

in excess of certain specified quantities. With respect to both activities, the act authorizes the imposition of criminal penalties and fines.

As drafted, however, the bill does not apply to American Samoa, the Commonwealth of the Northern Mariana Islands, and Guam. Thus, the Bureau of Alcohol, Tobacco, Firearms, and Explosives is prohibited from investigating Contraband Cigarette Trafficking Act violations in those territories. H.R. 338 will cure this obvious oversight.

Mr. Speaker, cigarettes are believed to be the most illegally trafficked product in the world. In 2006 alone, more than 10 percent of worldwide sales, or 600 billion cigarettes, were counterfeited.

Contraband cigarettes actually present numerous issues. Legally manufactured cigarettes are diverted from legal trade channels in the underworld for resale, evading the imposition of appropriate taxes, costing territorial governments a significant amount of cigarette excess tax revenue each year. They also facilitate unfair competition that hurts the bottom line of legitimate businesses.

Counterfeit cigarettes are also not subjected to any manufacturing safeguards, therefore presenting the potential for products containing toxic ingredients that can seriously jeopardize the health and safety of the smoker.

The lower price also facilitates easier affordability for our youth, resulting in addiction at earlier ages. The illicit trade therefore adds steadily to the health care costs of worker productivity losses and the growing death from tobacco use. Currently, the use of tobacco claims 5.4 million lives a year. This number is projected to rise to 8 million by 2013.

For these reasons, I strongly support H.R. 338 and thank our colleague from American Samoa, Delegate FALEOMAVAEGA, for his leadership in spearheading this issue.

Accordingly, Mr. Speaker, I urge my colleagues to support the legislation, and I reserve the balance of my time.

Mr. GOODLATTE. I continue to reserve the balance of my time.

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

Mr. FALEOMAVAEGA. I thank the gentleman for yielding, Mr. Speaker, and I especially want to thank my good friend, the chairman of the House Judiciary committee, Mr. GOODLATTE, and Mr. JOHN CONYERS, the senior ranking member, for their support of this proposed bill. I would especially also like to thank JIM SENSENBRENNER, the chairman of the subcommittee, and the gentleman from Virginia, my good friend, for their support in the subcommittee. I also want to acknowledge Speaker JOHN BOEHNER, Majority Leader CANTOR, and our Democratic leader, NANCY PELOSI, for their support.

Mr. Speaker, my district faces a serious problem with tobacco smuggling.

According to a recent study, in 2010 alone, as many as 5.8 million cigarettes were smuggled into the territory. The study found that tobacco smuggling resulted in the loss of about \$725,000 in revenues to the territory. If continued undeterred, tobacco smuggling in the territory will lead to heavier losses in local tax revenues, especially if the cigarette excise tax rate were to be increased. Mr. Speaker, securing and sustaining stable sources of local revenue stream is essential and must be encouraged for the territories, as it has already done for the States.

It was for this reason I began to look into this important issue. I was disappointed, however, to find that under the 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 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 and/or both.

The Contraband Cigarette Trafficking Act currently, however, does not apply to American Samoa, the territory of 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 possession of the United States; however, the House provision excluded the smaller territories. For some reason unbeknownst to me, the conference substitute adopted the House provision. The conference report describes the House provision as "more accurately delineating the practical scope of the legislation."

Mr. Speaker, the bill before us today will correct this oversight under the current law. This important piece of legislation will amend the Contraband Cigarette Trafficking Act to include these territories.

I urge my colleagues to support this bill.

Mr. SCOTT of Virginia. Mr. Speaker, I yield back the balance of my time.

Mr. GOODLATTE. I will close simply by saying cigarette smuggling is a serious problem and revenues lost to the territories that Mr. FALEOMAVAEGA and others represent are lost revenues that they can use to meet legitimate obligations, and we want to help them combat that. So I strongly support the legislation and urge my colleagues to do the same, and I yield back the balance of my time.

Ms. JACKSON LEE. Mr. Speaker, I rise today to support H.R. 338, the "Stop Tobacco Smuggling in the Territories Act of 2013," which adds previously uncovered American territories to the Contraband Cigarette Trafficking Act.

Specifically, H.R. 338 provides that American Samoa, the Commonwealth of the Northern Marianas and Guam will be covered by

the current Contraband Cigarette Trafficking Act, 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 tax stamp.

Currently, only the 50 states, Washington, DC, Puerto Rico, and the Virgin Islands are covered by the Contraband Cigarette Trafficking Act.

We all understand the dangers associated with cigarette smoking and its prevalence in the United States. This bill seeks to treat the aforementioned territories like any other state when it comes to trafficking.

Roughly 23 percent of American adults and 30 percent of adolescents are current smokers. Every day, 3,500 minors try smoking for the first time, one thousand of whom go on to become regular, daily smokers. Moreover, more than 15.5 million children are exposed to secondhand smoke at home.

Smoking kills more people than alcohol, AIDS, car accidents, illegal drugs, murders, and suicides combined, with thousands more dying from spit tobacco use.

About one of every five American deaths is related to smoking, or about 400,000 Americans each year. Tragically, about 50,000 adult nonsmokers in the nation die each year from exposure to secondhand smoke.

More deaths are caused each year by tobacco use than by all deaths from HIV, illegal drug use, alcohol use, car accidents, suicides, and murders combined.

More than 8.6 million Americans currently suffer from smoking-caused illness, and over six million Americans under the age of 18 who are alive today are estimated to ultimately die from smoking. In addition, smokers lose an average of 13 to 14 years of life because of their smoking.

We must do more to dissuade people from smoking.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. GOODLATTE) that the House suspend the rules and pass the bill, H.R. 338.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds being in the affirmative, the ayes have it.

Mr. GOODLATTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, further proceedings on this motion will be postponed.

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#### RECESS

The SPEAKER pro tempore. Pursuant to clause 12(a) of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 1 o'clock and 39 minutes p.m.), the House stood in recess.

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□ 1400

#### AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mr. ROONEY) at 2 p.m.