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DEPARTMENT OF AGRICULTURE

Commodity Credit Corporation

Farm Service Agency

The Fair and Equitable Tobacco Reform Act of 2004

AGENCY: Commodity Credit Corporation and Farm Service Agency, USDA.

ACTION: Notice of meeting.

SUMMARY: The Department of Agriculture (USDA) will conduct a public meeting to solicit comments regarding the implementation of the assessment provisions of the Fair and Equitable Tobacco Reform Act of 2004 (the Act). The meeting will be open to the public, with attendance limited to available space on a first-come basis. No fee will be required.

DATES: The meeting is scheduled for November 22, 2004, from 9:00 a.m. to 4:00 p.m. Requests to address the meeting and written comments on the subject of assessments must be submitted by November 18, 2004. To the extent possible, we will consider late-filed submissions.

ADDRESSES: The meeting will be held in USDA's Jefferson Auditorium, South Building, 1400 Independence Avenue, SW, Washington, DC 20250.

Requests to address the meeting and written comments may be submitted by any of the following methods:

- E-Mail: Send to tob_comments@wdc.usda.gov.
- Fax: Send to (202)720-6426.
- Mail: Send to Director, Tobacco Division, Farm Service Agency, United States Department of Agriculture (USDA), STOP 0514, Room 4080-S, 1400 Independence Ave., SW., Washington, DC 20250-0514.
- Hand Delivery or Courier: Deliver to the above address.

FOR FURTHER INFORMATION CONTACT: Mary Tjeerdsma by phone at: (202)690-2524; by fax at (202)720-6426 or by email at mary.tjeerdsma@usda.gov.

Persons with disabilities who require special accommodation to attend or participate in the meeting should contact Mary Tjeerdsma by November 18, 2004.

SUPPLEMENTARY INFORMATION:

I. Background.

The Fair and Equitable Tobacco Reform Act of 2004 (Pub. L. 108-357) (the Act) was enacted on October 22, 2004. The Act terminated the Federal Tobacco Marketing Quota and Price Support Loan Programs beginning with the 2005 crop year and provided that USDA will offer to enter into contracts with tobacco quota holders and producers for transitional payments.

In order to enter into a contract to receive these payments, a person must submit an application containing sufficient information to determine eligibility. For each of the 10 fiscal years beginning with 2005, a payment will be made to each eligible quota holder or producer. Total payments of up to \$7.00 per pound to quota holders and up to \$3.00 per pound to quota producers will be paid over the 10-year period, not to exceed \$10,140,000,000.

In order to fund the contract payments to quota holders and producers, the Secretary is required to impose quarterly assessments on each manufacturer and importer of tobacco products sold in the United States. Assessments will be deposited in a revolving trust fund within the Commodity Credit Corporation, to be known as the Tobacco Trust Fund. Beginning with the calendar quarter ending on December 31 of each of the fiscal years 2005 through 2014, the assessment payments for each of the four calendar-quarter periods must be sufficient to cover contract payments to quota holders and producers and other expenditures from the Tobacco Trust Fund that correspond to that period.

The Act provided the percentages of the total amount to be paid in fiscal year 2005 by manufacturers and importers of each class of tobacco product as follows:

- Cigarette – 96.331%.
- Cigar – 2.783%.
- Snuff – 0.539%.
- Roll-your-own – 0.171%.
- Pipe – 0.066%.

The percentages for subsequent fiscal years will be adjusted to reflect any change in the share of gross domestic sales volume held by each class of product.

The quarterly assessment to be paid by each manufacturer or importer of a class of tobacco product will be determined by the manufacturer's or importer's market share of that class of tobacco product for the quarter.

The full text of the Act is available at <http://www.fsa.usda.gov/buyout/>.

II. Registration.

Registration may be by email at tob_comments@wdc.usda.gov or you may contact the Public Meeting Coordinator, Mary Tjeerdsma, to register by phone at (202)690-2524 or by fax at (202)720-6426. The following information must be provided when registering to attend the meeting: Name, company name and address, telephone and fax numbers, e-mail addresses and special needs information. A staff member will confirm your registration by e-mail, fax, or phone. You may also register in person at the meeting.

III. Presentations and Comment Format.

A. Primary Speaker Presentations.

Persons who wish to be primary speakers must register to attend the meeting before the day of the meeting using the registration procedures described above. At the time of registration, primary speakers must provide a brief, written statement regarding the nature of the information they intend to provide. In addition, on the day of the meeting, primary speakers must provide a written summary of their comments to the Public Meeting Coordinator.

B. "5-Minute" Speaker Presentations.

Other attendees will be permitted to sign up at the meeting, on a first-come, first-served basis, to make 5-minute presentations on individual agenda items. Based on the number of items on the agenda and the progress of the meeting, a determination will be made at the meeting by the Public Meeting Coordinator and the meeting moderator regarding how many 5-minute speakers can be accommodated. In order to offer the same opportunity to all attendees, there is no pre-registration for 5-minute speakers. Attendees may sign up only on the day of the meeting to make a 5-minute presentation. They must provide their name, company name and address, contact information as specified on the sign up sheet, and identify the specific agenda item that will be addressed.

C. Written Comments.

We welcome written comments from anyone, whether or not they have had the opportunity to make an oral presentation. Written comments may be submitted at the meeting or, by December 10, 2004 by the following methods:

- E-Mail: Send comments to tob_comments@wdc.usda.gov.
- Mail: Send comments to Director, Tobacco Division, Farm Service Agency, United States Department of Agriculture (USDA), STOP 0514, Room 4080-S, 1400 Independence Avenue, SW., Washington, DC 20250-0514.

IV. General Information.

The meeting will be held in a Federal government building. Therefore, Federal security measures will be in force. In planning your arrival, we recommend allowing extra time to clear security. Entry to the building will be at the 4th Wing entrance on Independence Avenue. In order to enter the building, participants must bring a government-issued photo identification. Entry may be denied to persons without proper identification.

In addition, all persons entering the building must pass through a metal detector. All items brought to the meeting, whether personal or for the purposes of demonstration or support of a presentation, are subject to inspection. We cannot assume responsibility for coordinating the receipt, transfer, transport, storage, set-up, safety, or timely arrival of any personal belongings or items used for demonstration or support of a presentation.