



Senator Feinstein Supports JOBS Act with Amendment
Authorizing FDA Regulation of Tobacco
July 15, 2004

Washington, DC – U.S. Senator Dianne Feinstein (*D-Calif.*) today voted for the Jumpstart Our Business Strength (JOBS) Act, a bill to counter the effects of a World Trade Organization ruling that determined significant portions of the U.S. tax code run counter to international trade laws.

The legislation was passed by the Senate with an amendment introduced by Senators Mike DeWine (*R-Ohio*) and Ted Kennedy (*D-Mass.*) to empower the Food & Drug Administration to regulate tobacco products, cosponsored by Senator Feinstein.

“Tobacco use is the leading cause of preventable death in the United States,” Senator Feinstein said. **“Every year in America, tobacco use kills more than 400,000 people and costs our nation more than \$75 billion in health care bills. Today approximately 4,000 children under age 18 will try smoking for the first time and 2,000 children will become regular smokers. Smoking is the cause of one-third of all cancers. Unless we act to pass FDA regulation of tobacco, these numbers will only get worse.”**

The DeWine/Kennedy amendment will:

- Restrict advertising and promotions that appeal to children;
- Stop illegal sales of tobacco products to children;
- Require changes in tobacco products, such as the as the reduction or elimination of harmful chemicals, to make them less harmful or less addictive;
- Prohibit unsubstantiated health claims about so-called “reduced risk” tobacco products that would have the effect of discouraging current tobacco users from quitting or encouraging new users to start; and,
- Require the disclosure of the contents of tobacco products and tobacco industry research about the health effects of their products.

Though she supported the Senate’s version of the JOBS Act, Senator Feinstein cautioned that she would not support any final proposal that weakens the DeWine-Kennedy amendment or contains a provision to fund a buyout of tobacco farmers using taxpayers’ money, rather than funding provided by tobacco manufacturers.

Additionally, Senator Feinstein is concerned about several “gimmicks” in the House of Representatives’ version of the JOBS Act.

“The House bill is not offset by revenue raisers and would cost \$35 billion through 2014, according to the official Joint Committee on Taxation estimate,” Senator Feinstein said.

“Alarminglly, this cost estimate does not provide a true sense of the bill’s fiscal impact because the bill employs two budget gimmicks – phasing in tax cuts slowly over the ten-year period covered by the legislation and having tax cuts expire before the end of the ten-year period, even though the intention is, in many cases, for the tax cuts to be extended and to remain in effect on an ongoing basis. The Joint Committee on Taxation has estimated that making permanent most of the temporary tax cuts in the House bill would add \$190 billion to the cost of the bill through 2014.”

Senator Feinstein hopes that the final version of the bill approved by Congress will:

- effectively provide a three percent tax cut for manufacturers;
- give manufacturers a 50 percent tax credit for the cost of adding jobs;
- extend the research tax credit through 2005;
- protect hundreds of thousands of workers from cuts in federal overtime protections;
- prevent the federal government from spending taxpayer dollars on contracts with companies that use foreign labor when there are domestic alternatives;
- provide a tax credit for companies which produce energy by using underbrush and other potentially hazardous fuels found in our forests;
- provide a tax credit for consumers who buy hybrid vehicles;
- protect the California film industry and the jobs it creates; and
- provide for FDA oversight of tobacco products.

###