



EXECUTIVE SUMMARY

Carroll Johnson
President
ES00-24
June 16, 2000

SPECIAL THIS WEEK...

Tobacco Weekly 00-24
World Alert 00-24
Legislative Bulletin 00-24
U.S. Tobacco Barometer -
CCS 99-09

US-China Leaf Trade: At a trade conference in Lexington, Kentucky, Chinese Ambassador Li Zhaoxing announced on June 15th that the blue mold issue that blocked U.S. tobacco leaf exports to China has been resolved. Mr. Li said "China is now prepared to negotiate contracts to buy American, and particularly Kentucky, tobacco leaves." Tobacco had been excluded from earlier U.S.-China trade talks, due to the blue mold issue (Herald Leader 6/ 15).

Advertising & Sales Restrictions: A June 15th ruling by European Court of Justice (ECJ) Advocate General Niall Fennelly, agreeing with cigarette makers that the EU tobacco ad ban directive is a health measure and requires a different legal basis for it to remain law, could prevent the current EU directive calling for a total ban of tobacco product advertising and sponsorships from moving forward, if not reverse current restrictions. While the ECJ's final ruling will not come until this fall, the court traditionally follows the opinion of the Advocate General. In response to the decision, the UK-based Tobacco Manufacturers' Association said, "This decision by the Advocate General that the advertising ban could be illegal confirms that even this government must be subject to the law. We trust that the government and the European Commission will now postpone any attempts to impose further restrictions on the industry until after the European Court of Justice has made its final judgment." UK Public Health minister Yvette Cooper called the decision "disappointing," but said that the government was now "pursuing UK legislation to bring in an advertising ban" (Financial Times, Independent 6/ 16). | On June 13th, Mexico's Health Secretariat and the National Tobacco Council signed an agreement outlining new advertising regulations for tobacco products under which companies agreed not to target youth in print, TV and radio advertisements. | Effective July 1st, Western Washington University in Bellingham, Washington will ban the sale of tobacco products on its campus. Currently, smoking is banned by the university in all public buildings and at university programs (Seattle Times 6/ 15, WA00-24).

Product & Packaging Standards: The New York Legislature approved a fire-safety bill on June 14th requiring all cigarettes sold on or after July 1, 2003 in the State to meet the Office of Fire Prevention and Control's flammability standards e.g., to stop burning within a specified time period if not smoked provided no additional "toxicity" can be demonstrated. The Senate and the Assembly also passed a bill increasing penalties for cigarette bootlegging and restricting cigarette sales on the Internet, two conditions set by Governor Pataki who vetoed an earlier version of the bill. Both bootlegging and Internet sales have been increasing in New York since the cigarette tax rose to \$1.11 a pack, the nation's highest. | Fire-safe legislation in California, S. 2070, appears to have gotten the nod from the Senate Health and Human Services Committee without comparable New York-type amendments and with an earlier implementation date: six months from enactment. It's now in Senate appropriations. Reducing the diameter of the cigarette, the density of packing, the porosity of the paper and the amount of chemical burn supplements would be reportedly recommended. A certification process indemnifying manufacturers in liability suits would be put into effect (LEG Database). | The European Parliament approved June 14th measures effective January 1, 2003 requiring cigarette makers to print health warnings covering 35% of the front and 45% of the back of cigarette packs and further reducing maximum 'tar,' nicotine and carbon monoxide levels to 10 mg, 1 mg, and 10 mg respectively. Additionally, MEP's voted to prohibit the use of 'low tar,' 'mild' and 'light' as descriptions for cigarettes. They rejected, however, a proposal to print graphic photos on cigarette packs. UK's Union leaders believe the measures would place up to 3,000 jobs at risk because full flavor cigarette

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