commended for the work they did to earn the recommendation of the third circuit's judicial council for appeals of their decisions to go directly to the U.S. Supreme Court. In doing so, they are following our sister territory of Guam, which was the last Supreme Court to gain direct appeals of their decisions to the U.S. Supreme Court.

Over these past 5 years, the Virgin Islands Supreme Court has issued opinions on such wide-ranging cases as whether and when a judge could be disciplined, to affirming in a landmark ruling that women are not property. By my staff's unofficial count, among the court's many accomplishments is the issuance of over 180 published opinions since 2007.

Other noteworthy accomplishments include making several structural reforms in the areas of attorney admissions to the Virgin Islands Bar, discipline procedures, and mandating new requirements for continuing legal education courses for all active members of the Virgin Islands Bar Association.

□ 1300

I had the pleasure of joining Chief Justice Hodge and Associate Justices Cabret and Swan at their official swearing-in ceremony in 2006. At that time I focused my remarks on the historic nature of the occasion as well as the personal relationships I share with each of the individual justices. With all that they have accomplished over the short time that this court has been in existence, all Virgin Islanders will look back on this time with great pride and gratitude for the way in which they laid the foundation for appellate jurisprudence in the territory that is second to none.

While it took more than 20 years after the law's authorizing us to establish a local appellate court, and while we are the last U.S. territory to do so, it is more than fitting that we are on the verge of accomplishing the final goal of making the U.S. Virgin Islands Supreme Court just like all other State supreme courts, and I urge my colleagues to vote in favor of H.R. 6116.

Mr. SCOTT of Virginia. Mr. Speaker, I yield such time as he may consume to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

(Mr. FALEOMAVAEGA asked and was given permission to revise and extend his remarks.)

Mr. FALEOMAVAEGA. I thank the gentleman from Virginia, and especially also my dear friend and colleague, the gentleman from North Carolina, as managers of this important legislation.

Mr. Speaker, I rise today in strong support of H.R. 6116, a bill to provide for appeals from the Virgin Islands Supreme Court to go to the U.S. Supreme Court instead of the Third Circuit Court of Appeals.

H.R. 6116, sponsored by my good friend, the gentlelady from the U.S. Virgin Islands, Dr. CHRISTENSEN, simply puts into legislation a decision vetted by the judicial council of the third circuit, established through a process which has already been authorized by Congress.

Mr. Speaker, in 1984, Congress provided Guam and the Virgin Islands with the authority to establish local supreme courts, and the law provided for appeals from these courts to go to their respective circuit courts of appeals for the first 15 years unless after 5 years their respective court of appeals found the local supreme court was ready for appeals to go directly to the U.S. Supreme Court.

On April 18 of this year, the third circuit's judicial council published a 23-page report on the Virgin Islands Supreme Court that was submitted to the Senate Committee on Energy and Natural Resources and also to the House Committee on Natural Resources. In its review, the council concluded that the Virgin Islands Supreme Court has developed sufficient institutional traditions to justify direct review by the Supreme Court of the United States of all final decisions. The council affirmed that the Virgin Islands Supreme Court's quality of case law was commensurate with that of the supreme courts of several States, and among other remarkable reviews, stated further that the third circuit court has yet to reverse a decision of the Virgin Islands Supreme Court.

I congratulate the Virgin Islands Supreme Court Chief Justice Rhys Hodge and Associate Justices Maria Cabret and Ive Swan for this extraordinary feat, and I commend again the gentlelady from the Virgin Islands for introducing this timely legislation.

I urge my colleagues to support this bill.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself such time as I may consume just to thank the gentlelady from the Virgin Islands, Dr. CHRISTENSEN, and the leadership of the Judiciary Committee, the gentleman from Texas (Mr. SMITH) and the gentleman from Michigan, the ranking member, Mr. CONYERS, for bringing this bill to the floor.

And with that, Mr. Speaker, I ask Members to support the bill, and I yield back the balance of my time.

Mr. COBLE. Mr. Speaker, I, too, want to express my thanks to Dr. CHRISTENSEN and to my friend from American Samoa for their assistance, and Mr. SCOTT as well.

I have no additional speakers, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the bill, H.R. 6116, as amended.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: ''A bill to amend the Revised Organic Act of the Virgin Islands to provide for direct review by the United States Supreme Court of decisions of the Virgin Islands Supreme Court, and for other purposes.''.

A motion to reconsider was laid on the table.

STOP TOBACCO SMUGGLING IN THE TERRITORIES ACT OF 2012

Mr. COBLE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5934) to amend title 18, United States Code, to include certain territories and possessions of the United States in the definition of State for the purposes of chapter 114, relating to trafficking in contraband cigarettes and smokeless tobacco.

The Clerk read the title of the bill.

The text of the bill is as follows:

H.R. 5934

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Stop Tobacco Smuggling in the Territories Act of 2012''.

SEC. 2. TERRITORIES AND POSSESSIONS OF THE UNITED STATES INCLUDED IN THE DEFINITION OF STATE FOR THE PURPOSES OF THE PROHIBITION AGAINST TRAFFICKING IN CONTRABAND CIGARETTES AND SMOKELESS TOBACCO.

Paragraph (4) of section 2341 of title 18, United States Code, is amended by striking ''or the Virgin Islands'' and inserting ''the Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Islands, or Guam''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from North Carolina (Mr. COBLE) and the gentleman from Virginia (Mr. SCOTT) each will control 20 minutes.

The Chair recognizes the gentleman from North Carolina.

GENERAL LEAVE

Mr. COBLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on H.R. 5934 currently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from North Carolina?

There was no objection.

Mr. COBLE. Mr. Speaker, I yield myself such time as I may consume.

H.R. 5934, the Stop Tobacco Smuggling in the Territories Act of 2012, was introduced by Mr. FALEOMAVAEGA, my good friend from American Samoa—and I apologize if I did damage to that. I thank him for his work on this issue.

Cigarette trafficking is one of the most lucrative smuggling operations in the United States and around the world. It is estimated that illicit cigarettes account for over 10 percent of the more than 5.7 trillion cigarettes sold globally each year.

Here in the United States, approximately 4 billion cigarettes sold each year are illicit. Cigarette smuggling is typically carried out by sophisticated,

large-scale criminal organizations that take advantage of the significant disparity between the taxes levied on cigarettes across the States. For example, Mr. Speaker, a pack of cigarettes that costs $13 in a high-tax State like New York will cost only about $5 in a low-tax State such as Virginia.

These differences create a highly lucrative market for individuals to evade the local sales tax and purchase cigarettes in one locality and transport them to another for resale below the market value. Criminal organizations are able to make a profit of as much as $1 million on just a single truckload of illicit cigarettes.

State cigarette taxes in the United States have been on the rise since 1992 and have increased more than 65 percent over this period; however, the States' gross tax revenues have increased by only 35 percent due in significant part to the illicit tobacco trade.

Exploiting the price disparity for a single pack of cigarettes between individual States has proved profitable for criminal networks. According to the Justice Department, this illicit activity costs the States and the Federal Government approximately $5 billion each year. This is money that could—and should—be put to better use.

Congress took steps to curb the sale of contraband cigarettes with the Prevent All Cigarette Trafficking (PACT) Act of 2009. The PACT Act prohibits the sale of cigarettes and smokeless tobacco products over the Internet, and it made changes to the criminal anti-cigarette smuggling statutes.

H.R. 5934, Mr. Speaker, provides a technical correction to ensure that the criminal prohibitions against cigarette smuggling apply to the U.S. territories of American Samoa, Guam, and the Northern Mariana Islands in the same way that they do for the rest of the country. This is a modest but important change that will help to promote safety and tax revenues in these territories.

I again thank my friend from American Samoa for his work on this issue, and I urge my colleagues to join me and Mr. SCOTT in support of this bill.

I reserve the balance of my time.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5934, the Stop Tobacco Smuggling in the Territories Act of 2012.

When enacted, H.R. 5934 will amend the Contraband Cigarette Trafficking Act by including American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam in existing legislation which makes it illegal to knowingly ship, transport, receive, possess, sell, distribute, or purchase 10,000 or more contraband cigarettes that do not have a State or territorial stamp.

Under the Contraband Cigarette Trafficking Act, violators face criminal penalties and fines. Currently, there are no such sanctions in effect for violations that occur in the territories, thus prohibiting the Bureau of Alcohol, Tobacco, Firearms and Explosives from investigating cigarette smuggling and Trafficking Act violations. H.R. 5934 will fix this.

□ 1310

Mr. Speaker, each year hundreds of millions of cigarettes are diverted from legal trade channels into the underworld. Cigarette counterfeiting is growing steadily. Cigarettes are believed to be the most illegally trafficked product in the world.

Cigarette smuggling results in significant economic impact in terms of depriving governments of excise tax revenue and depriving legitimate businesses from income due to unfair competition. Smuggling of genuine cigarettes steals as much as an estimated $40- to $50 billion from governments in tax revenue, with trafficking in counterfeit cigarettes stealing even billions more.

In May 2011, a report from the Territorial Audit Office on collection of cigarette tax by the American Samoa Government found that cigarettes are likely being smuggled into American Samoa and that, as a result, their government is losing a significant amount of cigarette excise tax revenue.

A subsequent study estimated that as many as close to 6 million cigarettes had been smuggled into the territory in 2010, resulting in an estimated loss of revenue to the American Samoa Government of over $700,000.

In addition to the economic impact, there are public health and public safety concerns. Smuggling delivers cigarettes that are cheaper to buy. Because cheaper cigarettes lure youth and other new customers, they boost sales and consumption, making it harder for smokers to quit.

It's also been reported that some import imitation cigarettes have been found to contain toxins. As a result, illegal trade adds steadily to healthcare costs, worker productivity losses, and the growing death toll from tobacco use, already almost over 5 million lives per year, projected to rise to 8 million by 2030.

From a public health standpoint, it is well documented that, as with other contraband, proceeds from cigarette trafficking support organized crime and even terrorist networks.

For these reasons, I support the bill. I encourage my colleagues to support the bill as well.

If the gentleman has no other speakers, I'd like to yield to the gentleman from American Samoa (Mr. FALEOMAVAEGA) for such time as he may consume.

Mr. COBLE. I have no additional speakers. I reserve the balance of my time.

(Mr. FALEOMAVAEGA asked and was given permission to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, again I cannot express enough my deepest appreciation to the gentleman from Virginia (Mr. SCOTT) and my good friend, the gentleman from North Carolina (Mr. COBLE) for their management of this bill.

Mr. Speaker, I rise today in strong support of H.R. 5934, a bill that I authored to stop tobacco smuggling in the territories.

First, I want to thank the chairman of the House Judiciary Committee, Mr. SMITH, and my dear friend, the ranking member, Mr. CONYERS, and all the members of the committee for their strong support of this legislation.

I also want to acknowledge Speaker JOHN BOEHNER and House Majority Leader CANTOR, and our Democratic leader, NANCY PELOSI, for their support of this bill.

I thank my colleagues, the gentlelady from Guam, and also, the gentleman from the Northern Mariana Islands, Ms. BORDALLO and Mr. SABLAN, respectively, for their cosponsorship of this bill.

Mr. Speaker, today American Samoa faces a serious problem of tobacco smuggling, as I'm sure it's the same with the other territories. According to a recent study, 2 years ago, as many as 5,792,924 cigarettes were smuggled into the territory. The study found that tobacco smuggling resulted in the loss of about $724,116 in revenues to the American Samoa Government.

If continued undeterred, tobacco smuggling in the territory will lead to heavier losses in local tax revenues, especially if cigarette excise tax rates were to be increased.

Mr. Speaker, in this age of government fiscal responsibility, securing and sustaining stable resources of local revenue stream is essential and must be encouraged for the territories. It was for this reason I began to look into this important issue. And I was disappointed, however, to find that, under current law prohibiting cigarette smuggling, not all the territories were included.

Under the Contraband Cigarette Trafficking Act that Congress passed in 1978, it is illegal to ship, sell, transport, or possess more than 10,000 cigarettes, or 500 packs per month, not bearing the tax stamp of the jurisdiction in which they are found. Violation is a felony punishable by up to 5 years in prison and seizure of the contraband cigarettes.

The Contraband Cigarette Trafficking Act currently, however, does not apply to American Samoa, Guam, and the Northern Mariana Islands. Historically, when Congress considered the bill in 1978 the Senate version defined State to include the 50 States, the District of Columbia, Puerto Rico, or a territory or a possession of the United States, while the House provision excluded the smaller territories. For some reason unbeknown to me, the conference substitute adopted the House provision, and according to the conference report, the House provision

is described as ''more accurately delineating the practical scope of the legislation.''

Mr. Speaker, the bill before us today will correct this oversight in the current law. This important piece of legislation will amend the Contraband Cigarette Trafficking Act to include the territories of American Samoa, Guam, and the Northern Mariana Islands. It will amend the definition of a State for the purpose of this Act to include all U.S. territories.

Again, I commend my good friends, the gentleman from North Carolina, as well as my friend from Virginia, for their extensive understanding and knowledge of this issue and the matter now before us. I urge my colleagues to support this bill.

Mr. SCOTT of Virginia. Mr. Speaker, I yield myself such time as I may consume to thank the gentleman from American Samoa, the leadership of the Judiciary Committee, and my friend from North Carolina (Mr. COBLE) for bringing this measure to the floor. I urge my colleagues to support the bill.

I yield back the balance of my time.

Mr. COBLE. In closing, I want to thank Mr. SCOTT as well, and my good friend from American Samoa. ENI, I apologize for my having fractured the pronunciation of your name earlier. But folks, this is a good bill that addresses a formidable threat, and I urge my colleagues to vote in favor of the bill and support it.

I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from North Carolina (Mr. COBLE) that the House suspend the rules and pass the bill, H.R. 5934.

The question was taken; and (two-thirds being in the affirmative) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER pro tempore laid before the House the following communication from the Clerk of the House of Representatives:

OFFICE OF THE CLERK,
HOUSE OF REPRESENTATIVES,
Washington, DC, November 14, 2012.

Hon. JOHN A. BOEHNER,
The Speaker, H–232 U.S. Capitol, House of Representatives, Washington, DC.

DEAR MR. SPEAKER: Pursuant to the permission granted in Clause 2(h) of Rule II of the Rules of the U.S. House of Representatives, the Clerk received the following message from the Secretary of the Senate on November 14, 2012, at 10:49 a.m.:

That the Senate agrees to House of Representatives amendment to the bill S. 743.

With best wishes, I am

Sincerely,

KAREN L. HAAS.

EXTENDING THE ECONOMIC AND SOCIAL LADDERS TO SUCCESS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 5, 2011, the gentleman from California (Mr. GARAMENDI) is recognized for 60 minutes as the designee of the minority leader.

Mr. GARAMENDI. Mr. Speaker, we're back, and America expects that we ought to be going back to work. And we have a heavy load ahead of us. We want to make sure that every American has the opportunity to climb up that economic and social ladder as high as they want to and can go. So we have to make sure that those ladders of opportunity are in place.

We also have to make sure that we are a compassionate Nation, that we're willing to reach out to those in our country who have been harmed by devastating natural disasters. We certainly saw this on the east coast, and I'd like to spend a good portion of this hour talking about how we, as a Nation, can respond to superstorm Sandy and the lessons that we should learn from this disaster.

□ 1320

It's not the first that has occurred in America, and it's certainly not going to be the last. In previous disasters, we learned a few lessons, but it seems as though we have yet to achieve the necessary wisdom from those occurrences to really put in place the policies that can protect Americans.

First, our sense of compassion drives Americans to reach out in many different ways to assist those on the east coast that were so severely harmed by this storm. Our condolences go out to the families of those who were killed in the storm. Our wallets open to the American Red Cross and other organizations that are providing assistance. We should do that and we should do more of that, but as a Congress there are things that we must also do.

Proposals have been made on this floor to reduce the effectiveness and the support for the Federal Emergency Management Agency. Not a good idea. It's very clear from the disaster on the east coast that a single city or State or even a region is unable to adequately address—whether in the lead-up to a disaster where there is warning or in the immediate aftermath of that—the necessary resources to assist and to recover. As a Nation, we need some mechanism to gather together all of the strength of this incredible country we call America and apply that strength to those who have been so severely harmed by that disaster. That's occurring. FEMA has clearly been significantly improved in the last 4 years and certainly since the tragedies of New Orleans, but there is much more that needs to be done.

As a Congress, as Representatives of the American people—people who may be in any part of this country and who at any moment could be affected by a disaster—we need to make sure that there is a national response capability in place that is ready to act with the sufficient resources. That's not just an organizational and administrative issue. That is also the necessary funds available. Shortchanging that money that we set aside for those disasters can lead to a period of time in which inaction is inevitable.

So as we go about our budgeting, as we go about our appropriations process, we must make sure that we do not shortchange and that we provide enough money, that we set it aside and have it there, available for immediate response. It's not just the Federal response. It's those private companies and others that will be hired by the Federal Government or the States and cities to provide the necessary services.

There are many other lessons to be learned from superstorm Sandy and from previous disasters. Early warning systems are essential. Yet we have seen proposals here before the Congress, in the budgets and appropriations before the Congress, to diminish the ability of America to see ahead—to be able to predict storms or earthquakes or fires—by diminishing the money available for NASA in their satellite technology and other research capabilities that are out there by which we can learn well ahead of a disaster that it's coming so that we can then warn the citizens and take whatever precautions are necessary and implement whatever defensive systems may be required.

So it's not just the disaster. It's the preparation. It's the early warning—the ability to know what may be coming to harm the citizens of this Nation. As a Congress, we should be cognizant of the role that we play in providing the resources, the direction, and the authorization for those agencies that are able to have the technologies to perceive, to understand what may be coming to the citizens of this Nation and to those around the world.

Secondly, as individuals, it seems to me we ought to be paying attention, and when the authorities say it's time to leave, we really ought to do that. I was the insurance commissioner and Lieutenant Governor in California, and I often found myself in situations where I had responsibilities along these lines. All too often and all too tragically, the citizens who were warned early that they should leave because of a fire danger did not. Tragedy struck and they lost their lives. So we have individual responsibilities as well as community responsibilities.

There is another set of lessons to learn from superstorm Sandy and the drought in the Midwest and from other occurrences in the weather patterns of this Nation, which is that climate change is real. It is real. It is actually happening as we speak. We know that the great ice caps around this world are diminishing. We know that the ocean levels are rising. We know that there is a warming across the entire planet, and we know that this will have profound effects.

It was predicted back in the early nineties when I was working on this issue at the Department of the Interior as Deputy Secretary. We predicted that