

should allow them to be held hostage by a process that promotes the back-room inclusion of new, controversial, onerous and unpopular initiatives. It is my hope that with full debate on the bill, these last minute policy initiatives will be considered and openly discussed.

It is past time for Congress to end the process of using conference reports and appropriations bills to enact unpopular or controversial policies. Continuing debate on the controversial provisions of this bill is the first step in doing so.

Mr. President, I yield the floor.

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 Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Ms. COLLINS). Without objection, it is so ordered.

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UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 2673

Mr. McCONNELL. Madam President, I ask unanimous consent that at 6 p.m. this evening, the pending conference report be temporarily set aside; I further ask consent that the Senate then resume consideration of the conference report at 9:30 tomorrow morning, and further that there be 5½ hours equally divided for debate only; finally, I ask consent that following the use or yielding back of that debate time, the motion to proceed and the motion to reconsider the failed cloture vote be agreed to; further, the Senate then proceed to a vote on invoking cloture on the pending conference report with no intervening action or debate; finally, I ask unanimous consent that if cloture is invoked, the Senate then immediately proceed to a vote on the adoption of the conference report to accompany H.R. 2673, with no further intervening action or debate.

Mr. REID. No objection.

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

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MORNING BUSINESS

Mr. McCONNELL. Madam President, I ask unanimous consent that there now be a period of morning business with Senators permitted to speak for up to 10 minutes each.

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

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PREVENT ALL CIGARETTE TRAFFICKING (PACT) ACT OF 2003

Mr. HATCH. Madam President, I am pleased to inform my colleagues that we have reached an agreement on final language for S. 1177, the Prevent All

Cigarette Trafficking, PACT Act of 2003, which my friend Senator KOHL and I introduced on June 3, 2003. The manager's amendment makes the PACT Act even stronger than as introduced.

The distinguished Senator from Wisconsin and I originally introduced the PACT Act because of our concern that contraband cigarette trafficking both damages the economies of several States and contributes heavily to the profits of organized crime syndicates, including global terrorist organizations. When we reported this bill from the Judiciary Committee on July 31, 2003, I pledged to work with my colleagues on both sides of the aisle to address any and all concerns they had with the legislation. The result of this bipartisan effort is a piece of legislation that will prevent cigarette and smokeless tobacco smuggling and ensure the collection of tobacco excise taxes without infringing upon the rights of Native Americans or consumers.

Internet sales of cigarettes and smokeless tobacco are an impediment States face in their collection of tobacco excise taxes. A recent General Accounting Office report indicates Internet tobacco sellers rarely comply with requirements under the Jenkins Act of 1949 (15 U.S.C. §§375-378 (2003)). The Jenkins Act, as modified by this legislation, is a Federal statute that requires tobacco retailers to register with the tax authority for each State in which they sell cigarette and smokeless tobacco products and to file monthly reports providing shipment information within each state. Failing to comply with the Jenkins Act damages not only individual States, but also retailers that are put in unfair commercial disadvantage.

By ensuring the collection of state excise taxes from all tobacco retailers, the PACT Act will neither inconvenience nor hinder smokers and smokeless tobacco users in their ability as consumers to purchase the tobacco products of their choice over the Internet. This legislation merely removes any uncertainty regarding the scope of the Jenkins Act by explicitly mandating Internet tobacco retailers also comply with existing requirements under the Jenkins Act. This strong vehicle with which to collect taxes from Internet tobacco retailers will allow States to finally claim their rightful revenue and level the playing field for all tobacco retailers.

The PACT Act as modified by the manager's amendment also clarifies that the bill will not affect existing tribal compacts relating to tobacco tax collection on tribal lands and allows Native American Tribes to maintain enforcement authority over their own excise tax laws.

As I mentioned in June, law enforcement authorities have uncovered several instances in which organized crime syndicates are illegally funding terrorist organizations, such as Lebanon-

based Hezbollah, through the smuggling of cigarettes. These groups purchase cigarettes in States with low taxes and then transport them into states with higher taxes where the contraband is sold to small retailers at below market costs. The September 19, 2003, edition of the Detroit Free Press reports that one such scheme involved a 12-member syndicate, which purchased cigarettes in North Carolina and resold them in Michigan. Because North Carolina collects a 50-cent-per-carton tax and Michigan collects a \$12.50 per carton tax, federal prosecutors estimated that one member of the scheme, Hassan Moussa Makki, who monthly smuggled \$36,000 to \$72,000 worth of cigarettes into the State during a 2-year-period, prevented Michigan from collecting \$2 million in tax revenue. Law enforcement authorities determined Makki donated a substantial portion of these profits to Hezbollah. By providing state attorneys general with the necessary enforcement tools and the Bureau of Alcohol, Tobacco, Firearms and Explosives with investigative and inspection authority, the PACT Act will ultimately disrupt this form of terrorist funding and ensure that state, local and tribal governments collect their rightful excise taxes from both cigarette and smokeless tobacco sales.

With respect to delivery sales of smokeless tobacco, this provision is intended to impose strict federal limitations on delivery sales in order to supplement, and not preempt, applicable State or local law. Accordingly, it is intended that State-specific requirements in connection with the collection and remittance of applicable smokeless tobacco excise taxes will remain controlling, notwithstanding that advance payment of excise taxes might otherwise be required by Federal law in the absence of contrary State law. Moreover, the Federal proscription of delivery sales of smokeless tobacco with respect to which excise taxes have not been paid in advance of the delivery is not intended to apply where the laws or administrative practices of the State and locality in which the delivery is made provide that the delivery seller may remit applicable smokeless tobacco excise taxes in an alternate manner.

For example, the law of the delivery State and locality may explicitly or implicitly provide for the payment of smokeless tobacco excise taxes along with the filing of a tax return in the month subsequent to the delivery sale. Under such circumstances, even though applicable State or local law may not require the applicable smokeless tobacco excise taxes be remitted after the delivery, where the law of the delivery State and locality allows for such taxes to be remitted after the delivery, the intent of this provision is that the delivery sale may be made without violating federal law provided that applicable State and local law with respect to the collection and/or