

106TH CONGRESS  
2D SESSION

# H. R. 5381

To provide for a more restrictive tariff-rate quota on imports of tobacco.

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## IN THE HOUSE OF REPRESENTATIVES

OCTOBER 4, 2000

Mr. FLETCHER (for himself, Mr. EWING, Mr. BOUCHER, Mr. WHITFIELD, Mr. LEWIS of Kentucky, and Mr. MCINTYRE) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To provide for a more restrictive tariff-rate quota on imports of tobacco.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Tobacco Farmers  
5 Trade Fairness Act”.

6 **SEC. 2. TARIFF-RATE QUOTA ON TOBACCO.**

7 (a) FINDINGS.—The Congress finds the following:

8 (1) On September 12, 1995, the tariff-rate  
9 quota on imports of tobacco was implemented by a

1 Presidential proclamation to limit the volume of  
2 such imports.

3 (2) The tariff-rate quota permits imports for  
4 consumption of up to 331,700,000 pounds declared  
5 weight of flue-cured, burley, and other light air-  
6 cured tobaccos at levels of duty agreed to in the  
7 World Trade Organization.

8 (3) Under the national marketing quotas pro-  
9 claimed by the Secretary of Agriculture under part  
10 I of subtitle B of title III of the Agricultural Adjust-  
11 ment Act of 1938 (7 U.S.C. 1311 et seq.), the  
12 amount of burley tobacco that the United States  
13 farmers are permitted to grow has been cut by 65  
14 percent over the past 3 years, and the quota amount  
15 for flue-cured farmers was reduced by 28 percent in  
16 1999.

17 (4) Buying intentions of United States burley  
18 tobacco purchasers have dropped from 473,400,000  
19 pounds in 1997 to 291,000,000 pounds in 1999, and  
20 buying intentions of United States flue-cured to-  
21 bacco purchasers have dropped from 535,000,000  
22 pounds to 327,000,000 pounds over the same period  
23 of time.

24 (5) By comparison, imports of burley tobacco  
25 have dropped only 20,000,000 pounds between 1997

1 and 1998. Over the first three quarters of the 1999  
2 marketing year, imports exceeded 1998 imports by  
3 5,000,000 pounds.

4 (6) Therefore, companies in the United States  
5 are using an increased percentage of foreign tobacco.  
6 The import share of burley tobacco used increased  
7 from 27 percent when the tariff-rate quotas were  
8 implemented to 37 percent in 1999. The import  
9 share of foreign flue-cured tobacco also increased  
10 over the same period of time from 23 percent to 32  
11 percent.

12 (7) Yet, even though the import share of to-  
13 bacco has increased, only 48 percent of the tariff-  
14 rate quota was used in 1998.

15 (8) The tariff-rate quota on tobacco has not  
16 been effective in limiting the amount of foreign to-  
17 bacco imported into the United States and must be  
18 renegotiated in order to achieve the purpose for  
19 which it was originally established.

20 (b) RENEGOTIATION OF TARIFF-RATE QUOTA.—The  
21 President shall, in the first negotiations held after the en-  
22 actment of this Act under the auspices of the World Trade  
23 Organization, take the necessary steps to renegotiate the  
24 tariff-rate quota on imported tobacco so that—

1           (1) the quantity of tobacco receiving pref-  
2           erential tariff treatment is 50 percent of the quan-  
3           tity receiving preferential tariff treatment under the  
4           tariff-rate quota in effect on the date of the enact-  
5           ment of this Act; and

6           (2) thereafter, the quantity of tobacco receiving  
7           preferential tariff treatment under the tariff-rate  
8           quota is reduced in each calendar year by the same  
9           percentage as any reduction in the national mar-  
10          keting quota referred to in subsection (a)(3) in the  
11          preceding calendar year.

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