

Minority Leader of the United States Senate, the Speaker, Majority Leader, and Minority Leader of the United States House of Representatives, and to members of the Illinois and Iowa congressional delegations.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. LAUTENBERG:

S. 2493. A bill to amend the Internal Revenue Code of 1986 to deter the smuggling of tobacco products into the United States, and for other purposes; to the Committee on Finance.

By Mr. ROCKEFELLER:

S. 2494. A bill to amend title 38, United States Code, to provide compensation and benefits to children of female Vietnam veterans who were born with certain birth defects, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BREAUX:

S. 2495. A bill to suspend temporarily the duty on stainless steel rail car body shells; to the Committee on Finance.

By Mr. BREAUX:

S. 2496. A bill to suspend temporarily the duty on stainless steel rail car body shells; to the Committee on Finance.

By Mr. MCCAIN (for himself and Mr. LIEBERMAN):

S. 2497. A bill to provide for the development, use, and enforcement of an easily recognizable system in plain English for labeling violent content in audio and visual media products and services, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. MOYNIHAN (for himself, Mr. COCHRAN, and Mr. FRIST):

S. 2498. A bill to authorize the Smithsonian Institution to plan, design, construct, and equip laboratory, administrative, and support space to house base operations for the Smithsonian Astrophysical Observatory Submillimeter Array located on Mauna Kea at Hilo, Hawaii; to the Committee on Rules and Administration.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LAUTENBERG:

S. 2493. A bill to amend the Internal Revenue Code of 1986 to deter the smuggling of tobacco products into the United States, and for other purposes; to the Committee on Finance.

TOBACCO SMUGGLING ERADICATION ACT OF 2000

Mr. LAUTENBERG. Mr. President, I rise today to introduce the Tobacco Smuggling Eradication Act.

When Congress last debated tobacco legislation, Big Tobacco raised the specter of rampant smuggling to defeat the legislation. Of course, the public only found out recently that Big Tobacco itself is a major player in the smuggling game. A tobacco company executive recently pleaded guilty to money laundering charges in a case involving nearly \$700 million worth of cigarettes on the Canadian black market. Although the company denies

knowledge of the scheme, they clearly profited from it.

The best way to address smuggling concerns is to prevent any large-scale smuggling problem from arising in the first place. The Tobacco Smuggling Eradication Act contains several common-sense provisions to combat smuggling of tobacco products, and associated tax evasion.

The bill will require unique serial numbers on all tobacco product packages manufactured or imported into the United States, and will require all packages bound for export to be marked for export. Under current law, export-bound products that re-enter the U.S. too often avoid tax assessment, and are sold at discount, in competition with products on which taxes have been paid. Likewise, re-imported products under current law often evade counting for purposes of the multi-state settlement, and thus cheat Americans twice—once in avoidance of tax, and again in avoidance of MSA assessment.

The bill would require retailers to maintain tobacco-related records, which may consist simply of ordinary business records. This provision would ensure that invoices for tax-paid tobacco products match sales, and that the retailer is not an outlet for product on which tax has not been paid.

The bill also would require wholesalers to keep records on the chain of custody of tobacco products. This requirement already exists for manufacturers, exporters, and importers. This requirement needs to be strengthened in order to ensure that product marked for export is not diverted back into the domestic market without appropriate taxes having been collected.

In addition, the bill would amend the Contraband Cigarette Trafficking Act, which assists states in enforcing and collecting their excise taxes, by lowering the threshold of jurisdiction to 30,000 cigarettes (from 60,000) and expanding it to cover other tobacco products. Federal law should ensure that states have the necessary tools to stop interstate bootleggers who routinely move tons of tobacco products from low-tax states to higher-tax states.

Mr. President, this is important legislation which would crack down on bootleggers and black marketeers. I urge my colleagues to support this bill. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2493

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 "Tobacco Smuggling Eradication Act of 2000".

TITLE I—AMENDMENTS TO INTERNAL REVENUE CODE OF 1986

SEC. 101. AMENDMENT OF 1986 CODE.

Whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 102. IMPROVED MARKING AND LABELING.

(a) IN GENERAL.—Subsection (b) of section 5723 (relating to marks, labels, and notices) is amended—

(1) by striking " , if any, " and

(2) by adding at the end the following: "Such marks, labels, and notices shall include marks and notices relating to the following:

"(1) IDENTIFICATION.—The Secretary shall promulgate regulations that require each manufacturer or importer of tobacco products to legibly print a unique serial number on all packages of tobacco products manufactured or imported for sale or distribution. Such serial number shall be designed to enable the Secretary to identify the manufacturer or importer of the product, and the location and date of manufacture or importation. The Secretary shall determine the size and location of the serial number.

"(2) MARKING REQUIREMENTS FOR EXPORTS.—Each package of a tobacco product that is exported shall be marked for export from the United States. The Secretary shall promulgate regulations to determine the size and location of the mark and under what circumstances a waiver of this paragraph shall be granted."

(b) SALES ON INDIAN RESERVATIONS.—Section 5723 is amended by adding at the end the following new subsections:

"(f) SALES ON INDIAN RESERVATIONS.—The Secretary, in consultation with the Secretary of the Interior, shall promulgate regulations that require that each package of a tobacco product that is sold on an Indian reservation (as defined in section 403(9) of the Indian Child Protection and Family Violence Prevention Act (25 U.S.C. 3202(9)) be labeled as such. Such regulations shall include requirements for the size and location of the label.

"(g) DEFINITION OF PACKAGE.—For purposes of this section, the term 'package' means the innermost sealed container irrespective of the material from which such container is made, in which a tobacco product is placed by the manufacturer and in which such tobacco product is offered for sale to a member of the general public."

SEC. 103. WHOLESALE REQUIRED TO HAVE PERMIT.

Section 5712 (relating to application for permit) is amended by inserting " , wholesaler, " after "manufacturer".

SEC. 104. CONDITIONS OF PERMIT.

Subsection (a) of section 5713 (relating to issuance of permit) is amended to read as follows:

"(a) ISSUANCE.—

"(1) IN GENERAL.—A person shall not engage in business as a manufacturer, wholesaler, or importer of tobacco products or as an export warehouse proprietor without a permit to engage in such business. Such permit shall be issued in such form and in such manner as the Secretary shall by regulation prescribe, to every person properly qualified under sections 5711 and 5712. A new permit may be required at such other time as the Secretary shall by regulation prescribe.

"(2) CONDITIONS.—The issuance of a permit under this section shall be conditioned upon