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June 28, 2004

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The President
The White House
Washington, DC 20500

Dear Mr. President:

I am writing to call your attention to a new General Accounting Office study on counterfeit cigarettes and cigarette smuggling.¹ GAO found that U.S. ratification of the Framework Convention on Tobacco Control would facilitate international cooperation against the illegal trade in these tobacco products. I urge you to make ratification of this treaty an urgent priority.

Cigarette smuggling is a growing threat. Smugglers dump cheap cigarettes onto the market, luring children and others who are sensitive to higher prices into a deadly addiction. Smuggling also robs governments of needed tax revenue, with proceeds going to organized crime and even terrorism. GAO found:

[S]ome cigarette smugglers have ties with terrorist groups, and there are indications that terrorist group involvement in illicit cigarette trafficking, as well as the relationship between criminal groups and terrorist groups, will grow in the future because of the large profits that can be made.²

To combat this threat, more than 150 nations negotiated provisions to combat smuggling in the Framework Convention on Tobacco Control. These provisions cover a range of issues, including markings on cigarette packages to help law enforcement, cooperation in investigations and prosecutions, and global exchange of information.

GAO identified a specific reason why U.S. ratification of the global tobacco treaty would assist the battle against smuggling. Currently, when a ship leaves our shores carrying cigarettes, U.S. government officials cannot call ahead to inform other countries how many cigarettes are

¹General Accounting Office, *Cigarette Smuggling: Federal Law Enforcement Efforts and Seizures Increasing* (GAO-06-641) (May 2004).

²*Id.* at 7.

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due to arrive unless a bilateral or multilateral agreement is in place. Without such information, however, it may be impossible to ensure that cigarettes are not diverted to illegal distribution channels en route.

According to GAO, U.S. ratification of the Framework Convention on Tobacco Control would remove this barrier to cooperation. GAO determined:

The convention would allow the information to be provided and used to determine whether the quantity of cigarettes declared as imports matches the quantity of cigarettes exported. If the imported quantity is less than the exported quantity, this may indicate that some of the cigarettes were diverted to be smuggled into that or some other country, or back to the United States, without the payment of cigarette taxes and import duties.³

Last month, the United States signed the Framework Convention. However, signing is a largely symbolic gesture. Ratification of the treaty is essential for its many public health benefits to be realized. It is now clear that ratification is crucial for key progress against smuggling.

I urge you to send this landmark treaty to the Senate for ratification as quickly as possible, so that the world community can more effectively fight cigarette smuggling and its many serious consequences, including terrorism.

Sincerely,



Henry A. Waxman
Ranking Minority Member

³*Id.* at 26.