

Urgent Action – Threat to Tribal Sovereignty and Indian Commerce

Action Requested: Contact Senate Finance Committee Chairman Max Baucus (D-MT) and other members of the Senate Finance Committee today to urge that they prevent Senator Lautenberg (D-NJ) from including the Smuggled Tobacco Prevention Act or STOP Act as part of the surface transportation authorization.

When: Chairman Baucus has scheduled the Finance Committee mark up of the funding portion of the transportation authorization for *today, February 7 at 3:00 pm*. Calls are needed today!

Message: Tell the Senate Finance Committee Chairman, Vice Chairman and Committee Members that you oppose the STOP Act because it would have sweeping negative impact on reservation commerce. Point out that the STOP Act would override the efforts of tribal and state governments to establish workable tax compacts and enforcement agreements.

Background: The STOP Act (S. 1706 and H.R. 3186) would create a federal and state cooperative system for tracking state tobacco taxes throughout the supply chain. Each package of tobacco would be required to have a unique identifying mark that enables electronic tracking. The states could use this new enforcement authority to cut off the supply of untaxed cigarettes, leaving no source for tribal tobacco taxes. Under the STOP Act, the state tax would be collected at the manufacturing plant.

The legislation would upset long settled state-tribal tobacco tax compact and agreements. Those agreements exist because Indian tribes have the right to collect tobacco taxes, because states have no authority to tax reservation sales to tribal members, and because states and tribes had to work out enforcement agreements. Under the STOP Act, states could simply back out of the agreements, and then impose some sort of “volume” based agreement where each tribe is limited to a certain amount of tax free tobacco product based on population – much like what the state has been pushing in New York.

USET has launched the Intertribal Tax Initiative with the National Congress of American Indians (NCAI), the Affiliated Tribes of Northwest Indians (ATNI), Native American Finance Officers Association (NAFOA) and California Association of Tribal Governments (CATG). The Initiative has set forth four joint action priorities to promote tribal tax authority and to prevent intrusions by state governments. The Initiative has been engaging the Department of Justice (DOJ) to demand interpretations of the Prevent All Cigarette Trafficking (PACT) Act to prevent state interference tribal commerce and tax authority.

USET views the STOP Act as an even more aggressive assault on tribal tobacco commerce and tax authority than the PACT Act. Indian Country must challenge and defeat Sen. Lautenberg's attempt to include the STOP Act in the transportation legislation.

Senate Committee on Finance Members:

Baucus, Max (MT) , Chairman
Rockefeller, John D. (WV)
Conrad, Kent (ND)
Bingaman, Jeff (NM)
Kerry, John F. (MA)
Wyden, Ron (OR)
Schumer, Charles E. (NY)
Stabenow, Debbie (MI)
Cantwell, Maria (WA)
Nelson, Bill (FL)
Menendez, Robert (NJ)
Carper, Thomas R. (DE)
Cardin, Benjamin L. (MD)

Hatch, Orrin G. (UT), Ranking Member
Grassley, Chuck (IA)
Snowe, Olympia J. (ME)
Kyl, Jon (AZ)
Crapo, Mike (ID)
Roberts, Pat (KS)
Enzi, Michael B. (WY)
Cornyn, John (TX)
Coburn, Tom (OK)
Thune, John (SD)
Burr, Richard (NC)

Please note that Senators Kerry (D-MA), Schumer (D-NY), Nelson (D-FL), Snowe (R-ME) and Burr (R-NC) represent states where USET Member Tribes are located. USET calls on our Member Tribes in those states to reach out to these Senators today.