



1901 N. FORT MYER DRIVE • SUITE 500 • ARLINGTON, VA 22209-1604 • 703-351-8000 • FAX 703-351-9160

PREVENTING SALES OF TOBACCO TRAFFICKING

PMAA is a leading national trade association in the petroleum industry representing 8,000 independent petroleum marketing companies who own 60,000 retail fuel outlets such as gas stations, convenience stores and truck stops. Additionally, these companies supply motor fuels to 40,000 independently owned retail outlets and heating oil to 7 million households and businesses. Tobacco accounts for approximately 35 percent of PMAA member company in-store sales. Preventing the illegal sale of tobacco via telephone, Internet and mail delivery is a top priority for PMAA.

PMAA POSITION

Sellers of tobacco via the Internet, postal service and telephone can easily avoid paying excise taxes on tobacco. In 2006, there were 770 websites selling cigarettes to U.S. smokers, with half based outside the USA – up from 40 domestic Internet sellers of cigarettes in early 2000. Since 2002, consumer purchases over the Internet have increased 50 percent. As cigarettes become more expensive, Internet sales of tobacco will likely increase so people can avoid paying taxes.

In the meantime, small businesses are unable to compete against Internet sales, postal delivery methods and phone sales. State governments lose revenue each year and minors are able to illegally purchase tobacco products from the marketing of tobacco via the Internet and other methods.

CURRENT LEGISLATION

Congressman Anthony Weiner (D-NY) introduced the “Prevent All Cigarette Trafficking Act,” or PACT Act (H.R. 1676) which would address tobacco marketing via the Internet, postal delivery and over the telephone. Additionally, Congressman John McHugh (R-NY) introduced H.R. 1400 which would level the playing field between small business retailers who legally sell tobacco products to adults and those who use postal services to ship tobacco in order to avoid taxes.

While PMAA supports Rep. McHugh’s efforts to stop the sale of tobacco via postal delivery, PMAA urges that final legislation include stopping the sale of tobacco products via all corridors including the Internet and the telephone. PMAA fully supports Rep. Weiner’s “PACT ACT” which is a step in the right direction to stop the illegal sale of tobacco which hurts the ability for small businesses to compete and also allows tobacco products to get in the hands of minors.

PMAA STAFF CONTACTS: Sherri Cabrera, scabrera@pmaa.org
Rob Underwood, runderwood@pmaa.org