



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Office of the Director

MAY 19 2010

Washington, DC 20226

Dear Tribal Leader:

On March 31, 2010, the President signed into law the Prevent All Cigarette Trafficking (PACT) Act of 2009, Public Law 111-154. The PACT Act revises existing provisions governing the collection of taxes on, and sales in, cigarettes and smokeless tobacco. The Act makes the U.S. Department of Justice, in particular the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF), responsible for enforcing certain of its provisions. To implement the Act, the Department of Justice will need to develop regulations, and we would greatly value your input in that process. Accordingly, we write to solicit your views as we develop the regulations, pursuant to Executive Order 13175, Consultation and Coordination with Indian Tribal Governments.

Section 6 of the PACT Act provides that the Act will go into effect on June 29, 2010. In order to give maximum consideration to Tribal comments, we are scheduling an in-person consultation event to obtain input for the regulations to begin at 9:00 a.m. on June 8, 2010. The consultation will take place in Washington, DC at the National Museum of the American Indian, 4th Street and Independence SW, Washington, DC 20024. The consultation meeting will be held on the 4th floor in rooms 4018/4019. Attendees should use the staff entrance located along Maryland Avenue. If you would like to attend the in-person consultation, please contact Henry Lescault, ATF Division Chief, ATF Liaison Office, at Liaison@atf.gov or by fax at (202) 648-9750, on or before June 2, 2010. We sincerely regret that this provides a relatively short time frame for consultation, but we are constrained by the effective date of the Act.

Because we are publishing an interim rule with subsequent opportunity for comments in order to immediately implement the statutory mandates of the PACT Act, we would greatly appreciate receiving your written comments by June 18, 2010. Comments can be forwarded via:

- **Email** to Liaison@atf.gov

- **Mail** to

James P. Ficaretta, Program Manager
Bureau of Alcohol, Tobacco, Firearms, and Explosives
99 New York Avenue, NE
Mailstop 6N-602
Washington, D.C. 20226

- **Facsimile** to (202) 648-9741

Tribal Leader Consultation

Comments may also be forwarded during the regular notice and comment period after the proposed regulations are published in the Federal Register.

Below are the provisions of the PACT Act for which the Department of Justice will be developing regulations:

1. Registration and reporting requirements regarding certain sales of tobacco products included in Section 2 of the Act, codified at 15 U.S.C. § 376a.
2. Requirements for certain delivery sales included in Section 2A of the Act, codified at 15 U.S.C. § 376A.
3. Requirements in Section 2A of the Act, codified at 15 U.S.C. § 376A(e), for creation and publication of a list of delivery sellers of cigarettes and smokeless tobacco who have not complied with the Act.
4. The requirement in Section 2A of the Act, codified at 15 U.S.C. § 376A(e)(1)(E), that the Attorney General provide an opportunity for delivery sellers to challenge their placement on any list of non-compliant delivery sellers described in 3, above.
5. The prohibition in Section 2A of the Act on certain deliveries by persons on the non-compliant list. 15 U.S.C. § 376A(e)(1)(F).
6. Record-keeping requirements for persons who sell, transfer, ship, or advertise or offer for sale cigarettes or smokeless tobacco products pursuant to Section 2 of the Act, codified at 15 U.S.C. §§ 376(a)(2) and 376A(c).
7. Penalties included in Section 3 of the Act, codified at 15 U.S.C. § 377.

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "K. Melson", written in a cursive style.

Kenneth E. Melson