electoral fraud over Haiti's national and municipal elections last April, that cloud over those elections in which only 5 percent of the population even bothered to cast ballots, has brought government there to a halt.

There has been a political impasse since last June, when President Rosny Smarth resigned. In fact, it seems that all the key players, the Haitian Government and the other parties, have decided not to resolve this crisis.

That is why this weekend's visit by Secretary of State Madeleine Albright is so critical. I understand she intends to meet with the two Lavalas parties, which I think is necessary. However, I am surprised to hear that she has no plans to meet with the other opposition parties. I think that is a mistake. It is critical that she meet with the other parties as well. This will encourage their participation in the next elections, and keep them involved in the national political dialogue and will send a signal to the current Government of Haiti of what true political pluralism really means.

Until this political impasse has been resolved, we should not be pledging any kind of financial support for future elections. Indeed, our Haiti policy must be something more than a blank check. Without specific measurable goals, monetary aid to Haiti is an unguided assistance program in search of a policy. It seems to me that we must export our ideas along with our aid. It will take more than just money to bring stability to Haiti; it will require a comprehensive plan and Haitian political will. Without these key elements, all the money in the world will not do any good in Haiti.

I think it is clear that the United States needs to work with the international community, develop a coherent and well-planned strategy, and together pressure the Haitian Government to first resolve the current political crisis. Furthermore, before Haiti can prosper—both democratically and economically—the government must address—and make a commitment to—three key factors: (1) hold free and transparent elections; (2) combat the increasing threat of drugs; and (3) reform the ''broken'' judiciary.

I have suggested that in these three key areas—which do not currently receive significant funding from the United States; it is a relatively small amount of money that we put in Haiti—that increased funding should be considered if certain benchmarks are met as I have outlined. Current budget request figures for these three areas do not exceed $10 million, a relatively small part of the total Haitian commitment. These priority areas though are essential and our administration should pay close attention. We must pay close attention to whether the Haitians are willing to address these three specific problems: hold free and transparent elections; combat the increasing threat of drugs; and reform the broken judiciary. Unless they are addressed, it is very hard to see how any real democratic progress and economic development can possibly ever take hold in Haiti.

In two of these priority areas—politial and judicial reform—we must find ways to work with the government. We have no choice. Simply, it will take political will by the Haitian Government to achieve any progress in this areas. Let me make it clear: The United States cannot and should not make an investment in these areas without a clear commitment from the Haitian Government.

As I mentioned before, we can't do for the Haitians what they cannot and will not do for themselves. The political will must exist.

However, Mr. President, there are areas where we can't stand by and wait for the Haitian Government to act. There are ways that the United States can work around the government to provide a semblance of hope for the Haitian people and some stability to that country. These areas include agriculture reform, feeding programs, and other areas of humanitarian support. With respect to drugs, here, too, we cannot wait—we must take action now to reduce the flow of drugs through Haiti. It is in our national self-interest. If we do not do that, we risk the entire nation turning into a narcostate with tragic consequences not only for Haiti but for the United States. No doubt, long-term drug control will require greater cooperation with the Haitian Government, but our Government should devote its resources now to respond to the current threat.

I look forward to working with my colleagues both in the Congress and in the administration to address these priorities, and help create a strategic long-term vision for our policy toward Haiti.

Mr. President, before I yield the floor, I thank you personally for your forbearance this morning and this afternoon. I appreciate it very, very much.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

The PRESIDING OFFICER (Mr. DEWINE). Without objection, it is so ordered.

Mr. ROCKEFELLER. Mr. President, I ask unanimous consent that I may proceed in morning business.

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

INTERNET SERVICE PROVIDERS AND UNIVERSAL SERVICE

Mr. ROCKEFELLER. Mr. President, I want to talk today about a subject called universal service, and the threat it faces because of the Federal Communication Commission's—the FCC's—policy regarding Internet service providers. When we passed the Telecommunications Act of 1996, a number of us—a bipartisan group called the Farm Team—fought hard to include Section 254, the section that ensures our nation's continued commitment to universal service. This section is the heart and soul of this new law, because without this fundamental commitment, telecommunications service in rural areas would not be affordable. Without it, we will watch a new world of haves and have-nots when it comes to telecommunications and access to the Information Age.

When I deal with this issue, I am painfully reminded of another example of deregulation: the airlines. West Virginia and other rural states got the short end of the stick on airline deregulation, and we continue to pay the price for it. That's what made me and others so determined not to let this happen under the Telecommunications Act. We knew we had to make sure that the idea of universal service was not simply expressed as a goal or listed in some weak section—we made sure it was a statutory obligation explicitly stated in the Act.

Maintaining universal service involves a number of issues. Senator STEVENS took on most of these by demanding a major report from the FCC on their progress regarding universal service, in a provision in last year's appropriations bill that funded the FCC. That report is due April 10, and many of us are looking for serious answers from the FCC to the many questions we have about the direction they are heading with regard to universal service funding.

Two big concerns are, (1) the FCC's ill-advised decision to provide only 25 percent of the costs of universal service, leaving the remaining 75 percent to the states; and (2) their decision to only fund the FCC's portion of the high-cost fund from interstate revenues. I do not believe that rural states can live with either of these proposals, because what we'll get are higher rates and dwindling investment in our local telecommunications networks. This simply does not square with the Act's promise of delivering comparable services at comparable rates. Section 254 was designed to ensure a national standard of affordability for telecommunications services, and that is a standard we simply must live up to.

In the 1996 law, we recognized that the maintenance of the nation's telecommunications network is a shared responsibility—and one that provides shared benefits. It is in our national interest that everyone be able to affordably make calls from anywhere and to anywhere in the United States.

This isn't a radical concept. As a nation we share responsibility in many areas. My colleague Senator DORGAN points out that land-locked states like West Virginia, North Dakota and Montana all help pay for the Coast Guard, even though our citizens use those services far less than others. I certainly wouldn't advocate that we stop supporting the Coast Guard, and the same principle applies here. Shared Responsibility.

I will have more to say on these subjects as the FCC moves forward on implementing universal service. Today I want to focus on the subject of internet telephony, and how the FCC's current regulatory policy threatens the promise of universal service.

The problem is that the FCC's current policy is basically a policy of letting so-called information service providers avoid paying for their fair share of universal service, even though these companies are delivering services that are clearly telecommunications services and which burden the local network. Senator STEVENS has been the most vocal leader on this issue, and I want to praise him. We both come from high-cost states, and we both know the importance of changing the FCC policy so that their mission to maintain universal service can be fulfilled.

Where this problem is most clear is in the current offerings of long distance telephone service over the Internet. It's a very real trend and a rapidly rising trend. In fact, I will submit two articles for the RECORD that tell this part of the story, one from Businessweek and one from the New York Times. I ask unanimous consent they be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times]

THE NEWEST PHONE WAR

(By Noelle Knox)

Consumers looking for the cheapest long-distance telephone rates need only log onto the Internet, the newest arena of intense competition, where companies are offering special prices from 5 to 10 cents a minute.

Thsi week, the AT&T Corporation is expected to start offering its Internet customers long-distance calls at just 9 cents a minute, matching new rates introduced recently by MCI Communications.

Both giants are scrambling to respond to the initiative of a little player that had a big idea: Tel-Save Holdings, a long-distance provider in New Hope, Pa., that caters primarily to small and medium-sized businesses. Since Dec. 18, it has contracted with America Online to offer the 9-cent-a-minute rate to the on-line service's 11 million subscribers. With promotions on its main screen and in full-page newspaper ads, America Online has signed up almost 400,000 customers so far, and expects to have a million by the end of June.

Many industry experts call such programs the start of a revolution that will lower all long-distance rates, a result of making a connection in consumers' minds between the Internet and phone service. Eventually, the experts say, the Internet will become a major transmission vehicle for the calls themselves and the line will blur between telephone and Internet.

''It's going to change the industry,'' said Jeffrey Kagan, a telecommunications consultant and author of ''Winning Communications Strategies'' (Aegis Publishing Group). The new rates are just the beginning, he said, adding, ''The question is: How low can they go?''

A long-distance company can offer a lower rate to Internet customers because the company saves money. The customers enter their own billing data when they sign up, and in most cases must pay with a credit card, receiving their bill through their computers. For the companies, that means no paper bills and no postage costs, while the reliance on credit cards also reduces the companies' exposure to bad debt.

Not all the long-distance carriers are joining the Internet price war. The Sprint Corporation, which offered the first 10-cent-a-minute plan, does not offer internet customers a better rate. ''We think it's restrictive to say one kind of customer can get one kind or rate and another customer can get another kind of rate,'' said Robin Pence, a spokeswoman for Sprint.

She also criticized the Internet-based marketing plans because they usually provide customer service only on line.

Still, many telecommunications executives and analysts say that this is only the beginning of a shift toward new kinds of communication via the Internet. The current Internet plans offer new rates for long-distance calls carried by traditional phone lines, but AT&T plans to start a cheaper service in May that will carry long-distance calls over an Internet-style network.

That service, called AT&T World Net Voice, will start in three cities, still to be announced, and expand to 16 by the end of the year. AT&T will charge 7.5 to 9 cents a minute for calls using Internet protocol.

Internet protocol, or Internet telephony, as it is also known, uses a regular phone. But a separate transmission switch digitizes and compresses the caller's voice into packets of data that are moved through the Internet and reassembled at the phone on the other end.

''From AT&T's point of view, Internet protocol is critical to our future success and growth,'' said Daniel H. Schulman, a vice president at AT&T's World Net Service. ''In fact, we think the Internet protocol is to the communications industry what the personal computer was to the computing industry; it's that fundamental a change.''

The technology, though, which is just two years old, is still slow and cumbersome. Many people who use Internet protocol for long-distance calls report frustrating time lags between the speaker and the listener. AT&T says it has reduced the delays, but callers must still dial a local access number, wait for a prompt, enter an authorization code and then dial the number they want.

But with improvements in quality in the next five years, the Internet telephony business is expected to grow from less than $1 billion a year today to $24 billion—about 17 percent of the projected United States long-distance market, according to the International Data Corporation.

About 25 million American homes are connected to the Internet. And their occupants tend to be more affluent and make more long-distance calls. In a survey last year, International Data found that in homes with a personal computer connected to the Internet, the average respondent was 41 years old, had a household income of $70,400 a year and spent an average of $58 a month on long-distance calls. Among households without a computer, the average respondent was 47 years old, had a household income of $38,700 and spent an average of $30.50 a month on long-distance calls.

While it may make good business sense for long-distance carriers to focus on the most profitable market segment, some consumer advocates are not impressed.

''What we've constantly seen here is benefits for volume users at the high end of the market, while rates have actually risen for consumers at the low end of the market, unless government has intervened to put a lid on rates, or forced them down,'' said Gene Kimmelman, co-director for Consumers Union.

But Mr. Kagan, the telecommunications consultant, predicted that as Internet telephony improved, it would push down all long-distance rates. ''Within a year's time, we're going to see traditional long distance down to the 5-cent mark,'' he said.

As the long-distance industry changes, the line separating telephone and Internet services may start to break down. Customers might buy telephones with a screen, for example, and dial into the Internet to place a call. Long-distance companies may start focusing on other, more profitable businesses, like cellular phone service, pagers, call forwarding and electronic mail.

''Long-distance companies will still make plenty of money, but they will make it from these higher-margin services,'' Mr. Kagan said.

LONG-DISTANCE SAVINGS A CLICK AWAY

Long-distance phone deals are proliferating on line. Most programs provide billing and customer service over the Internet: payments must be made by credit card.

Rate	Restrictions
TEL-SAVE—WWW.AOL.COM	
9 cents a minute	Available only through America Online. Service will be offered through Compuserve in 2 to 4 months.
MCI ONE NET SAVINGS—WWW.MCI.COM	
Mon.-Sat.: 9 cents a minute; Sun.: 5 cents a minute.	State-to-state calls. Also offers telephone subscribers a monthly $5 discount on Internet access.
AT&T—WWW.ATT.COM	
AT&T World Net: 9 cents a minute.	State-to-state calls. Rate is only for customers who pay $19.95 a month for Internet access through AT&T's World Net service.
AT&T One Rate Online: 10 cents a minute.	State-to-state calls. $1 monthly fee. This plan saves $3.95 a month off AT&T's non-Internet plans.
AT&T World Net Voice: 7.5 to 9 cents a minute.	State-to-state calls carried over the Internet. Must pre-pay a set amount with a credit card. Not available until May.
SPRINT SENSE ANYTIME—WWW.SPRINT.COM	
10 cents a minute	$4.95 monthly fee, which is waived for bills of more than $30 a month. This produce is offered to all customers, not just Internet users.

Source: The companies.

[From Business Week, Dec. 29, 1997]

AT 7½ CENTS A MINUTE, WHO CARES IF YOU CAN'T HEAR A PIN DROP?

WHY LONG-DISTANCE INTERNET CALLING IS ABOUT TO TAKE OFF

(By Steven V. Brull in Los Angeles, with Peter Elstrom in New York)

How can Qwest Communications Corp. get away with charging just 7½ cents a minute any time for long-distance calling—the ultra-aggressive pricing it announced on Dec. 15? For one thing, according to President and Chief Executive Officer Joseph P. Nacchio, ''Long distance is still the most profitable business in America, next to importing illegal cocaine.'' As head of long-distance marketing for AT&T until last year, he should know.

Actually, Qwest can make its audacious offer—and still match AT&T's 17% to 20% net margins—because it sends its traffic over a private fiber-optic network using Internet technology. That method, says Nacchio, is far more efficient than that of the conventional carriers. Indeed, if Qwest makes its mark in long distance, it won't be for undercutting AT&T's best all-day rate by 50%—it will be for proving that Internet-based calling can steal significant amounts of traffic from ordinary long-distance circuits.

Easy to use. Qwest's offer heralds the coming of age of Internet telephony. Just a couple of years ago, making phone calls over the

Internet was a challenge reserved for computer whizzes. Consumers still will have to dial a few extra digits to make cheap calls. But now, improved PC-based software and routers make it possible for Internet service providers to accept standard telephone and fax calls and send them over the Internet or private data networks and then back to the conventional phone network.

As a mass market develops, companies such as AT&T could lose millions of customers and billions in revenue to Internet calling. ''In the next 24 months, we'll see a rapid migration,'' predicts Nacchio. Between 1998 and 2001, as much as $8 billion could be lost to Internet telephony, says Sim Hall, vice-president of research at Action Information Services of Falls Church, VA. ''Internet telephony is going from novelty to mainstream next year,'' agrees Jeffrey Kagan of consultants Kagan Telecom Associates.

Besides being more efficient than standard voice networks, which consume bandwidth even when there is silence during a call, the new networks also bypass conventional long-distance carriers, who must pay local-access charges and taxes. Such fees make up 40% of the typical long-distance charge, Hall notes.

Unlike the pioneers of Internet telephony, bigger companies like Qwest mostly route traffic over their own networks. That lets them manage capacity to avoid the scratchy sound and half-second delays of some Internet phone setups.

Qwest isn't the only company with big ambitions in Net calling. WorldCom Inc.'s Internet division, UUNet, is taking aim at the $92 billion fax market. Early next year, it will offer nationwide faxing for 10¢ a minute, compared with the typical business rate of 15¢ a minute. International faxes to Britain will cost 19¢ a minute, half the average rate now.

Denver-based Qwest, which is building a $2 billion nationwide fiber-optic network, will offer its 7.5¢ rate on calls anywhere in the continental U.S. starting in late January in nine western cities. The network will expand to 125 markets in early 1999, when Qwest's national network is scheduled to be completed. Qwest also plans fax, video-conferencing, and other services.

Established long-distance providers are making their own forays with the new technology. In August, AT&T began offering domestic and long-distance calls from Japan at 40% off normal rates. Japan's Kokusai Denshin Denwa Co. created a subsidiary offering similar services worldwide on Dec. 16. MCI Communications Corp. and Deutsche Telekom are running trials.

While the data networks will help cut domestic long-distance rates, the big impact will be on international calls. The average long-distance call in the U.S. costs about 13¢ a minute, but the average international price is 89¢, Hall says. The gap has little to do with the extra cost of an international call, which is marginal. Rather, it reflects the pricing power of a small group of suppliers.

Hall predicts that phone company revenues per minute on international calls will fall more than 20% annually through 2001 and continue to decline. ''The wheel has been set into motion,'' says Hall. Nobody knows how far it will spin, but at this point, it looks as if consumers will be the winners.

Mr. ROCKEFELLER. These new long distance calls are offered at rates far below that of ''traditional'' long distance calls, with some at 7 cents per minute. While cheaper service is a good thing, the problem is that FCC policy has created a giant loophole that threatens universal service. Because of this policy, service can be offered over the Internet more cheaply because Internet-based providers can avoid paying access charges and universal service contributions. This is all because they offer their service using packet-switched technology through an Internet Service Provider, which allows them to escape the FCC's current definition of telecommunications carrier. The problem is that access charges and universal service contributions are what help maintain the local network, which is the most expensive part of the phone system. Without adequate support—and by allowing these companies to duck paying their fair share—we will let the local network wither on the vine.

It is important to remember that, aside from their regulatory treatment, the nature of both types of long distance calls are exactly the same. They are both spoken voice calls that occur over regular phones. There is no quality distinction between them for the consumer. It is also important to remember that both calls burden the local phone network in essentially the same manner. The only difference is that the FCC has chosen to define one as a telecommunications service and the other as an information service—even though any review of these calls in the real world would conclude that they are the same.

Further, we are already seeing evidence that this regulatory loophole is a multi-billion dollar incentive for all long distance carriers to move their traffic from the traditional circuit switched network to the Internet. The March 8 New York Times article that I mentioned earlier points out that the Internet will increasingly become a major transmission vehicle for phone service, and that in the near future ''the line will blur between telephone and Internet.''

It also points out plans by a number of companies to move more and more traffic to the Internet, including AT&T, and that in the next five years Internet telephony alone will grow from less than $1 billion a year today to $24 billion annually. John Sidgemore, the CEO of UUNet, goes further, and recently predicted that by 2008 traditional voice transmissions will represent less than one percent of total communications traffic—and under the current policy that one percent will be left to support universal service.

Senator BURNS chaired a hearing in the Commerce Committee a week ago that shed a lot of light on this important issue. We heard from Wall Street analysts who were giving us their opinions about the implementation of the Telecommunications Act. I asked them what they thought about this issue and the FCC's current policy regarding these so-called information service providers. The verdict was unanimous. The entire panel agreed that the FCC's current policy is flawed.

Tod Jacobs of Bernstein Research said, ''it is certainly our opinion that the ISPs have been getting a free ride, and that there is no question that access charges, particularly once they get down to more cost-based rates, should be applied to those calls.''

Scott Cleland, managing director of the Precurser Group of Legg Mason Wood Walker, said that ''people should know that the Internet and data right now is by far the most subsidized entity in the business, even more so than the local monopoly.'' He added that, ''Congress should realize that right now whether the Internet or whether data pays access charges or pay into universal service is the most massively distorting issue facing Congress in telecommunications; that we are at a fulcrum point.''

But the key point made by Mr. Cleland was when he discussed the perverse effect the FCC's current policy will certainly have—that the FCC's policy actively encourages companies to game the system so that they do not have to pay access charges or contribute to universal service. This is the real bottom line, and Mr. Cleland got it exactly right when he said: ''we are all just going to morph ourselves into a new definition and leave universal service to anybody who is not smart enough to take advantage of the new definitions.''

Let me repeat that. The industry will ''leave universal service to anybody who is not smart enough to take advantage of the new definitions.''

That is a clear warning to all of us that care about keeping telecommunications service affordable in rural areas. And it should be a clear signal to the FCC. Many of us are looking to the April 10th report from the FCC for serious answers on this issue. I urge Chairman Kennard in the strongest possible terms not to try to defend the regulatory status quo with regard to Internet Service Providers. The Telecommunications Act includes specific language stressing that ''universal service is an evolving level of telecommunications services. . . .'' I believe the FCC's policy needs to evolve with it, particularly since all forms of telecommunications will increasingly rely on packet-switching and other types of advanced technology. I am not going to keep quiet about this issue. We fought too long and hard for the universal service provisions of the act, and universal service itself is far too important to the country for us to ignore this very serious problem.

Let me also be clear that I am not advocating any kind of extensive regulation of the Internet in connection with this issue. I think the growth of the Internet would not have occurred as rapidly as it has if it were subject to extensive regulation. But those who argue against regulation ought to be equally in favor of eliminating the unfair advantage the industry receives today as it avoids its universal service obligations at the expense of rural America.

Universal service is a fundamental principle. It is a statutory promise that Congress and the President made to Americans. It is worth fighting to preserve and protect. And I urge everyone in this body to take it very, very seriously.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. SMITH of Oregon). The clerk call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. ENZI. Mr. President, I ask unanimous consent to speak for up to 15 minutes as in morning business.

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

THE PROPOSED TOBACCO LEGISLATION

Mr. ENZI. Mr. President, as we are heading out on the Easter recess, I want to wish all my colleagues godspeed and also make a small request of them while they are in their home States. That request is for them to thank the people that smoke for their contribution of $368.5 billion, or perhaps $510 billion. I think a lot of people out there think we are finally going to get to the big bad tobacco companies and get them to pay some money up front here and kick in for all the damage that has been done. But, really, the smokers are going to wind up paying this. I don't know whether it will be for increased tobacco costs, or whether it will be for an increased tobacco tax. At any rate, it is going to range from 50 cents to $1.10 or $1.50, or whatever they think will make a difference.

Having said that, I ought to mention that I had not accepted any money from the tobacco companies during my campaign. It could have been very critical, as I had a highly underfunded campaign. I was offered money from the tobacco companies, but I would not accept it. I could see this sort of debate and discussion coming up later. I didn't want to be seen as favoring the tobacco companies and will not be favoring the tobacco companies.

I have a lot of concerns, as we have gotten into this tobacco debate. In fact, the concerns have gotten to be so many that I am kind of depressed about whether or not there is any capability to do anything about the problem. When I was growing up, my folks smoked. Both my mom and my dad smoked, and they smoked a lot. In fact, I had the feeling that I didn't smoke because I could walk anywhere in the house, inhale, and get plenty of smoke. About the time I was a junior in high school, though, my dad saw a program on television. As part of this program, some kids visited a lab and they had a beaker about 6 inches in diameter and about a foot tall, half filled with some liquid. That was the amount of tar that the average smoker would have collected in their lungs. One of the kids reached into this beaker and pulled his fingers back up out of there and had strands of sticky tar hanging from it. At that point, my dad quit smoking.

He and Mom had talked about smoking for as long as I could remember and about all of the money they would save if they quit smoking. But they had not quit—well, they quit several times, but they had taken it back up again. My mom had always said that if my dad would quit smoking, she would quit. My dad saw the picture of the stringy tar coming out of the beaker, thought about his lungs, and quit. It wasn't easy, but he quit. After a couple of weeks of my dad having quit, my mom decided that she had to quit, too; that was part of the deal.

About a year later, I went for my annual athletic physical, and the doctor asked me to sit in his office for a minute because he wanted to talk to me, and I did; you always do what the doctor says. When he came in, he said, ''I am really glad to see that you quit smoking.'' I said, ''I have never smoked.'' He said, ''Oh, yes, you have, take a look at these x-rays.'' He put up the x-ray of a year before and showed me how clogged my lungs were the year before. So for years I have known about secondary smoke. We didn't even know to call it ''secondary smoke'' problems at that time. But they were there. It was evident on the x-rays. I also had a problem as I was growing up with hay fever. It wasn't seasonal, but I thought it had to do with molds, grass, and that sort of thing. Another benefit I had of my folks quitting smoking was that I got over hay fever. Secondary smoke again.

About a year and a half ago, my mom had a heart attack. We found out at that time that she might still be smoking. It is a powerful addiction. So I do have some interest in smoking. I went to the George Washington University here in Washington, DC, when I went to college, and there used to be a medical museum on the mall right by the Smithsonian. It has been replaced by the Air and Space displays there. I think it still exists somewhere in the District. But one of the displays they had in there was parts of the human body cut up in thin slices, encased in plastic, and you could kind of page your way through a liver or a heart or lungs. They had lungs of smokers and nonsmokers. So there is a problem there, and it has been recognized for a long time. I do not think there is anybody now who argues that cigarettes will not kill you if you use enough of them long enough. It will have an effect on your health. I am very disturbed that there are still young people who are starting to smoke. They know what the damage is, they know what the outcome is going to be, and they still smoke.

On behalf of all of these folks, we are going to look at a settlement. We are going to try to figure out whether we have the right to settle on behalf of the whole country and, if we do, in what categories we have that right to settle and what kind of a precedent we will be setting in all kinds of other fields where people may be damaged by things that at one point in time we did not know might damage them but now might clearly know that, because this will be precedent setting.

The biggest thing I wish to talk about today is the smokers themselves, because I know as I travel around Wyoming—and I am in Wyoming almost every weekend; it is a big State with a lot of small towns, so it takes a lot of travel, and we get around regularly and talk to folks. But I know from talking to the smokers, it has not hit home yet that the smokers will pay the bill. Whether it is an increased tax or increased prices of cigarettes, the companies will collect it, the companies will forward it to us, but the smokers will pay the tab.

Something that is happening back here that is disturbing me a little bit is, we have run into this $368.5 billion; that is a number that has been quoted for a long time. I noticed the tobacco settlement that came out of the Commerce Committee calls for about $510 billion. It doesn't matter which of those figures you want to use; they are both huge numbers. They are both probably too small a number to solve what we are talking about solving. But we are not necessarily talking about using that money to solve the problems of smoking, we are talking about it as a new addiction. That is what I call the political addiction —if there is some money and it is not earmarked, it is an addiction.

I saw a cartoon. The cartoon essentially said: Don't give alcohol to an alcoholic; don't give drugs to a drug addict; and don't give money to a politician.

This is more money than we have looked at in quite some time. There have always been constraints on the money we have had before. But this is pretty wide open. Oh, sure, we have said there are some things we would do with it. In fact, it was the States that brought up this issue originally. The States started some lawsuits against the tobacco companies, and they won. So now they have some money coming, and the tobacco companies can see that this could catch on, and it has. It has been to a number of States now. So the tobacco companies have said, let's get together and talk about a settlement; let's see how we can rein in a little bit of this and do some damage control. Of course, they are looking at damage control primarily for their companies, so they have reached some agreements with folks. It is a varied group of folks.

Again, I do not know if they have the right to do the kinds of negotiations they say they are doing, but any way that you look at it, it is the States that started, the States that got agreements partly through the courts, now