning veterans and smoking and has to do with the highway bill, which some may think a little strange but probably has a lot to do with how we juggle numbers around here and the way we "pay" for things and not "pay" for things.