

# Tobacco farms may see buyout

THE ASSOCIATED PRESS

SMITHFIELD — An immediate buyout of the Depression-era tobacco price support system would stem further losses by farmers facing more quota cuts and foreign competition, officials said Tuesday.

North Carolina farmers have seen their income drop by \$500 million since 1997 and face an additional loss of \$200 million next year if an anticipated 30 percent quota cut takes effect, N.C. Farm Bureau President Larry Wooten said at a hearing sponsored by U.S. Sen. Elizabeth Dole.

Without a buyout, the future will be "harsh and financially devastating" to the tobacco industry, Wooten told a Senate agriculture subcommittee.

Farmers' leaf output, which is governed by quotas pegged to the tobacco industry's demand, has been halved since 1997. Farmers began calling for a buyout in the late 1990s, and tobacco state lawmakers have introduced 13 proposals in Congress.

The latest proposal, filed last month, would target about \$9.6 billion from an existing excise tax on cigarettes to fund quota buyouts.

Past buyout legislation has foundered on the condition that a buyout include a provision giving the federal Food and Drug Administration the power to regulate tobacco. That provision has been unpalatable to some tobacco supporters.

Dole, a first-term Republican,

said her goal in holding Tuesday's hearing near the heart of North Carolina tobacco country was to provide information for "skeptics" from other states so they get a true grasp of the urgent need for a buyout.

"It is imperative that we accomplish a tobacco quota buyout this year," she said.

North Carolina, the nation's top tobacco producer, would receive more than \$6 billion over several years. Farmers and industry leaders say the money could revive rural communities crippled by the downturn in agriculture and manufacturing.

"A buyout — or even more importantly, the failure to pass a buyout — would impact banks, agribusinesses, rural towns, and county governments," U.S. Rep. Bob Etheridge, D-N.C., said. "The entire infrastructure of rural North Carolina could be transformed by the billions of dollars of investment from buyout payments."

U.S. Rep. Richard Burr, a Republican, said money from a buyout could support about 11,000 jobs.

The old program was created in the 1930s to give farmers price stability during the Depression. It now threatens to put them out of business by reducing their quotas without compensation and by pricing domestic tobacco out of the world market, officials said.

The global supply of flue-cured tobacco is expected to rise this year, and U.S. exports are likely to decrease while imports from Brazil, China and other countries probably will rise.

# N.C. Medicaid office comes under fire

THE ASSOCIATED PRESS

RALEIGH — North Carolina's Medicaid office made \$1.2 billion in improper payments to dozens of hospitals over several years, according to a blistering state audit released Tuesday.

The State Auditor's Office, in a review of the Division of Medical Assistance, cited \$414 million in federal dollars that could have to be paid back.

The audit findings "represent a clear picture of a program that has been out of control," deputy auditor Wesley Ray said at a news conference releasing the findings.

The payments involved additional money distributed to hospitals that serve many poor or uninsured patients through what's called the disproportionate share

hospital program.

The review found that state Medicaid officials made \$240 million in payments to hospitals that didn't qualify for the money.

The audit also said the division used an outdated formula to calculate outpatient costs, resulting in \$228 million in overpayments from 2000 to 2003. The division also knowingly used old data to calculate Medicaid inpatient costs to hospitals, resulting in an overpayment of \$190 million.

The state's share for these costs were about 37 percent, with the remainder coming from the federal government.

Medicaid is the government's health insurance program for poor children, the elderly and the disabled. The federal, state and coun-

ty governments all pay into the program, but individual states operate the program.

The audit could lead as many as 120 hospitals returning millions of dollars apiece.

"In sheer magnitude, this is the most damaging audit that we've ever had to release," said Ralph Campbell Jr., who has been state auditor for 11 years.

One hospital, Carolinas Medical Center in Charlotte, and one of its attorneys had almost complete control over Medicaid payments to hospitals from 1997 to 2002, the audit found.

The Department of Health and Human Services, which oversees Medicaid, has tightened controls involving the disproportionate share hospital program. It also

took issue with several portions of the audit.

"There is no valid basis for a finding that the division made (program) payments to ineligible hospitals," HHS said.

Still, Campbell said that management of its Medicaid reimbursement program is "seriously deficient" and that HHS should evaluate its leadership structure.

"The division must regain full operational control of its program," he said.

HHS is negotiating with federal Medicaid officials over the hospital program and repayments. Campbell said it's possible the state will pay back only a fraction of the questioned funds, while at least one other state has been forgiven altogether.

# 8 Ukrainian, Russian hostages freed in Iraq

THE ASSOCIATED PRESS

MOSCOW — Eight Ukrainian and Russian employees of an energy company who were kidnapped in Iraq were freed Tuesday, the Russian Foreign Ministry said.

The workers for the Russian company Interenergoversis — five Ukrainians and three Russians — were seized from their residence Monday. Foreign Ministry spokesman Alexander Yakovenko said that no one had claimed responsibility for the kidnapping.

"As a result of the efforts made during the past hours by the Russian side, all the specialists of Interenergoversis who were abducted on the evening of April 12 have been released," the ministry said in a statement.

It said the captives had returned to their residence in Baghdad and

none had been hurt.

In Kiev, Ukrainian Foreign Ministry spokesman Markian Lubkiyevskyi, said that five of the kidnapping victims were citizens of Ukraine. Ukraine has the fourth-largest non-U.S. military contingent in Iraq.

Interenergoversis executive director Alexander Rybinsky said unidentified, masked gunmen had broken into a house in Baghdad where the company's employees were resting Monday afternoon.

He said the abductors released one of their nine victims immediately. "They put them all in a car and drove away," Rybinsky said in a telephone interview earlier Tuesday. "The abductors haven't put up any demands."

Rybinsky said the three Russians were: Sergei Konoplyov,

Igor Frolov and Ilya Chernyshev. He did not name the Ukrainians.

The Interfax news agency quoted the Moscow bureau chief of the Arab television channel al-Jazeera, Akram Khasam, as saying that the Iraqi Communist Party had "held negotiations with the hostage-takers." He said that he had received news of the hostages' release from the party's head of state security, who was meeting with them at their residence.

Interfax quoted an unidentified Russian Foreign Ministry official as saying that the kidnapped workers lived in a former kindergarten in Baghdad's Dora neighborhood. The official said the neighborhood had been restive and served as a base for militants who were shelling coalition forces during recent fighting.

Rybinsky said the attackers didn't fire their weapons during what he described as a "lightning-quick raid." "They didn't beat our workers," he said.

Dozens of foreigners from at least 12 countries have been kidnapped in recent days by insurgents.

The Interenergoversis employees had been working to restore a power plant near Baghdad.

In a statement released early Tuesday, Yakovenko, the Foreign Ministry spokesman, urged the abductors to release the Russian workers, adding that the power plant they were rebuilding was "vital for hundreds of thousands Iraqis."

He reaffirmed the ministry's warning to all Russian citizens to refrain from visiting Iraq but did not immediately elaborate on any evacuation plans.

**EASTERN FEDERAL**  
easternfederal.com  
Online Ticketing Available @ www.EASTERNFEDERAL.com

**MOVIES AT TIMBERLYNE**  
Weaver Dairy at Airport Rd.  
933-8600

THE WHOLE TEN YARDS\* REG \$3.00, 5:15, 7:25, 9:35  
ELLA ENCHANTED\* REG \$3.00, 5:00, 7:05, 9:15  
HELLBOY\* REG \$3.00, 7:15, 9:45  
HOME ON THE RANGE\* REG \$3.00, 5:05, 7:05, 9:05  
WALKING TALL\* REG \$3.00, 5:20, 7:20, 9:20  
SCOOBY-DOO: MONSTERS UNLEASHED\* REG \$3.10, 5:10, 7:10, 9:10

SHOWTIMES FOR TODAY ONLY!  
MATINEE, CHILD & SENIOR DISCOUNT  
ADVANCE TICKETING AVAILABLE  
NO PASSENGER DISCOUNTS

**The Lumina** 620 Market St. Chapel Hill 932-9000

Take 15/501 South towards Pittsboro  
Exit Main St./Southern Village

TWILIGHT SHOW Bargain Daily \$3.25  
for all show times in 17

THE GIRL NEXT DOOR REG 1:45-4:15-7:10-9:40  
HOME ON THE RANGE REG 1:00-3:00-5:00-7:00-9:10  
SCOOBY DOO 2 REG 1:10-3:10-5:10  
PRINCE AND ME REG 1:30-4:00-7:15-9:30  
HELLBOY REG 7:20-9:45

\$5.50 for college students with ID

Bargain Matinees \$5.00  
DIGITAL SEATING

Do you need **STORAGE?**

All sizes available  
Minutes from campus  
We have the **Best Rates!**

**ABC Self Storage**  
Call 929-1133

# EPA to announce state's smog violators

Plan meant to spur cleanup efforts

THE ASSOCIATED PRESS

RALEIGH — The federal Environmental Protection Agency will announce Thursday which North Carolina counties violate new, tougher smog standards, beginning a three-year effort to clean up the state's dirty air.

With measures that officials hope

will have a positive effect already being put in place, Division of Air Quality director Keith Overcash said Tuesday that state residents might see little immediate impact from the announcement.

But if North Carolina's most polluted areas — including Charlotte, the Triangle and the

Triad — cannot meet the clean-air standards, they eventually could face the loss of federal funds that they depend on for crucial highway projects.

David Farren, lead attorney for the Chapel Hill office of the Southern Environmental Law Center, said he wonders how long the state's bad air areas will be able to stay in compliance.

"Being able to model attainment on paper by 2007 does not really address the longer-term, 20-year perspective," he said Tuesday.

During the last 30 years, Farren noted, increases in the number of North Carolina drivers and the miles they travel have more than offset pollution reductions from lower-emission cars and fuels. In the future, he said, the state will have to find ways to reduce the number of miles North Carolinians drive.

Thursday's announcement from the EPA is expected to label more than 500 counties nationwide and as many as 32 in North Carolina as "nonattaining."

In addition to Charlotte, the Triangle and the Triad, Overcash said other areas expected to be on the list include Fayetteville's Cumberland County and the Unifour counties of Catawba, Alexander, Caldwell and Burke that surround Hickory.

The government is implementing a tougher standard for ground-level ozone, a precursor to smog, that the EPA adopted in 1997. The Clinton administration issued the more stringent requirement and a new standard for soot, or fine particles, out of concern that the old standards did not adequately protect vulnerable groups such as children, the elderly and people with respiratory illnesses.

Though Overcash's division is responsible for submitting a statewide plan for cleaning up the air, local officials in many areas are considering what they can do.

Local governments and activist groups have formed "early action compacts" in the Triad, the Unifour, Fayetteville and the mountains to identify measures that local areas can take, such as improving transit and alternative-fuel car fleets, Overcash said.

State officials also believe that changes already on the books will help bring most of the polluted areas in attainment by 2007.

The Clean Smokestacks Act, passed by the legislature in 2002, is expected to substantially reduce emissions from coal-fired power plants. And by 2006, the state will be finished phasing in a tougher automobile inspections program to 48 counties across the state.

Tougher federal standards — for lower-sulfur gas, new car emissions and diesel fuel — that take effect in the coming years also should help, Overcash added.

Farren said that while Clean Smokestacks was a big step for North Carolina, it does not address the problem of vehicle pollutants.

**ALICE WALKER**  
Pulitzer Prize-Winning author of **THE COLOR PURPLE**  
Free Public Lecture  
Wednesday, April 14, 7:30 p.m.  
Hill Hall at UNC-Chapel Hill

college.unc.edu  
or 962-5665 for more information

Sponsored by THE FREY FOUNDATION DISTINGUISHED VISITING PROFESSORSHIP, THE CENTER FOR THE STUDY OF THE AMERICAN SOUTH, THE MORGAN WRITER-IN-RESIDENCE PROGRAM, & UNC'S DEPARTMENT OF ENGLISH

Packing up for the summer & leaving campus life behind? Don't throw it all away!!!

Donation Stations are located in the lobby of a residence hall near you!

- Reuse what you can
- Please recycle
- Donate your unwanted items (clothing & shoes, non-perishable food, personal items, school/office supplies, textbooks, furniture and appliances)

www.fac.unc.edu/WasteReduction  
Tel: 919-962-1442

**Daily Smokers**  
ages 18 through 24  
who are NOT thinking of quitting in the near future

Earn a minimum of \$70 for less than 3 hours of your total time by helping with a Duke/UNC study on smoking attitudes and behavior.

Tasks involve completing short surveys and watching a 4-minute video. No classes, medications, or counseling involved. You are not being asked to join a smoking cessation program.

If interested, and to see if you qualify, please call 919-956-5644 or email weems002@mc.duke.edu

IRB#: 0487