H. R. 1108

AN ACT

- To protect the public health by providing the Food and Drug Administration with certain authority to regulate tobacco products.
 - 1 Be it enacted by the Senate and House of Representa-
- 2 tives of the United States of America in Congress assembled,

1 SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

- 2 (a) Short Title.—This Act may be cited as the
- 3 "Family Smoking Prevention and Tobacco Control Act".
- 4 (b) Table of Contents of
- 5 this Act is as follows:
 - Sec. 1. Short title; table of contents.
 - Sec. 2. Findings.
 - Sec. 3. Purpose.
 - Sec. 4. Scope and effect.
 - Sec. 5. Severability.

TITLE I—AUTHORITY OF THE FOOD AND DRUG ADMINISTRATION

- Sec. 101. Amendment of Federal Food, Drug, and Cosmetic Act.
- Sec. 102. Final rule.
- Sec. 103. Conforming and other amendments to general provisions.
- Sec. 104. Study on raising the minimum age to purchase tobacco products.
- Sec. 105. Tobacco industry concentration.
- Sec. 106. Enforcement action plan for advertising and promotion restrictions.

TITLE II—TOBACCO PRODUCT WARNINGS; CONSTITUENT AND SMOKE CONSTITUENT DISCLOSURE

- Sec. 201. Cigarette label and advertising warnings.
- Sec. 202. Authority to revise cigarette warning label statements.
- Sec. 203. State regulation of cigarette advertising and promotion.
- Sec. 204. Smokeless tobacco labels and advertising warnings.
- Sec. 205. Authority to revise smokeless tobacco product warning label statements.
- Sec. 206. Tar, nicotine, and other smoke constituent disclosure to the public.

TITLE III—PREVENTION OF ILLICIT TRADE IN TOBACCO PRODUCTS

- Sec. 301. Labeling, recordkeeping, records inspection.
- Sec. 302. Study and report.

TITLE IV—THRIFT SAVINGS PLAN ENHANCEMENT

- Sec. 401. Short title.
- Sec. 402. Automatic enrollments.
- Sec. 403. Qualified Roth contribution program.
- Sec. 404. Authority to establish self-directed investment window.
- Sec. 405. Reporting requirements.
- Sec. 406. Acknowledgement of risk.
- Sec. 407. Credit for unused sick leave.

6 SEC. 2. FINDINGS.

7 The Congress finds the following:

- 1 (1) The use of tobacco products by the Nation's 2 children is a pediatric disease of considerable pro-3 portions that results in new generations of tobacco-4 dependent children and adults.
 - (2) A consensus exists within the scientific and medical communities that tobacco products are inherently dangerous and cause cancer, heart disease, and other serious adverse health effects.
 - (3) Nicotine is an addictive drug.
 - (4) Virtually all new users of tobacco products are under the minimum legal age to purchase such products.
 - (5) Tobacco advertising and marketing contribute significantly to the use of nicotine-containing tobacco products by adolescents.
 - (6) Because past efforts to restrict advertising and marketing of tobacco products have failed adequately to curb tobacco use by adolescents, comprehensive restrictions on the sale, promotion, and distribution of such products are needed.
 - (7) Federal and State governments have lacked the legal and regulatory authority and resources they need to address comprehensively the public health and societal problems caused by the use of tobacco products.

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- 1 (8) Federal and State public health officials, 2 the public health community, and the public at large 3 recognize that the tobacco industry should be subject 4 to ongoing oversight.
 - (9) Under article I, section 8 of the Constitution, the Congress is vested with the responsibility for regulating interstate commerce and commerce with Indian tribes.
 - (10) The sale, distribution, marketing, advertising, and use of tobacco products are activities in and substantially affecting interstate commerce because they are sold, marketed, advertised, and distributed in interstate commerce on a nationwide basis, and have a substantial effect on the Nation's economy.
 - (11) The sale, distribution, marketing, advertising, and use of such products substantially affect interstate commerce through the health care and other costs attributable to the use of tobacco products.
 - (12) It is in the public interest for Congress to enact legislation that provides the Food and Drug Administration with the authority to regulate tobacco products and the advertising and promotion of such products. The benefits to the American people

- from enacting such legislation would be significant in human and economic terms.
 - (13) Tobacco use is the foremost preventable cause of premature death in America. It causes over 400,000 deaths in the United States each year, and approximately 8,600,000 Americans have chronic illnesses related to smoking.
 - (14) Reducing the use of tobacco by minors by 50 percent would prevent well over 10,000,000 of today's children from becoming regular, daily smokers, saving over 3,000,000 of them from premature death due to tobacco-induced disease. Such a reduction in youth smoking would also result in approximately \$75,000,000,000 in savings attributable to reduced health care costs.
 - (15) Advertising, marketing, and promotion of tobacco products have been especially directed to attract young persons to use tobacco products, and these efforts have resulted in increased use of such products by youth. Past efforts to oversee these activities have not been successful in adequately preventing such increased use.
 - (16) In 2005, the cigarette manufacturers spent more than \$13,000,000,000 to attract new users, retain current users, increase current con-

- sumption, and generate favorable long-term attitudes toward smoking and tobacco use.
 - (17) Tobacco product advertising often misleadingly portrays the use of tobacco as socially acceptable and healthful to minors.
 - (18) Tobacco product advertising is regularly seen by persons under the age of 18, and persons under the age of 18 are regularly exposed to tobacco product promotional efforts.
 - (19) Through advertisements during and sponsorship of sporting events, tobacco has become strongly associated with sports and has become portrayed as an integral part of sports and the healthy lifestyle associated with rigorous sporting activity.
 - (20) Children are exposed to substantial and unavoidable tobacco advertising that leads to favorable beliefs about tobacco use, plays a role in leading young people to overestimate the prevalence of tobacco use, and increases the number of young people who begin to use tobacco.
 - (21) The use of tobacco products in motion pictures and other mass media glamorizes its use for young people and encourages them to use tobacco products.

- 1 (22) Tobacco advertising expands the size of 2 the tobacco market by increasing consumption of to-3 bacco products including tobacco use by young peo-4 ple.
 - (23) Children are more influenced by tobacco marketing than adults: more than 80 percent of youth smoke three heavily marketed brands, while only 54 percent of adults, 26 and older, smoke these same brands.
 - (24) Tobacco company documents indicate that young people are an important and often crucial segment of the tobacco market. Children, who tend to be more price sensitive than adults, are influenced by advertising and promotion practices that result in drastically reduced cigarette prices.
 - (25) Comprehensive advertising restrictions will have a positive effect on the smoking rates of young people.
 - (26) Restrictions on advertising are necessary to prevent unrestricted tobacco advertising from undermining legislation prohibiting access to young people and providing for education about tobacco use.
 - (27) International experience shows that advertising regulations that are stringent and comprehen-

- sive have a greater impact on overall tobacco use and young people's use than weaker or less comprehensive ones.
 - (28) Text only requirements, although not as stringent as a ban, will help reduce underage use of tobacco products while preserving the informational function of advertising.
 - (29) It is in the public interest for Congress to adopt legislation to address the public health crisis created by actions of the tobacco industry.
 - (30) The final regulations promulgated by the Secretary of Health and Human Services in the August 28, 1996, issue of the Federal Register (61 Fed. Reg. 44615–44618) for inclusion as part 897 of title 21, Code of Federal Regulations, are consistent with the first amendment to the United States Constitution and with the standards set forth in the amendments made by this subtitle for the regulation of tobacco products by the Food and Drug Administration, and the restriction on the sale and distribution of, including access to and the advertising and promotion of, tobacco products contained in such regulations are substantially related to accomplishing the public health goals of this Act.

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(31) The regulations described in paragraph (30) will directly and materially advance the Federal Government's substantial interest in reducing the number of children and adolescents who use cigarettes and smokeless tobacco and in preventing the life-threatening health consequences associated with tobacco use. An overwhelming majority of Americans who use tobacco products begin using such products while they are minors and become addicted to the nicotine in those products before reaching the age of 18. Tobacco advertising and promotion play a crucial role in the decision of these minors to begin using tobacco products. Less restrictive and less comprehensive approaches have not and will not be effective in reducing the problems addressed by such regulations. The reasonable restrictions on the advertising and promotion of tobacco products contained in such regulations will lead to a significant decrease in the number of minors using and becoming addicted to those products.

(32) The regulations described in paragraph (30) impose no more extensive restrictions on communication by tobacco manufacturers and sellers than are necessary to reduce the number of children and adolescents who use cigarettes and smokeless to-

- bacco and to prevent the life-threatening health con-sequences associated with tobacco use. Such regula-tions are narrowly tailored to restrict those advertising and promotional practices which are most like-ly to be seen or heard by youth and most likely to entice them into tobacco use, while affording tobacco manufacturers and sellers ample opportunity to con-vey information about their products to adult con-sumers.
 - (33) Tobacco dependence is a chronic disease, one that typically requires repeated interventions to achieve long-term or permanent abstinence.
 - (34) Because the only known safe alternative to smoking is cessation, interventions should target all smokers to help them quit completely.
 - (35) Tobacco products have been used to facilitate and finance criminal activities both domestically and internationally. Illicit trade of tobacco products has been linked to organized crime and terrorist groups.
 - (36) It is essential that the Food and Drug Administration review products sold or distributed for use to reduce risks or exposures associated with to-bacco products and that it be empowered to review any advertising and labeling for such products. It is

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also essential that manufacturers, prior to marketing such products, be required to demonstrate that such products will meet a series of rigorous criteria, and will benefit the health of the population as a whole, taking into account both users of tobacco products and persons who do not currently use tobacco products.

(37) Unless tobacco products that purport to reduce the risks to the public of tobacco use actually reduce such risks, those products can cause substantial harm to the public health to the extent that the individuals, who would otherwise not consume tobacco products or would consume such products less, use tobacco products purporting to reduce risk. Those who use products sold or distributed as modified risk products that do not in fact reduce risk, rather than quitting or reducing their use of tobacco products, have a substantially increased likelihood of suffering disability and premature death. The costs to society of the widespread use of products sold or distributed as modified risk products that do not in fact reduce risk or that increase risk include thousands of unnecessary deaths and injuries and huge costs to our health care system.

- (38) As the National Cancer Institute has found, many smokers mistakenly believe that "low tar" and "light" cigarettes cause fewer health prob-lems than other cigarettes. As the National Cancer Institute has also found, mistaken beliefs about the health consequences of smoking "low tar" and "light" cigarettes can reduce the motivation to quit smoking entirely and thereby lead to disease and death.
 - (39) Recent studies have demonstrated that there has been no reduction in risk on a population-wide basis from "low tar" and "light" cigarettes, and such products may actually increase the risk of tobacco use.
 - (40) The dangers of products sold or distributed as modified risk tobacco products that do not in fact reduce risk are so high that there is a compelling governmental interest in ensuring that statements about modified risk tobacco products are complete, accurate, and relate to the overall disease risk of the product.
 - (41) As the Federal Trade Commission has found, consumers have misinterpreted advertisements in which one product is claimed to be less harmful than a comparable product, even in the

- presence of disclosures and advisories intended to
 provide clarification.
 - (42) Permitting manufacturers to make unsubstantiated statements concerning modified risk to-bacco products, whether express or implied, even if accompanied by disclaimers would be detrimental to the public health.
 - (43) The only way to effectively protect the public health from the dangers of unsubstantiated modified risk tobacco products is to empower the Food and Drug Administration to require that products that tobacco manufacturers sold or distributed for risk reduction be reviewed in advance of marketing, and to require that the evidence relied on to support claims be fully verified.
 - (44) The Food and Drug Administration is a regulatory agency with the scientific expertise to identify harmful substances in products to which consumers are exposed, to design standards to limit exposure to those substances, to evaluate scientific studies supporting claims about the safety of products, and to evaluate the impact of labels, labeling, and advertising on consumer behavior in order to reduce the risk of harm and promote understanding of the impact of the product on health. In connection

with its mandate to promote health and reduce the risk of harm, the Food and Drug Administration routinely makes decisions about whether and how products may be marketed in the United States.

(45) The Federal Trade Commission was created to protect consumers from unfair or deceptive acts or practices, and to regulate unfair methods of competition. Its focus is on those marketplace practices that deceive or mislead consumers, and those that give some competitors an unfair advantage. Its mission is to regulate activities in the marketplace. Neither the Federal Trade Commission nor any other Federal agency except the Food and Drug Administration possesses the scientific expertise needed to implement effectively all provisions of the Family Smoking Prevention and Tobacco Control Act.

(46) If manufacturers state or imply in communications directed to consumers through the media or through a label, labeling, or advertising, that a tobacco product is approved or inspected by the Food and Drug Administration or complies with Food and Drug Administration standards, consumers are likely to be confused and misled. Depending upon the particular language used and its context, such a statement could result in consumers being misled

into believing that the product is endorsed by the Food and Drug Administration for use or in consumers being misled about the harmfulness of the product because of such regulation, inspection, ap-

proval, or compliance.

- 6 (47) If manufacturers are permitted to state or 7 imply in communications directed to consumers that 8 a tobacco product is approved or inspected by the 9 Food and Drug Administration or complies with 10 Food and Drug Administration standards, con-11 sumers are likely to be confused and misled. Such a 12 statement could result in consumers being misled 13 into believing that the product is endorsed by the 14 Food and Drug Administration for use or in con-15 sumers being misled about the harmfulness of the 16 product because of such regulation, inspection, or 17 compliance.
 - (48) In August 2006 a United States district court judge found that the major United States cigarette companies continue to target and market to youth. USA v Philip Morris, USA, Inc., et al. (Civil Action No. 99–2496 (GK), August 17, 2006).
 - (49) In August 2006 a United States district court judge found that the major United States cigarette companies dramatically increased their adver-

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- 1 tising and promotional spending in ways that en-
- 2 courage youth to start smoking subsequent to the
- 3 signing of the Master Settlement Agreement in
- 4 1998. USA v Philip Morris, USA, Inc., et al. (Civil
- 5 Action No. 99–2496 (GK), August 17, 2006).
- 6 (50) In August 2006 a United States district
- 7 court judge found that the major United States cig-
- 8 arette companies have designed their cigarettes to
- 9 precisely control nicotine delivery levels and provide
- doses of nicotine sufficient to create and sustain ad-
- diction while also concealing much of their nicotine-
- related research. USA v Philip Morris, USA, Inc., et
- 13 al. (Civil Action No. 99–2496 (GK), August 17,
- 14 2006).

15 SEC. 3. PURPOSE.

- The purposes of this Act are—
- 17 (1) to provide authority to the Food and Drug
- Administration to regulate tobacco products under
- the Federal Food, Drug, and Cosmetic Act (21
- 20 U.S.C. 301 et seq.), by recognizing it as the primary
- 21 Federal regulatory authority with respect to the
- 22 manufacture, marketing, and distribution of tobacco
- products as provided for in this Act;
- 24 (2) to ensure that the Food and Drug Adminis-
- 25 tration has the authority to address issues of par-

- ticular concern to public health officials, especially
 the use of tobacco by young people and dependence
 on tobacco;
 - (3) to authorize the Food and Drug Administration to set national standards controlling the manufacture of tobacco products and the identity, public disclosure, and amount of ingredients used in such products;
 - (4) to provide new and flexible enforcement authority to ensure that there is effective oversight of the tobacco industry's efforts to develop, introduce, and promote less harmful tobacco products;
 - (5) to vest the Food and Drug Administration with the authority to regulate the levels of tar, nicotine, and other harmful components of tobacco products;
 - (6) in order to ensure that consumers are better informed, to require tobacco product manufacturers to disclose research which has not previously been made available, as well as research generated in the future, relating to the health and dependency effects or safety of tobacco products;
 - (7) to continue to permit the sale of tobacco products to adults in conjunction with measures to

- ensure that they are not sold or accessible to underage purchasers; (8) to impose appropriate regulatory controls on
- (9) to promote cessation to reduce disease risk
 and the social costs associated with tobacco-related
 diseases; and
- 8 (10) to strengthen legislation against illicit 9 trade in tobacco products.

10 SEC. 4. SCOPE AND EFFECT.

the tobacco industry;

- 11 (a) Intended Effect.—Nothing in this Act (or an 12 amendment made by this Act) shall be construed to—
- 13 (1) establish a precedent with regard to any 14 other industry, situation, circumstance, or legal ac-15 tion; or
- (2) affect any action pending in Federal, State,
 or Tribal court, or any agreement, consent decree, or
 contract of any kind.
- 19 (b) AGRICULTURAL ACTIVITIES.—The provisions of 20 this Act (or an amendment made by this Act) which au-21 thorize the Secretary to take certain actions with regard 22 to tobacco and tobacco products shall not be construed to 23 affect any authority of the Secretary of Agriculture under
- 24 existing law regarding the growing, cultivation, or curing
- 25 of raw tobacco.

- 1 (c) REVENUE ACTIVITIES.—The provisions of this
- 2 Act (or an amendment made by this Act) which authorize
- 3 the Secretary to take certain actions with regard to to-
- 4 bacco products shall not be construed to affect any author-
- 5 ity of the Secretary of the Treasury under chapter 52 of
- 6 the Internal Revenue Code of 1986.

7 SEC. 5. SEVERABILITY.

- 8 If any provision of this Act, the amendments made
- 9 by this Act, or the application of any provision of this Act
- 10 to any person or circumstance is held to be invalid, the
- 11 remainder of this Act, the amendments made by this Act,
- 12 and the application of the provisions of this Act to any
- 13 other person or circumstance shall not be affected and
- 14 shall continue to be enforced to the fullest extent possible.

15 TITLE I—AUTHORITY OF THE

16 **FOOD AND DRUG ADMINIS-**

17 **TRATION**

- 18 SEC. 101. AMENDMENT OF FEDERAL FOOD, DRUG, AND
- 19 COSMETIC ACT.
- 20 (a) Definition of Tobacco Products.—Section
- 21 201 of the Federal Food, Drug, and Cosmetic Act (21
- 22 U.S.C. 321) is amended by adding at the end the fol-
- 23 lowing:
- 24 "(rr)(1) The term 'tobacco product' means any prod-
- 25 uct made or derived from tobacco that is intended for

- 1 human consumption, including any component, part, or
- 2 accessory of a tobacco product (except for raw materials
- 3 other than tobacco used in manufacturing a component,
- 4 part, or accessory of a tobacco product).
- 5 "(2) The term 'tobacco product' does not mean an
- 6 article that is a drug under subsection (g)(1), a device
- 7 under subsection (h), or a combination product described
- 8 in section 503(g).
- 9 "(3) The products described in paragraph (2) shall
- 10 be subject to chapter V of this Act.
- 11 "(4) A tobacco product may not be marketed in com-
- 12 bination with any other article or product regulated under
- 13 this Act (including a drug, biologic, food, cosmetic, med-
- 14 ical device, or a dietary supplement).".
- 15 (b) FDA AUTHORITY OVER TOBACCO PRODUCTS.—
- 16 The Federal Food, Drug, and Cosmetic Act (21 U.S.C.
- 17 301 et seq.) is amended—
- 18 (1) by redesignating chapter IX as chapter X;
- 19 (2) by redesignating sections 901 through 910
- as sections 1001 through 1010; and
- 21 (3) by inserting after chapter VIII the fol-
- 22 lowing:
- 23 "CHAPTER IX—TOBACCO PRODUCTS
- 24 "SEC. 900. DEFINITIONS.
- 25 "In this chapter:

"(1) Additive.—The term 'additive' means any substance the intended use of which results or may reasonably be expected to result, directly or indirectly, in its becoming a component or otherwise affecting the characteristic of any tobacco product (including any substances intended for use as a flavoring or coloring or in producing, manufacturing, packing, processing, preparing, treating, packaging, transporting, or holding), except that such term does not include tobacco or a pesticide chemical residue in or on raw tobacco or a pesticide chemical.

"(2) Brand.—The term 'brand' means a variety of tobacco product distinguished by the tobacco used, tar content, nicotine content, flavoring used, size, filtration, packaging, logo, registered trademark, brand name, identifiable pattern of colors, or any combination of such attributes.

"(3) CIGARETTE.—The term 'cigarette'—

"(A) means a product that—

"(i) is a tobacco product; and

"(ii) meets the definition of the term 'cigarette' in section 3(1) of the Federal Cigarette Labeling and Advertising Act;

24 and

- "(B) includes tobacco, in any form, that is
 functional in the product, which, because of its
 appearance, the type of tobacco used in the
 filler, or its packaging and labeling, is likely to
 be offered to, or purchased by, consumers as a
 cigarette or as roll-your-own tobacco.
 - "(4) CIGARETTE TOBACCO.—The term 'cigarette tobacco' means any product that consists of loose tobacco that is intended for use by consumers in a cigarette. Unless otherwise stated, the requirements applicable to cigarettes under this chapter shall also apply to cigarette tobacco.
 - "(5) COMMERCE.—The term 'commerce' has the meaning given that term by section 3(2) of the Federal Cigarette Labeling and Advertising Act.
 - "(6) Counterfeit tobacco product' means a tobacco product (or the container or labeling of such a product) that, without authorization, bears the trademark, trade name, or other identifying mark, imprint, or device, or any likeness thereof, of a tobacco product listed in a registration under section 905(i)(1).
- 24 "(7) DISTRIBUTOR.—The term 'distributor' as 25 regards a tobacco product means any person who

- 1 furthers the distribution of a tobacco product, 2 whether domestic or imported, at any point from the 3 original place of manufacture to the person who sells 4 or distributes the product to individuals for personal 5 consumption. Common carriers are not considered 6 distributors for purposes of this chapter. "(8) Illicit trade.—The term 'illicit trade' 7 means any practice or conduct prohibited by law 8 9 which relates to production, shipment, receipt, pos-10 session, distribution, sale, or purchase of tobacco 11 products including any practice or conduct intended 12 to facilitate such activity. "(9) Indian tribe.—The term 'Indian tribe' 13 14 has the meaning given such term in section 4(e) of 15 the Indian Self-Determination and Education Assist-16 ance Act. "(10) LITTLE CIGAR.—The term 'little cigar' 17 18 means a product that— 19 "(A) is a tobacco product; and
- "(B) meets the definition of the term 'little
 cigar' in section 3(7) of the Federal Cigarette
 Labeling and Advertising Act.
- 23 "(11) NICOTINE.—The term 'nicotine' means 24 the chemical substance named 3-(1-Methyl-2-

- pyrrolidinyl) pyridine or C[10]H[14]N[2], including
 any salt or complex of nicotine.
- "(12) Package.—The term 'package' means a pack, box, carton, or container of any kind or, if no other container, any wrapping (including cellophane), in which a tobacco product is offered for sale, sold, or otherwise distributed to consumers.
 - "(13) RETAILER.—The term 'retailer' means any person, government, or entity who sells tobacco products to individuals for personal consumption, or who operates a facility where self-service displays of tobacco products are permitted.
 - "(14) ROLL-YOUR-OWN TOBACCO.—The term 'roll-your-own tobacco' means any tobacco product which, because of its appearance, type, packaging, or labeling, is suitable for use and likely to be offered to, or purchased by, consumers as tobacco for making cigarettes.
 - "(15) SMALL TOBACCO PRODUCT MANUFACTURER.—The term 'small tobacco product manufacturer' means a tobacco product manufacturer that employs fewer than 350 employees. For purposes of determining the number of employees of a manufacturer under the preceding sentence, the employees of a manufacturer are deemed to include the employees

1	of each entity that controls, is controlled by, or is
2	under common control with such manufacturer.
3	"(16) Smoke constituent.—The term 'smoke
4	constituent' means any chemical or chemical com-
5	pound in mainstream or sidestream tobacco smoke
6	that either transfers from any component of the cig-
7	arette to the smoke or that is formed by the combus-
8	tion or heating of tobacco, additives, or other compo-
9	nent of the tobacco product.
10	"(17) Smokeless tobacco.—The term
11	'smokeless tobacco' means any tobacco product that
12	consists of cut, ground, powdered, or leaf tobacco
13	and that is intended to be placed in the oral or nasal
14	cavity.
15	"(18) State; territory.—The terms 'State
16	and 'Territory' shall have the meanings given to
17	such terms in section 201.
18	"(19) Tobacco product manufacturer.—
19	The term 'tobacco product manufacturer' means any
20	person, including any repacker or relabeler, who—
21	"(A) manufactures, fabricates, assembles
22	processes, or labels a tobacco product; or
23	"(B) imports a finished tobacco product
24	for sale or distribution in the United States.
25	"(20) Tobacco Warehouse.—

1	"(A) Subject to subparagraphs (B) and
2	(C), the term 'tobacco warehouse' includes any
3	person—
4	"(i) who—
5	"(I) removes foreign material
6	from tobacco leaf through nothing
7	other than a mechanical process;
8	"(II) humidifies tobacco leaf with
9	nothing other than potable water in
10	the form of steam or mist; or
11	"(III) de-stems, dries, and packs
12	tobacco leaf for storage and shipment;
13	"(ii) who performs no other actions
14	with respect to tobacco leaf; and
15	"(iii) who provides to any manufac-
16	turer to whom the person sells tobacco all
17	information related to the person's actions
18	described in clause (i) that is necessary for
19	compliance with this Act.
20	"(B) The term 'tobacco warehouse' ex-
21	cludes any person who—
22	"(i) reconstitutes tobacco leaf;
23	"(ii) is a manufacturer, distributor, or
24	retailer of a tobacco product; or

1	"(iii) applies any chemical, additive,
2	or substance to the tobacco leaf other than
3	potable water in the form of steam or mist.
4	"(C) The definition of the term 'tobacco
5	warehouse' in subparagraph (A) shall not apply
6	to the extent to which the Secretary determines,
7	through rulemaking, that regulation under this
8	chapter of the actions described in such sub-
9	paragraph is appropriate for the protection of
10	the public health.
11	"(21) United states.—The term 'United
12	States' means the 50 States of the United States of
13	America and the District of Columbia, the Common-
14	wealth of Puerto Rico, Guam, the Virgin Islands,
15	American Samoa, Wake Island, Midway Islands,
16	Kingman Reef, Johnston Atoll, the Northern Mar-
17	iana Islands, and any other trust territory or posses-
18	sion of the United States.
19	"SEC. 901. FDA AUTHORITY OVER TOBACCO PRODUCTS.
20	"(a) In General.—Tobacco products, including
21	modified risk tobacco products for which an order has
22	been issued in accordance with section 911, shall be regu-
23	lated by the Secretary under this chapter and shall not

24~ be subject to the provisions of chapter V.

"(b) APPLICABILITY.—This chapter shall apply to all cigarettes, cigarette tobacco, roll-your-own tobacco, and smokeless tobacco and to any other tobacco products that the Secretary by regulation deems to be subject to this chapter.

6 "(c) Scope.—

"(1) IN GENERAL.—Nothing in this chapter, or any policy issued or regulation promulgated thereunder, or in sections 101(a), 102, or 103 of title I, title II, or title III of the Family Smoking Prevention and Tobacco Control Act, shall be construed to affect, expand, or limit the Secretary's authority over (including the authority to determine whether products may be regulated), or the regulation of, products under this Act that are not tobacco products under chapter V or any other chapter.

"(2) Limitation of Authority.—

"(A) In General.—The provisions of this chapter shall not apply to tobacco leaf that is not in the possession of a manufacturer of tobacco products, or to the producers of tobacco leaf, including tobacco growers, tobacco warehouses, and tobacco grower cooperatives, nor shall any employee of the Food and Drug Administration have any authority to enter onto a

farm owned by a producer of tobacco leaf without the written consent of such producer.

"(B) EXCEPTION.—Notwithstanding subparagraph (A), if a producer of tobacco leaf is
also a tobacco product manufacturer or controlled by a tobacco product manufacturer, the
producer shall be subject to this chapter in the
producer's capacity as a manufacturer. The exception in this subparagraph shall not apply to
a producer of tobacco leaf who grows tobacco
under a contract with a tobacco product manufacturer and who is not otherwise engaged in
the manufacturing process.

"(C) RULE OF CONSTRUCTION.—Nothing in this chapter shall be construed to grant the Secretary authority to promulgate regulations on any matter that involves the production of tobacco leaf or a producer thereof, other than activities by a manufacturer affecting production.

"(d) RULEMAKING PROCEDURES.—Each rulemaking under this chapter shall be in accordance with chapter 5 of title 5, United States Code. This subsection shall not be construed to affect the rulemaking provisions of section

- 1 102(a) of the Family Smoking Prevention and Tobacco
- 2 Control Act.
- 3 "(e) Center for Tobacco Products.—Not later
- 4 than 90 days after the date of enactment of this chapter,
- 5 the Secretary shall establish within the Food and Drug
- 6 Administration the Center for Tobacco Products, which
- 7 shall report to the Commissioner of Food and Drugs in
- 8 the same manner as the other agency centers within the
- 9 Food and Drug Administration. The Center shall be re-
- 10 sponsible for the implementation of this chapter and re-
- 11 lated matters assigned by the Commissioner.
- 12 "(f) Office to Assist Small Tobacco Product
- 13 Manufacturers.—The Secretary shall establish within
- 14 the Food and Drug Administration an identifiable office
- 15 to provide technical and other nonfinancial assistance to
- 16 small tobacco product manufacturers to assist them in
- 17 complying with the requirements of this Act.
- 18 "(g) Consultation Prior to Rulemaking.—Prior
- 19 to promulgating rules under this chapter, the Secretary
- 20 shall endeavor to consult with other Federal agencies as
- 21 appropriate.
- 22 "SEC. 902. ADULTERATED TOBACCO PRODUCTS.
- 23 "A tobacco product shall be deemed to be adulterated
- 24 if—

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- "(1) it consists in whole or in part of any filthy, putrid, or decomposed substance, or is otherwise contaminated by any added poisonous or added deleterious substance that may render the product injurious to health;
 - "(2) it has been prepared, packed, or held under insanitary conditions whereby it may have been contaminated with filth, or whereby it may have been rendered injurious to health;
 - "(3) its package is composed, in whole or in part, of any poisonous or deleterious substance which may render the contents injurious to health;
 - "(4) the manufacturer or importer of the tobacco product fails to pay a user fee assessed to such manufacturer or importer pursuant to section 919 by the date specified in section 919 or by the 30th day after final agency action on a resolution of any dispute as to the amount of such fee;
 - "(5) it is, or purports to be or is represented as, a tobacco product which is subject to a tobacco product standard established under section 907 unless such tobacco product is in all respects in conformity with such standard;

1	"(6)(A) it is required by section 910(a) to have
2	premarket review and does not have an order in ef-
3	fect under section $910(c)(1)(A)(i)$; or
4	"(B) it is in violation of an order under section
5	910(c)(1)(A);
6	"(7) the methods used in, or the facilities or
7	controls used for, its manufacture, packing, or stor-
8	age are not in conformity with applicable require-
9	ments under section 906(e)(1) or an applicable con-
10	dition prescribed by an order under section
11	906(e)(2); or
12	"(8) it is in violation of section 911.
13	"SEC. 903. MISBRANDED TOBACCO PRODUCTS.
14	"(a) In General.—A tobacco product shall be
15	deemed to be misbranded—
16	"(1) if its labeling is false or misleading in any
17	particular;
18	"(2) if in package form unless it bears a label
19	containing—
20	"(A) the name and place of business of the
21	tobacco product manufacturer, packer, or dis-
22	tributor;
23	"(B) an accurate statement of the quantity
24	of the contents in terms of weight, measure, or
25	numerical count;

1	"(C) an accurate statement of the percent-
2	age of the tobacco used in the product that is
3	domestically grown tobacco and the percentage
4	that is foreign grown tobacco; and
5	"(D) the statement required under section
6	920(a),
7	except that under subparagraph (B) reasonable vari-
8	ations shall be permitted, and exemptions as to
9	small packages shall be established, by regulations
10	prescribed by the Secretary;
11	"(3) if any word, statement, or other informa-
12	tion required by or under authority of this chapter
13	to appear on the label or labeling is not prominently
14	placed thereon with such conspicuousness (as com-
15	pared with other words, statements, or designs in
16	the labeling) and in such terms as to render it likely
17	to be read and understood by the ordinary individual
18	under customary conditions of purchase and use;
19	"(4) if it has an established name, unless its
20	label bears, to the exclusion of any other nonpropri-
21	etary name, its established name prominently print-
22	ed in type as required by the Secretary by regula-
23	tion;
24	"(5) if the Secretary has issued regulations re-
25	quiring that its labeling bear adequate directions for

- use, or adequate warnings against use by children,
 that are necessary for the protection of users unless
 its labeling conforms in all respects to such regulations;

 "(6) if it was manufactured prepared propagations."
 - "(6) if it was manufactured, prepared, propagated, compounded, or processed in an establishment not duly registered under section 905(b), 905(c), 905(d), or 905(h), if it was not included in a list required by section 905(i), if a notice or other information respecting it was not provided as required by such section or section 905(j), or if it does not bear such symbols from the uniform system for identification of tobacco products prescribed under section 905(e) as the Secretary by regulation requires;
 - "(7) if, in the case of any tobacco product distributed or offered for sale in any State—
 - "(A) its advertising is false or misleading in any particular; or
 - "(B) it is sold or distributed in violation of regulations prescribed under section 906(d);
 - "(8) unless, in the case of any tobacco product distributed or offered for sale in any State, the manufacturer, packer, or distributor thereof includes in all advertisements and other descriptive printed matter issued or caused to be issued by the manufac-

1	turer, packer, or distributor with respect to that to-
2	bacco product—
3	"(A) a true statement of the tobacco prod-
4	uct's established name as described in para-
5	graph (4), printed prominently; and
6	"(B) a brief statement of—
7	"(i) the uses of the tobacco product
8	and relevant warnings, precautions, side
9	effects, and contraindications; and
10	"(ii) in the case of specific tobacco
11	products made subject to a finding by the
12	Secretary after notice and opportunity for
13	comment that such action is appropriate to
14	protect the public health, a full description
15	of the components of such tobacco product
16	or the formula showing quantitatively each
17	ingredient of such tobacco product to the
18	extent required in regulations which shall
19	be issued by the Secretary after an oppor-
20	tunity for a hearing;
21	"(9) if it is a tobacco product subject to a to-
22	bacco product standard established under section
23	907, unless it bears such labeling as may be pre-
24	scribed in such tobacco product standard; or
25	"(10) if there was a failure or refusal—

1	"(A) to comply with any requirement pre-
2	scribed under section 904 or 908; or
3	"(B) to furnish any material or informa-
4	tion required under section 909.
5	"(b) Prior Approval of Label Statements.—
6	The Secretary may, by regulation, require prior approval
7	of statements made on the label of a tobacco product. No
8	regulation issued under this subsection may require prior
9	approval by the Secretary of the content of any advertise-
10	ment, except for modified risk tobacco products as pro-
11	vided in section 911. No advertisement of a tobacco prod-
12	uct published after the date of enactment of the Family
13	Smoking Prevention and Tobacco Control Act shall, with
14	respect to the language of label statements as prescribed
15	under section 4 of the Federal Cigarette Labeling and Ad-
16	vertising Act and section 3 of the Comprehensive Smoke-
17	less Tobacco Health Education Act of 1986 or the regula-
18	tions issued under such sections, be subject to the provi-
19	sions of sections 12 through 15 of the Federal Trade Com-
20	mission Act.
21	"SEC. 904. SUBMISSION OF HEALTH INFORMATION TO THE
22	SECRETARY.
23	"(a) Requirement.—Each tobacco product manu-
24	facturer or importer, or agents thereof, shall submit to
25	the Secretary the following information:

- "(1) Not later than 6 months after the date of enactment of the Family Smoking Prevention and Tobacco Control Act, a listing of all ingredients, including tobacco, substances, compounds, and additives that are, as of such date, added by the manufacturer to the tobacco, paper, filter, or other part of each tobacco product by brand and by quantity in each brand and subbrand.
 - "(2) A description of the content, delivery, and form of nicotine in each tobacco product measured in milligrams of nicotine in accordance with regulations promulgated by the Secretary in accordance with section 4(e) of the Federal Cigarette Labeling and Advertising Act.
 - "(3) Beginning 3 years after the date of enactment of this Act, a listing of all constituents, including smoke constituents as applicable, identified by the Secretary as harmful or potentially harmful to health in each tobacco product, and as applicable in the smoke of each tobacco product, by brand and by quantity in each brand and subbrand. Effective beginning 3 years after the date of enactment of this chapter, the manufacturer, importer, or agent shall comply with regulations promulgated under section

- 915 in reporting information under this paragraph,
 where applicable.
- "(4) Beginning 6 months after the date of en-3 4 actment of the Family Smoking Prevention and To-5 bacco Control Act, all documents developed after the 6 date of enactment of the Family Smoking Preven-7 tion and Tobacco Control Act that relate to health, toxicological, behavioral, or physiologic effects of 8 9 current or future tobacco products, their constitu-10 ents (including smoke constituents), ingredients, 11 components, and additives.
- "(b) Data Submission.—At the request of the Sec-13 retary, each tobacco product manufacturer or importer of 14 tobacco products, or agents thereof, shall submit the fol-15 lowing:
 - "(1) Any or all documents (including underlying scientific information) relating to research activities, and research findings, conducted, supported, or possessed by the manufacturer (or agents thereof) on the health, toxicological, behavioral, or physiologic effects of tobacco products and their constituents (including smoke constituents), ingredients, components, and additives.
- 24 "(2) Any or all documents (including under-25 lying scientific information) relating to research ac-

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- tivities, and research findings, conducted, supported, or possessed by the manufacturer (or agents thereof) that relate to the issue of whether a reduction in risk to health from tobacco products can occur upon the employment of technology available or known to
- "(3) Any or all documents (including underlying scientific or financial information) relating to marketing research involving the use of tobacco products or marketing practices and the effectiveness of such practices used by tobacco manufacturers and distributors.
- 13 An importer of a tobacco product not manufactured in the 14 United States shall supply the information required of a 15 tobacco product manufacturer under this subsection.
- 16 "(c) Time for Submission.—

the manufacturer.

- 17 "(1) IN GENERAL.—At least 90 days prior to
 18 the delivery for introduction into interstate com19 merce of a tobacco product not on the market on the
 20 date of enactment of the Family Smoking Preven21 tion and Tobacco Control Act, the manufacturer of
 22 such product shall provide the information required
 23 under subsection (a).
- 24 "(2) DISCLOSURE OF ADDITIVE.—If at any 25 time a tobacco product manufacturer adds to its to-

bacco products a new tobacco additive or increases
the quantity of an existing tobacco additive, the
manufacturer shall, except as provided in paragraph
(3), at least 90 days prior to such action so advise
the Secretary in writing.

"(3) DISCLOSURE OF OTHER ACTIONS.—If at any time a tobacco product manufacturer eliminates or decreases an existing additive, or adds or increases an additive that has by regulation been designated by the Secretary as an additive that is not a human or animal carcinogen, or otherwise harmful to health under intended conditions of use, the manufacturer shall within 60 days of such action so advise the Secretary in writing.

"(d) Data List.—

"(1) IN GENERAL.—Not later than 3 years after the date of enactment of the Family Smoking Prevention and Tobacco Control Act, and annually thereafter, the Secretary shall publish in a format that is understandable and not misleading to a lay person, and place on public display (in a manner determined by the Secretary) the list established under subsection (e).

"(2) Consumer research.—The Secretary shall conduct periodic consumer research to ensure

- 1 that the list published under paragraph (1) is not
- 2 misleading to lay persons. Not later than 5 years
- 3 after the date of enactment of the Family Smoking
- 4 Prevention and Tobacco Control Act, the Secretary
- 5 shall submit to the appropriate committees of Con-
- 6 gress a report on the results of such research, to-
- 7 gether with recommendations on whether such publi-
- 8 cation should be continued or modified.
- 9 "(e) Data Collection.—Not later than 24 months
- 10 after the date of enactment of the Family Smoking Pre-
- 11 vention and Tobacco Control Act, the Secretary shall es-
- 12 tablish, and periodically revise as appropriate, a list of
- 13 harmful and potentially harmful constituents, including
- 14 smoke constituents, to health in each tobacco product by
- 15 brand and by quantity in each brand and subbrand. The
- 16 Secretary shall publish a public notice requesting the sub-
- 17 mission by interested persons of scientific and other infor-
- 18 mation concerning the harmful and potentially harmful
- 19 constituents in tobacco products and tobacco smoke.
- 20 "SEC. 905. ANNUAL REGISTRATION.
- 21 "(a) Definitions.—In this section:
- 22 "(1) Manufacture, preparation,
- 23 COMPOUNDING, OR PROCESSING.—The term 'manu-
- facture, preparation, compounding, or processing'
- shall include repackaging or otherwise changing the

- 1 container, wrapper, or labeling of any tobacco prod-
- 2 uct package in furtherance of the distribution of the
- tobacco product from the original place of manufac-
- 4 ture to the person who makes final delivery or sale
- 5 to the ultimate consumer or user.
- 6 "(2) Name.—The term 'name' shall include in
- 7 the case of a partnership the name of each partner
- 8 and, in the case of a corporation, the name of each
- 9 corporate officer and director, and the State of in-
- 10 corporation.
- 11 "(b) Registration by Owners and Operators.—
- 12 On or before December 31 of each year, every person who
- 13 owns or operates any establishment in any State engaged
- 14 in the manufacture, preparation, compounding, or proc-
- 15 essing of a tobacco product or tobacco products shall reg-
- 16 ister with the Secretary the name, places of business, and
- 17 all such establishments of that person. If the enactment
- 18 of this Act occurs in the second half of the calendar year,
- 19 the Secretary shall designate a date no later than 6
- 20 months into the subsequent calendar year by which reg-
- 21 istration pursuant to this subsection shall occur.
- 22 "(c) Registration by New Owners and Opera-
- 23 TORS.—Every person upon first engaging in the manufac-
- 24 ture, preparation, compounding, or processing of a tobacco
- 25 product or tobacco products in any establishment owned

- 1 or operated in any State by that person shall immediately
- 2 register with the Secretary that person's name, place of
- 3 business, and such establishment.
- 4 "(d) Registration of Added Establishments.—
- 5 Every person required to register under subsection (b) or
- 6 (c) shall immediately register with the Secretary any addi-
- 7 tional establishment which that person owns or operates
- 8 in any State and in which that person begins the manufac-
- 9 ture, preparation, compounding, or processing of a tobacco
- 10 product or tobacco products.
- 11 "(e) Uniform Product Identification Sys-
- 12 TEM.—The Secretary may by regulation prescribe a uni-
- 13 form system for the identification of tobacco products and
- 14 may require that persons who are required to list such
- 15 tobacco products under subsection (i) shall list such to-
- 16 bacco products in accordance with such system.
- 17 "(f) Public Access to Registration Informa-
- 18 TION.—The Secretary shall make available for inspection,
- 19 to any person so requesting, any registration filed under
- 20 this section.
- 21 "(g) Biennial Inspection of Registered Estab-
- 22 LISHMENTS.—Every establishment registered with the
- 23 Secretary under this section shall be subject to inspection
- 24 under section 704 or subsection (h), and every such estab-
- 25 lishment engaged in the manufacture, compounding, or

- 1 processing of a tobacco product or tobacco products shall
- 2 be so inspected by 1 or more officers or employees duly
- 3 designated by the Secretary at least once in the 2-year
- 4 period beginning with the date of registration of such es-
- 5 tablishment under this section and at least once in every
- 6 successive 2-year period thereafter.
- 7 "(h) Registration by Foreign Establish-
- 8 MENTS.—Any establishment within any foreign country
- 9 engaged in the manufacture, preparation, compounding,
- 10 or processing of a tobacco product or tobacco products,
- 11 shall register under this section under regulations promul-
- 12 gated by the Secretary. Such regulations shall require
- 13 such establishment to provide the information required by
- 14 subsection (i) and shall include provisions for registration
- 15 of any such establishment upon condition that adequate
- 16 and effective means are available, by arrangement with the
- 17 government of such foreign country or otherwise, to enable
- 18 the Secretary to determine from time to time whether to-
- 19 bacco products manufactured, prepared, compounded, or
- 20 processed in such establishment, if imported or offered for
- 21 import into the United States, shall be refused admission
- 22 on any of the grounds set forth in section 801(a).
- 23 "(i) Registration Information.—
- 24 "(1) Product list.—Every person who reg-
- isters with the Secretary under subsection (b), (c),

(d), or (h) shall, at the time of registration under any such subsection, file with the Secretary a list of all tobacco products which are being manufactured, prepared, compounded, or processed by that person for commercial distribution and which have not been included in any list of tobacco products filed by that person with the Secretary under this paragraph or paragraph (2) before such time of registration. Such list shall be prepared in such form and manner as the Secretary may prescribe and shall be accompanied by—

"(A) in the case of a tobacco product contained in the applicable list with respect to which a tobacco product standard has been established under section 907 or which is subject to section 910, a reference to the authority for the marketing of such tobacco product and a copy of all labeling for such tobacco product;

"(B) in the case of any other tobacco product contained in an applicable list, a copy of all consumer information and other labeling for such tobacco product, a representative sampling of advertisements for such tobacco product, and, upon request made by the Secretary for good cause, a copy of all advertisements for a particular tobacco product; and

- "(C) if the registrant filing a list has determined that a tobacco product contained in such list is not subject to a tobacco product standard established under section 907, a brief statement of the basis upon which the registrant made such determination if the Secretary requests such a statement with respect to that particular tobacco product.
- "(2) Consultation with respect to Forms.—The Secretary shall consult with the Secretary of the Treasury in developing the forms to be used for registration under this section to minimize the burden on those persons required to register with both the Secretary and the Tax and Trade Bureau of the Department of the Treasury.
- "(3) BIANNUAL REPORT OF ANY CHANGE IN PRODUCT LIST.—Each person who registers with the Secretary under this section shall report to the Secretary once during the month of June of each year and once during the month of December of each year the following:
- 24 "(A) A list of each tobacco product intro-25 duced by the registrant for commercial distribu-

tion which has not been included in any list previously filed by that person with the Secretary under this subparagraph or paragraph (1). A list under this subparagraph shall list a tobacco product by its established name and shall be accompanied by the other information required by paragraph (1).

"(B) If since the date the registrant last made a report under this paragraph that person has discontinued the manufacture, preparation, compounding, or processing for commercial distribution of a tobacco product included in a list filed under subparagraph (A) or paragraph (1), notice of such discontinuance, the date of such discontinuance, and the identity of its established name.

"(C) If since the date the registrant reported under subparagraph (B) a notice of discontinuance that person has resumed the manufacture, preparation, compounding, or processing for commercial distribution of the tobacco product with respect to which such notice of discontinuance was reported, notice of such resumption, the date of such resumption, the identity of such tobacco product by established

1	name, and other information required by para-
2	graph (1), unless the registrant has previously
3	reported such resumption to the Secretary
4	under this subparagraph.
5	"(D) Any material change in any informa-
6	tion previously submitted under this paragraph
7	or paragraph (1).
8	"(j) Report Preceding Introduction of Cer-
9	TAIN SUBSTANTIALLY EQUIVALENT PRODUCTS INTO
10	Interstate Commerce.—
11	"(1) In general.—Each person who is re-
12	quired to register under this section and who pro-
13	poses to begin the introduction or delivery for intro-
14	duction into interstate commerce for commercial dis-
15	tribution of a tobacco product intended for human
16	use that was not commercially marketed (other than
17	for test marketing) in the United States as of Feb-
18	ruary 15, 2007, shall, at least 90 days prior to mak-
19	ing such introduction or delivery, report to the Sec-
20	retary (in such form and manner as the Secretary
21	shall prescribe)—
22	"(A) the basis for such person's determina-
23	tion that—
24	"(i) the tobacco product is substan-
25	tially equivalent, within the meaning of

1 section 910, to a tobacco product commer-2 cially marketed (other than for test marketing) in the United States as of Feb-3 ruary 15, 2007, or to a tobacco product that the Secretary has previously deter-6 mined, pursuant to subsection (a)(3) of 7 section 910, is substantially equivalent and 8 that is in compliance with the require-9 ments of this Act; or "(ii) the tobacco product is modified 10 11 within the meaning of paragraph (3), the 12 modifications are to a product that is com-13 mercially marketed and in compliance with 14 the requirements of this Act, and all of the 15 modifications are covered by exemptions 16 granted by the Secretary pursuant to para-17 graph (3); and 18 "(B) action taken by such person to com-19 ply with the requirements under section 907 20 that are applicable to the tobacco product. 21 "(2)APPLICATION TO CERTAIN POST-FEB-22 RUARY 15, 2007, PRODUCTS.—A report under this 23 subsection for a tobacco product that was first intro-

duced or delivered for introduction into interstate

commerce for commercial distribution in the United

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States after February 15, 2007, and prior to the 1 2 date that is 21 months after the date of enactment 3 of the Family Smoking Prevention and Tobacco Control Act shall be submitted to the Secretary not later than 21 months after such date of enactment. 5 6 "(3) Exemptions.— 7 "(A) IN GENERAL.—The Secretary may exempt from the requirements of this sub-8 9 section relating to the demonstration that a to-10 bacco product is substantially equivalent within 11 the meaning of section 910, tobacco products 12 that are modified by adding or deleting a to-13 bacco additive, or increasing or decreasing the 14 quantity of an existing tobacco additive, if the 15 Secretary determines that— "(i) such modification would be a 16 17 minor modification of a tobacco product 18 that can be sold under this Act; "(ii) a report under this subsection is 19 20 not necessary to ensure that permitting the 21 tobacco product to be marketed would be 22 appropriate for protection of the public 23 health; and 24 "(iii) an exemption is otherwise appro-25 priate.

1	"(B) REGULATIONS.—Not later than 15
2	months after the date of enactment of the Fam-
3	ily Smoking Prevention and Tobacco Control
4	Act, the Secretary shall issue regulations to im-
5	plement this paragraph.
6	"SEC. 906. GENERAL PROVISIONS RESPECTING CONTROL
7	OF TOBACCO PRODUCTS.
8	"(a) In General.—Any requirement established by
9	or under section 902, 903, 905, or 909 applicable to a
10	tobacco product shall apply to such tobacco product until
11	the applicability of the requirement to the tobacco product
12	has been changed by action taken under section 907, sec-
13	tion 910, section 911, or subsection (d) of this section,
14	and any requirement established by or under section 902,
15	903, 905, or 909 which is inconsistent with a requirement
16	imposed on such tobacco product under section 907, sec-
17	tion 910, section 911, or subsection (d) of this section
18	shall not apply to such tobacco product.
19	"(b) Information on Public Access and Com-
20	MENT.—Each notice of proposed rulemaking or other noti-
21	fication under section 907, 908, 909, 910, or 911 or under
22	this section, any other notice which is published in the
23	Federal Register with respect to any other action taken
24	under any such section and which states the reasons for
25	such action, and each publication of findings required to

- 1 be made in connection with rulemaking under any such
- 2 section shall set forth—
- 3 "(1) the manner in which interested persons
- 4 may examine data and other information on which
- 5 the notice or findings is based; and
- 6 "(2) the period within which interested persons
- 7 may present their comments on the notice or find-
- 8 ings (including the need therefore) or ally or in writ-
- 9 ing, which period shall be at least 60 days but may
- not exceed 90 days unless the time is extended by
- the Secretary by a notice published in the Federal
- Register stating good cause therefore.
- 13 "(c) Limited Confidentiality of Informa-
- 14 TION.—Any information reported to or otherwise obtained
- 15 by the Secretary or the Secretary's representative under
- 16 section 903, 904, 907, 908, 909, 910, 911, or 704, or
- 17 under subsection (e) or (f) of this section, which is exempt
- 18 from disclosure under subsection (a) of section 552 of title
- 19 5, United States Code, by reason of subsection (b)(4) of
- 20 that section shall be considered confidential and shall not
- 21 be disclosed, except that the information may be disclosed
- 22 to other officers or employees concerned with carrying out
- 23 this chapter, or when relevant in any proceeding under
- 24 this chapter.
- 25 "(d) Restrictions.—

1 "(1) IN GENERAL.—The Secretary may by reg-2 ulation require restrictions on the sale and distribu-3 tion of a tobacco product, including restrictions on the access to, and the advertising and promotion of, the tobacco product, if the Secretary determines that 5 6 such regulation would be appropriate for the protec-7 tion of the public health. The Secretary may by reg-8 ulation impose restrictions on the advertising and 9 promotion of a tobacco product consistent with and 10 to full extent permitted by the first amendment to 11 the Constitution. The finding as to whether such 12 regulation would be appropriate for the protection of 13 the public health shall be determined with respect to 14 the risks and benefits to the population as a whole, 15 including users and nonusers of the tobacco product, 16 and taking into account— "(A) the increased or decreased likelihood 17 18 that existing users of tobacco products will stop 19 using such products; and 20 "(B) the increased or decreased likelihood 21 that those who do not use tobacco products will 22 start using such products. 23 No such regulation may require that the sale or dis-

tribution of a tobacco product be limited to the writ-

1 ten or oral authorization of a practitioner licensed 2 by law to prescribe medical products. 3 "(2) Label Statements.—The label of a to-4 bacco product shall bear such appropriate state-5 ments of the restrictions required by a regulation 6 under subsection (a) as the Secretary may in such 7 regulation prescribe. "(3) Limitations.— 8 "(A) IN GENERAL.—No restrictions under 9 10 paragraph (1) may— "(i) prohibit the sale of any tobacco 11 12 product in face-to-face transactions by a 13 specific category of retail outlets; or 14 "(ii) establish a minimum age of sale 15 of tobacco products to any person older 16 than 18 years of age. "(B) MATCHBOOKS.—For purposes of any 17 18 regulations issued by the Secretary, matchbooks 19 of conventional size containing not more than 20 20 paper matches, and which are customarily 21 given away for free with the purchase of to-22 bacco products, shall be considered as adult-23 written publications which shall be permitted to 24 contain advertising. Notwithstanding the pre-25 ceding sentence, if the Secretary finds that such

treatment of matchbooks is not appropriate for the protection of the public health, the Secretary may determine by regulation that matchbooks shall not be considered adult-written publications.

"(4) Remote sales.—

"(A) IN GENERAL.—The Secretary shall—
"(i) within 18 months after the date
of enactment of this chapter, promulgate
regulations regarding the sale and distribution of tobacco products that occur
through means other than a direct, face-toface exchange between a retailer and a
consumer in order to prevent the sale and
distribution of tobacco products to individuals who have not attained the minimum
age established by applicable law for the
purchase of such products, including requirements for age verification; and

"(ii) within 2 years after such date of enactment, issue regulations to address the promotion and marketing of tobacco products that are sold or distributed through means other than a direct, face-to-face exchange between a retailer and a consumer

1 in order to protect individuals who have 2 not attained the minimum age established by applicable law for the purchase of such 3 4 products. "(B) Relation to other authority.— 6 Nothing in this paragraph limits the authority 7 of the Secretary to take additional actions 8 under the other paragraphs of this subsection. 9 "(e) Good Manufacturing Practice Require-10 MENTS.— 11 "(1) METHODS, FACILITIES, AND CONTROLS TO 12 CONFORM.— 13 "(A) IN GENERAL.—In applying manufac-14 turing restrictions to tobacco, the Secretary 15 shall, in accordance with subparagraph (B), prescribe regulations (which may differ based 16 17 on the type of tobacco product involved) requir-18 ing that the methods used in, and the facilities 19 used for, the controls manufacture, 20 preproduction design validation (including a 21 process to assess the performance of a tobacco 22 product), packing, and storage of a tobacco 23 product conform to current good manufacturing

practice, or hazard analysis and critical control

point methodology, as prescribed in such regu-

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1	lations to assure that the public health is pro-
2	tected and that the tobacco product is in com-
3	pliance with this chapter. Such regulations may
4	provide for the testing of raw tobacco for pes-
5	ticide chemical residues regardless of whether a
6	tolerance for such chemical residues has been
7	established.
8	"(B) REQUIREMENTS.—The Secretary
9	shall—
10	"(i) before promulgating any regula-
11	tion under subparagraph (A), afford the
12	Tobacco Products Scientific Advisory Com-
13	mittee an opportunity to submit rec-
14	ommendations with respect to the regula-
15	tion proposed to be promulgated;
16	"(ii) before promulgating any regula-
17	tion under subparagraph (A), afford oppor-
18	tunity for an oral hearing;
19	"(iii) provide the Tobacco Products
20	Scientific Advisory Committee a reasonable
21	time to make its recommendation with re-
22	spect to proposed regulations under sub-
23	paragraph (A);
24	"(iv) in establishing the effective date
25	of a regulation promulgated under this

subsection, take into account the differences in the manner in which the different types of tobacco products have historically been produced, the financial resources of the different tobacco product
manufacturers, and the state of their existing manufacturing facilities, and shall provide for a reasonable period of time for
such manufacturers to conform to good
manufacturing practices; and

"(v) not require any small tobacco product manufacturer to comply with a regulation under subparagraph (A) for at least 4 years following the effective date established by the Secretary for such regulation.

"(2) Exemptions; variances.—

"(A) Petition.—Any person subject to any requirement prescribed under paragraph (1) may petition the Secretary for a permanent or temporary exemption or variance from such requirement. Such a petition shall be submitted to the Secretary in such form and manner as the Secretary shall prescribe and shall—

1	"(i) in the case of a petition for an ex-
2	emption from a requirement, set forth the
3	basis for the petitioner's determination
4	that compliance with the requirement is
5	not required to assure that the tobacco
6	product will be in compliance with this
7	chapter;
8	"(ii) in the case of a petition for a
9	variance from a requirement, set forth the
10	methods proposed to be used in, and the
11	facilities and controls proposed to be used
12	for, the manufacture, packing, and storage
13	of the tobacco product in lieu of the meth-
14	ods, facilities, and controls prescribed by
15	the requirement; and
16	"(iii) contain such other information
17	as the Secretary shall prescribe.
18	"(B) Referral to the tobacco prod-
19	UCTS SCIENTIFIC ADVISORY COMMITTEE.—The
20	Secretary may refer to the Tobacco Products
21	Scientific Advisory Committee any petition sub-
22	mitted under subparagraph (A). The Tobacco
23	Products Scientific Advisory Committee shall
24	report its recommendations to the Secretary

with respect to a petition referred to it within

1	60 days after the date of the petition's referral.
2	Within 60 days after—
3	"(i) the date the petition was sub-
4	mitted to the Secretary under subpara-
5	graph (A); or
6	"(ii) the day after the petition was re-
7	ferred to the Tobacco Products Scientific
8	Advisory Committee,
9	whichever occurs later, the Secretary shall by
10	order either deny the petition or approve it.
11	"(C) Approval.—The Secretary may ap-
12	prove—
13	"(i) a petition for an exemption for a
14	tobacco product from a requirement if the
15	Secretary determines that compliance with
16	such requirement is not required to assure
17	that the tobacco product will be in compli-
18	ance with this chapter; and
19	"(ii) a petition for a variance for a to-
20	bacco product from a requirement if the
21	Secretary determines that the methods to
22	be used in, and the facilities and controls
23	to be used for, the manufacture, packing,
24	and storage of the tobacco product in lieu
25	of the methods, facilities, and controls pre-

scribed by the requirement are sufficient to assure that the tobacco product will be in compliance with this chapter.

- "(D) CONDITIONS.—An order of the Secretary approving a petition for a variance shall prescribe such conditions respecting the methods used in, and the facilities and controls used for, the manufacture, packing, and storage of the tobacco product to be granted the variance under the petition as may be necessary to assure that the tobacco product will be in compliance with this chapter.
- "(E) Hearing.—After the issuance of an order under subparagraph (B) respecting a petition, the petitioner shall have an opportunity for an informal hearing on such order.
- "(3) COMPLIANCE.—Compliance with requirements under this subsection shall not be required before the end of the 3-year period following the date of enactment of the Family Smoking Prevention and Tobacco Control Act.
- "(f) RESEARCH AND DEVELOPMENT.—The Secretary may enter into contracts for research, testing, and demonstrations respecting tobacco products and may obtain

1 tobacco products for research, testing, and demonstration

2 purposes.

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3 "SEC. 907. TOBACCO PRODUCT STANDARDS.

4 "(a) IN GENERAL.—

"(1) Special rules.—

"(A) SPECIAL RULE FOR CIGARETTES.— Beginning 3 months after the date of enactment of the Family Smoking Prevention and Tobacco Control Act, a cigarette or any of its component parts (including the tobacco, filter, or paper) shall not contain, as a constituent (including a smoke constituent) or additive, an artificial or natural flavor (other than tobacco or menthol) or an herb or spice, including strawberry, grape, orange, clove, cinnamon, pineapple, vanilla, coconut, licorice, cocoa, chocolate, cherry, or coffee, that is a characterizing flavor of the tobacco product or tobacco smoke. Nothing in this subparagraph shall be construed to limit the Secretary's authority to take action under this section or other sections of this Act applicable to menthol or any artificial or natural flavor, herb, or spice not specified in this subparagraph.

1	"(B) Additional special rule.—A to-
2	bacco product manufactured in or imported into
3	the United States shall not contain foreign-
4	grown tobacco that—
5	"(i) was grown or processed using a
6	pesticide chemical that is not approved
7	under applicable Federal law for use in do-
8	mestic tobacco farming and processing; or
9	"(ii) in the case of a pesticide chem-
10	ical that is so approved, was grown or
11	processed using the pesticide chemical in a
12	manner inconsistent with the approved la-
13	beling for use of the pesticide chemical in
14	domestic tobacco farming and processing.
15	"(2) Revision of Tobacco Product Stand-
16	ARDS.—The Secretary may revise the tobacco prod-
17	uct standards in paragraph (1) in accordance with
18	subsection (c).
19	"(3) Tobacco product standards.—
20	"(A) In General.—The Secretary may
21	adopt tobacco product standards in addition to
22	those in paragraph (1) if the Secretary finds
23	that a tobacco product standard is appropriate
24	for the protection of the public health.
25	"(B) Determinations.—

1	"(i) Considerations.—In making a
2	finding described in subparagraph (A), the
3	Secretary shall consider scientific evidence
4	concerning—
5	"(I) the risks and benefits to the
6	population as a whole, including users
7	and nonusers of tobacco products, of
8	the proposed standard;
9	"(II) the increased or decreased
10	likelihood that existing users of to-
11	bacco products will stop using such
12	products; and
13	"(III) the increased or decreased
14	likelihood that those who do not use
15	tobacco products will start using such
16	products.
17	"(ii) Additional consider-
18	ATIONS.—In the event that the Secretary
19	makes a determination, set forth in a pro-
20	posed tobacco product standard in a pro-
21	posed rule, that it is appropriate for the
22	protection of public health to require the
23	reduction or elimination of an additive,
24	constituent (including a smoke con-
25	stituent), or other component of a tobacco

1	product because the Secretary has found
2	that the additive, constituent, or other
3	component is or may be harmful, any
4	party objecting to the proposed standard
5	on the ground that the proposed standard
6	will not reduce or eliminate the risk of ill-
7	ness or injury may provide for the Sec-
8	retary's consideration scientific evidence
9	that demonstrates that the proposed stand-
10	ard will not reduce or eliminate the risk of
11	illness or injury.
12	"(4) Content of Tobacco Product Stand-
13	ARDS.—A tobacco product standard established
14	under this section for a tobacco product—
15	"(A) shall include provisions that are ap-
16	propriate for the protection of the public health,
17	including provisions, where appropriate—
18	"(i) for nicotine yields of the product;
19	"(ii) for the reduction or elimination
20	of other constituents, including smoke con-
21	stituents, or harmful components of the
22	product; or
23	"(iii) relating to any other require-

1	"(B) shall, where appropriate for the pro-
2	tection of the public health, include—
3	"(i) provisions respecting the con-
4	struction, components, ingredients, addi-
5	tives, constituents, including smoke con-
6	stituents, and properties of the tobacco
7	product;
8	"(ii) provisions for the testing (on a
9	sample basis or, if necessary, on an indi-
10	vidual basis) of the tobacco product;
11	"(iii) provisions for the measurement
12	of the tobacco product characteristics of
13	the tobacco product;
14	"(iv) provisions requiring that the re-
15	sults of each or of certain of the tests of
16	the tobacco product required to be made
17	under clause (ii) show that the tobacco
18	product is in conformity with the portions
19	of the standard for which the test or tests
20	were required; and
21	"(v) a provision requiring that the
22	sale and distribution of the tobacco prod-
23	uct be restricted but only to the extent
24	that the sale and distribution of a tobacco

1	product may be restricted under a regula-
2	tion under section 906(d);
3	"(C) shall, where appropriate, require the
4	use and prescribe the form and content of label-
5	ing for the proper use of the tobacco product;
6	and
7	"(D) shall require tobacco products con-
8	taining foreign-grown tobacco to meet the same
9	standards applicable to tobacco products con-
10	taining domestically grown tobacco.
11	"(5) Periodic reevaluation of tobacco
12	PRODUCT STANDARDS.—The Secretary shall provide
13	for periodic evaluation of tobacco product standards
14	established under this section to determine whether
15	such standards should be changed to reflect new
16	medical, scientific, or other technological data. The
17	Secretary may provide for testing under paragraph
18	(4)(B) by any person.
19	"(6) Involvement of other agencies; in-
20	FORMED PERSONS.—In carrying out duties under
21	this section, the Secretary shall endeavor to—
22	"(A) use personnel, facilities, and other
23	technical support available in other Federal
24	agencies:

1 "(B) consult with other Federal agencies 2 concerned with standard setting and other na-3 tionally or internationally recognized standard-4 setting entities; and

"(C) invite appropriate participation, through joint or other conferences, workshops, or other means, by informed persons representative of scientific, professional, industry, agricultural, or consumer organizations who in the Secretary's judgment can make a significant contribution.

"(b) Considerations by Secretary.—

- "(1) TECHNICAL ACHIEVABILITY.—The Secretary shall consider information submitted in connection with a proposed standard regarding the technical achievability of compliance with such standard.
- "(2) OTHER CONSIDERATIONS.—The Secretary shall consider all other information submitted in connection with a proposed standard, including information concerning the countervailing effects of the tobacco product standard on the health of adolescent tobacco users, adult tobacco users, or non-tobacco users, such as the creation of a significant demand for contraband or other tobacco products

1	that do not meet the requirements of this chapter
2	and the significance of such demand.
3	"(c) Proposed Standards.—
4	"(1) IN GENERAL.—The Secretary shall publish
5	in the Federal Register a notice of proposed rule-
6	making for the establishment, amendment, or rev-
7	ocation of any tobacco product standard.
8	"(2) Requirements of notice.—A notice of
9	proposed rulemaking for the establishment or
10	amendment of a tobacco product standard for a to-
11	bacco product shall—
12	"(A) set forth a finding with supporting
13	justification that the tobacco product standard
14	is appropriate for the protection of the public
15	health;
16	"(B) invite interested persons to submit a
17	draft or proposed tobacco product standard for
18	consideration by the Secretary;
19	"(C) invite interested persons to submit
20	comments on structuring the standard so that
21	it does not advantage foreign-grown tobacco
22	over domestically grown tobacco; and
23	"(D) invite the Secretary of Agriculture to
24	provide any information or analysis which the

1	Secretary of Agriculture believes is relevant to
2	the proposed tobacco product standard.
3	"(3) Finding.—A notice of proposed rule-
4	making for the revocation of a tobacco product
5	standard shall set forth a finding with supporting
6	justification that the tobacco product standard is no
7	longer appropriate for the protection of the public
8	health.
9	"(4) Comment.—The Secretary shall provide
10	for a comment period of not less than 60 days.
11	"(d) Promulgation.—
12	"(1) In general.—After the expiration of the
13	period for comment on a notice of proposed rule-
14	making published under subsection (c) respecting a
15	tobacco product standard and after consideration of
16	comments submitted under subsections (b) and (c)
17	and any report from the Tobacco Products Scientific
18	Advisory Committee, if the Secretary determines
19	that the standard would be appropriate for the pro-
20	tection of the public health, the Secretary shall—
21	"(A) promulgate a regulation establishing
22	a tobacco product standard and publish in the
23	Federal Register findings on the matters re-

ferred to in subsection (c); or

1 "(B) publish a notice terminating the pro-2 ceeding for the development of the standard to-3 gether with the reasons for such termination.

> "(2) Effective date.—A regulation establishing a tobacco product standard shall set forth the date or dates upon which the standard shall take effect, but no such regulation may take effect before 1 year after the date of its publication unless the Secretary determines that an earlier effective date is necessary for the protection of the public health. Such date or dates shall be established so as to minimize, consistent with the public health, economic loss to, and disruption or dislocation of, domestic and international trade. In establishing such effective date or dates, the Secretary shall consider information submitted in connection with a proposed product standard by interested parties, including manufacturers and tobacco growers, regarding the technical achievability of compliance with the standard, and including information concerning the existence of patents that make it impossible to comply in the timeframe envisioned in the proposed standard. If the Secretary determines, based on the Secretary's evaluation of submitted comments, that a product standard can be met only by manufacturers

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1	requiring substantial changes to the methods of
2	farming the domestically grown tobacco used by the
3	manufacturer, the effective date of that product
4	standard shall be not less than 2 years after the
5	date of publication of the final regulation estab-
6	lishing the standard.
7	"(3) Limitation on power granted to the
8	FOOD AND DRUG ADMINISTRATION.—Because of the
9	importance of a decision of the Secretary to issue a
10	regulation—
11	"(A) banning all cigarettes, all smokeless
12	tobacco products, all little cigars, all cigars
13	other than little cigars, all pipe tobacco, or all
14	roll-your-own tobacco products; or
15	"(B) requiring the reduction of nicotine
16	yields of a tobacco product to zero,
17	the Secretary is prohibited from taking such actions
18	under this Act.
19	"(4) Amendment; revocation.—
20	"(A) AUTHORITY.—The Secretary, upon
21	the Secretary's own initiative or upon petition
22	of an interested person, may by a regulation,
23	promulgated in accordance with the require-
24	ments of subsection (c) and paragraph (2),

amend or revoke a tobacco product standard.

1	"(B) Effective date.—The Secretary
2	may declare a proposed amendment of a to-
3	bacco product standard to be effective on and
4	after its publication in the Federal Register and
5	until the effective date of any final action taken
6	on such amendment if the Secretary determines
7	that making it so effective is in the public inter-
8	est.
9	"(5) Referral to advisory committee.—
10	"(A) IN GENERAL.—The Secretary may
11	refer a proposed regulation for the establish-
12	ment, amendment, or revocation of a tobacco
13	product standard to the Tobacco Products Sci-
14	entific Advisory Committee for a report and
15	recommendation with respect to any matter in-
16	volved in the proposed regulation which requires
17	the exercise of scientific judgment.
18	"(B) Initiation of Referral.—The Sec-
19	retary may make a referral under this para-
20	graph—
21	"(i) on the Secretary's own initiative;
22	or
23	"(ii) upon the request of an interested
24	person that—

1	"(I) demonstrates good cause for
2	the referral; and
3	"(II) is made before the expira-
4	tion of the period for submission of
5	comments on the proposed regulation.
6	"(C) Provision of data.—If a proposed
7	regulation is referred under this paragraph to
8	the Tobacco Products Scientific Advisory Com-
9	mittee, the Secretary shall provide the Advisory
10	Committee with the data and information on
11	which such proposed regulation is based.
12	"(D) REPORT AND RECOMMENDATION.—
13	The Tobacco Products Scientific Advisory Com-
14	mittee shall, within 60 days after the referral of
15	a proposed regulation under this paragraph and
16	after independent study of the data and infor-
17	mation furnished to it by the Secretary and
18	other data and information before it, submit to
19	the Secretary a report and recommendation re-
20	specting such regulation, together with all un-
21	derlying data and information and a statement
22	of the reason or basis for the recommendation.
23	"(E) Public availability.—The Sec-
24	retary shall make a copy of each report and rec-

ommendation under subparagraph (D) publicly available.

"(e) MENTHOL CIGARETTES.—

- "(1) Referral; considerations.—Immediately upon the establishment of the Tobacco Products Scientific Advisory Committee under section 917(a), the Secretary shall refer to the Committee for report and recommendation, under section 917(c)(4), the issue of the impact of the use of menthol in cigarettes on the public health, including such use among African Americans, Hispanics, and other racial and ethnic minorities. In its review, the Tobacco Products Scientific Advisory Committee shall address the considerations listed in subsections (a)(3)(B)(i) and (b).
 - "(2) REPORT AND RECOMMENDATION.—Not later than 1 year after its establishment, the Tobacco Product Scientific Advisory Committee shall submit to the Secretary the report and recommendations required pursuant to paragraph (1).
- "(3) Rule of construction.—Nothing in this subsection shall be construed to limit the Secretary's authority to take action under this section or other sections of this Act applicable to menthol.

1 "SEC. 908. NOTIFICATION AND OTHER REMEDIES.

2	"(a) Notification.—If the Secretary determines
3	that—
4	"(1) a tobacco product which is introduced or
5	delivered for introduction into interstate commerce
6	for commercial distribution presents an unreasonable
7	risk of substantial harm to the public health; and
8	"(2) notification under this subsection is nec-
9	essary to eliminate the unreasonable risk of such
10	harm and no more practicable means is available
11	under the provisions of this chapter (other than this
12	section) to eliminate such risk,
13	the Secretary may issue such order as may be necessary
14	to assure that adequate notification is provided in an ap-
15	propriate form, by the persons and means best suited
16	under the circumstances involved, to all persons who
17	should properly receive such notification in order to elimi-
18	nate such risk. The Secretary may order notification by
19	any appropriate means, including public service announce-
20	ments. Before issuing an order under this subsection, the
21	Secretary shall consult with the persons who are to give
22	notice under the order.
23	"(b) No Exemption From Other Liability.—
24	Compliance with an order issued under this section shall
25	not relieve any person from liability under Federal or
26	State law. In awarding damages for economic loss in an

- 1 action brought for the enforcement of any such liability,
- 2 the value to the plaintiff in such action of any remedy
- 3 provided under such order shall be taken into account.

4 "(c) Recall Authority.—

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"(1) IN GENERAL.—If the Secretary finds that there is a reasonable probability that a tobacco product contains a manufacturing or other defect not ordinarily contained in tobacco products on the market that would cause serious, adverse health consequences or death, the Secretary shall issue an order requiring the appropriate person (including the manufacturers, importers, distributors, or retailers of the tobacco product) to immediately cease distribution of such tobacco product. The order shall provide the person subject to the order with an opportunity for an informal hearing, to be held not later than 10 days after the date of the issuance of the order, on the actions required by the order and on whether the order should be amended to require a recall of such tobacco product. If, after providing an opportunity for such a hearing, the Secretary determines that inadequate grounds exist to support the actions required by the order, the Secretary shall vacate the order.

1	"(2) Amendment of order to require re-
2	CALL.—
3	"(A) IN GENERAL.—If, after providing an
4	opportunity for an informal hearing under
5	paragraph (1), the Secretary determines that
6	the order should be amended to include a recall
7	of the tobacco product with respect to which the
8	order was issued, the Secretary shall, except as
9	provided in subparagraph (B), amend the order
10	to require a recall. The Secretary shall specify
11	a timetable in which the tobacco product recall
12	will occur and shall require periodic reports to
13	the Secretary describing the progress of the re-
14	call.
15	"(B) Notice.—An amended order under
16	subparagraph (A)—
17	"(i) shall not include recall of a to-
18	bacco product from individuals; and
19	"(ii) shall provide for notice to per-
20	sons subject to the risks associated with
21	the use of such tobacco product.
22	In providing the notice required by clause (ii),
23	the Secretary may use the assistance of retail-
24	ers and other persons who distributed such to-
25	bacco product. If a significant number of such

- persons cannot be identified, the Secretary shall 1 2 notify such persons under section 705(b). 3 "(3) Remedy Not exclusive.—The remedy 4 provided by this subsection shall be in addition to 5 remedies provided by subsection (a). 6 "SEC. 909. RECORDS AND REPORTS ON TOBACCO PROD-7 UCTS. 8 "(a) In General.—Every person who is a tobacco product manufacturer or importer of a tobacco product
- 9 product manufacturer or importer of a tobacco product shall establish and maintain such records, make such reports, and provide such information, as the Secretary may by regulation reasonably require to assure that such tobacco product is not adulterated or misbranded and to otherwise protect public health. Regulations prescribed under the preceding sentence—
 - "(1) may require a tobacco product manufacturer or importer to report to the Secretary whenever the manufacturer or importer receives or otherwise becomes aware of information that reasonably suggests that one of its marketed tobacco products may have caused or contributed to a serious unexpected adverse experience associated with the use of the product or any significant increase in the frequency of a serious, expected adverse product experience;

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- 1 "(2) shall require reporting of other significant 2 adverse tobacco product experiences as determined 3 by the Secretary to be necessary to be reported;
 - "(3) shall not impose requirements unduly burdensome to a tobacco product manufacturer or importer, taking into account the cost of complying with such requirements and the need for the protection of the public health and the implementation of this chapter;
 - "(4) when prescribing the procedure for making requests for reports or information, shall require that each request made under such regulations for submission of a report or information to the Secretary state the reason or purpose for such request and identify to the fullest extent practicable such report or information;
 - "(5) when requiring submission of a report or information to the Secretary, shall state the reason or purpose for the submission of such report or information and identify to the fullest extent practicable such report or information; and
 - "(6) may not require that the identity of any patient or user be disclosed in records, reports, or information required under this subsection unless required for the medical welfare of an individual, to

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1	determine risks to public health of a tobacco prod-
2	uct, or to verify a record, report, or information sub-
3	mitted under this chapter.
4	In prescribing regulations under this subsection, the Sec-
5	retary shall have due regard for the professional ethics of
6	the medical profession and the interests of patients. The
7	prohibitions of paragraph (6) continue to apply to records
8	reports, and information concerning any individual who
9	has been a patient, irrespective of whether or when he
10	ceases to be a patient.
11	"(b) Reports of Removals and Corrections.—
12	"(1) In general.—Except as provided in para-
13	graph (2), the Secretary shall by regulation require
14	a tobacco product manufacturer or importer of a to-
15	bacco product to report promptly to the Secretary
16	any corrective action taken or removal from the
17	market of a tobacco product undertaken by such
18	manufacturer or importer if the removal or correc-
19	tion was undertaken—
20	"(A) to reduce a risk to health posed by
21	the tobacco product; or
22	"(B) to remedy a violation of this chapter
23	caused by the tobacco product which may
24	present a risk to health

1	A tobacco product manufacturer or importer of a to-
2	bacco product who undertakes a corrective action or
3	removal from the market of a tobacco product which
4	is not required to be reported under this subsection
5	shall keep a record of such correction or removal.
6	"(2) Exception.—No report of the corrective
7	action or removal of a tobacco product may be re-
8	quired under paragraph (1) if a report of the correc-
9	tive action or removal is required and has been sub-
10	mitted under subsection (a).
11	"SEC. 910. APPLICATION FOR REVIEW OF CERTAIN TO-
12	BACCO PRODUCTS.
13	"(a) In General.—
14	"(1) New tobacco product defined.—For
15	purposes of this section the term 'new tobacco prod-
16	uct' means—
17	"(A) any tobacco product (including those
18	(11) will cookers product (instability cross
	products in test markets) that was not commer-
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	products in test markets) that was not commer-
19	products in test markets) that was not commercially marketed in the United States as of Feb-
19 20	products in test markets) that was not commercially marketed in the United States as of February 15, 2007; or
19 20 21	products in test markets) that was not commercially marketed in the United States as of February 15, 2007; or "(B) any modification (including a change
19 20 21 22	products in test markets) that was not commercially marketed in the United States as of February 15, 2007; or "(B) any modification (including a change in design, any component, any part, or any con-

1	uct where the modified product was commer-
2	cially marketed in the United States after Feb-
3	ruary 15, 2007.
4	"(2) Premarket review required.—
5	"(A) NEW PRODUCTS.—An order under
6	subsection (c)(1)(A)(i) for a new tobacco prod-
7	uct is required unless—
8	"(i) the manufacturer has submitted a
9	report under section 905(j); and the Sec-
10	retary has issued an order that the tobacco
11	product—
12	"(I) is substantially equivalent to
13	a tobacco product commercially mar-
14	keted (other than for test marketing)
15	in the United States as of February
16	15, 2007; and
17	"(II) is in compliance with the
18	requirements of this Act; or
19	"(ii) the tobacco product is exempt
20	from the requirements of section 905(j)
21	pursuant to a regulation issued under sec-
22	tion $905(j)(3)$.
23	"(B) Application to certain post-feb-
24	RUARY 15, 2007, PRODUCTS.—Subparagraph (A)
25	shall not apply to a tobacco product—

1	"(i) that was first introduced or deliv-
2	ered for introduction into interstate com-
3	merce for commercial distribution in the
4	United States after February 15, 2007,
5	and prior to the date that is 21 months
6	after the date of enactment of the Family
7	Smoking Prevention and Tobacco Control
8	Act; and
9	"(ii) for which a report was submitted
10	under section 905(j) within such 21-month
11	period,
12	except that subparagraph (A) shall apply to the
13	tobacco product if the Secretary issues an order
14	that the tobacco product is not substantially
15	equivalent.
16	"(3) Substantially equivalent defined.—
17	"(A) IN GENERAL.—In this section and
18	section 905(j), the term 'substantially equiva-
19	lent' or 'substantial equivalence' means, with
20	respect to the tobacco product being compared
21	to the predicate tobacco product, that the Sec-
22	retary by order has found that the tobacco
23	product—
24	"(i) has the same characteristics as
25	the predicate tobacco product; or

1	"(ii) has different characteristics and
2	the information submitted contains infor-
3	mation, including clinical data if deemed
4	necessary by the Secretary, that dem-
5	onstrates that it is not appropriate to reg-
6	ulate the product under this section be-
7	cause the product does not raise different
8	questions of public health.
9	"(B) Characteristics.—In subpara-
10	graph (A), the term 'characteristics' means the
11	materials, ingredients, design, composition,
12	heating source, or other features of a tobacco
13	product.
14	"(C) LIMITATION.—A tobacco product may
15	not be found to be substantially equivalent to a
16	predicate tobacco product that has been re-
17	moved from the market at the initiative of the
18	Secretary or that has been determined by a ju-
19	dicial order to be misbranded or adulterated.
20	"(4) Health information.—

"(4) HEALTH INFORMATION.—

"(A) SUMMARY.—As part of a submission under section 905(j) respecting a tobacco product, the person required to file a premarket notification under such section shall provide an adequate summary of any health information

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1 related to the tobacco product or state that 2 such information will be made available upon 3 request by any person. "(B) REQUIRED INFORMATION.—Any sum-4 mary under subparagraph (A) respecting a to-6 bacco product shall contain detailed information 7 regarding data concerning adverse health ef-8 fects and shall be made available to the public 9 by the Secretary within 30 days of the issuance 10 of a determination that such tobacco product is 11 substantially equivalent to another tobacco 12 product. "(b) APPLICATION.— 13 14 "(1) Contents.—An application under this 15 section shall contain— "(A) full reports of all information, pub-16 17 lished or known to, or which should reasonably 18 be known to, the applicant, concerning inves-19 tigations which have been made to show the 20 health risks of such tobacco product and wheth-21 er such tobacco product presents less risk than 22 other tobacco products; 23 "(B) a full statement of the components, ingredients, additives, and properties, and of 24

1	the principle or principles of operation, of such
2	tobacco product;
3	"(C) a full description of the methods used
4	in, and the facilities and controls used for, the
5	manufacture, processing, and, when relevant,
6	packing and installation of, such tobacco prod-
7	uct;
8	"(D) an identifying reference to any to-
9	bacco product standard under section 907
10	which would be applicable to any aspect of such
11	tobacco product, and either adequate informa-
12	tion to show that such aspect of such tobacco
13	product fully meets such tobacco product stand-
14	ard or adequate information to justify any devi-
15	ation from such standard;
16	"(E) such samples of such tobacco product
17	and of components thereof as the Secretary
18	may reasonably require;
19	"(F) specimens of the labeling proposed to
20	be used for such tobacco product; and
21	"(G) such other information relevant to
22	the subject matter of the application as the Sec-
23	retary may require.
24	"(2) Referral to tobacco products sci-
25	ENTIFIC ADVISORY COMMITTEE.—Upon receipt of an

1	application meeting the requirements set forth in
2	paragraph (1), the Secretary—
3	"(A) may, on the Secretary's own initia-
4	tive; or
5	"(B) may, upon the request of an appli-
6	cant,
7	refer such application to the Tobacco Products Sci-
8	entific Advisory Committee for reference and for
9	submission (within such period as the Secretary may
10	establish) of a report and recommendation respect-
11	ing the application, together with all underlying data
12	and the reasons or basis for the recommendation.
13	"(c) ACTION ON APPLICATION.—
14	"(1) Deadline.—
15	"(A) In general.—As promptly as pos-
16	sible, but in no event later than 180 days after
17	the receipt of an application under subsection
18	(b), the Secretary, after considering the report
19	and recommendation submitted under sub-
20	section (b)(2), shall—
21	"(i) issue an order that the new prod-
22	uct may be introduced or delivered for in-
23	troduction into interstate commerce if the
24	Secretary finds that none of the grounds

1	specified in paragraph (2) of this sub-
2	section applies; or
3	"(ii) issue an order that the new prod-
4	uct may not be introduced or delivered for
5	introduction into interstate commerce if
6	the Secretary finds (and sets forth the
7	basis for such finding as part of or accom-
8	panying such denial) that 1 or more
9	grounds for denial specified in paragraph
10	(2) of this subsection apply.
11	"(B) Restrictions on sale and dis-
12	TRIBUTION.—An order under subparagraph
13	(A)(i) may require that the sale and distribu-
14	tion of the tobacco product be restricted but
15	only to the extent that the sale and distribution
16	of a tobacco product may be restricted under a
17	regulation under section 906(d).
18	"(2) Denial of Application.—The Secretary
19	shall deny an application submitted under subsection
20	(b) if, upon the basis of the information submitted
21	to the Secretary as part of the application and any
22	other information before the Secretary with respect
23	to such tobacco product, the Secretary finds that—
24	"(A) there is a lack of a showing that per-
25	mitting such tobacco product to be marketed

1	would be appropriate for the protection of the
2	public health;
3	"(B) the methods used in, or the facilities
4	or controls used for, the manufacture, proc-
5	essing, or packing of such tobacco product do
6	not conform to the requirements of section
7	906(e);
8	"(C) based on a fair evaluation of all mate-
9	rial facts, the proposed labeling is false or mis-
10	leading in any particular; or
11	"(D) such tobacco product is not shown to
12	conform in all respects to a tobacco product
13	standard in effect under section 907, and there
14	is a lack of adequate information to justify the
15	deviation from such standard.
16	"(3) Denial information.—Any denial of an
17	application shall, insofar as the Secretary determines
18	to be practicable, be accompanied by a statement in-
19	forming the applicant of the measures required to
20	remove such application from deniable form (which
21	measures may include further research by the appli-
22	cant in accordance with 1 or more protocols pre-
23	scribed by the Secretary).
24	"(4) Basis for finding.—For purposes of
25	this section, the finding as to whether the marketing

of a tobacco product for which an application has been submitted is appropriate for the protection of the public health shall be determined with respect to the risks and benefits to the population as a whole, including users and nonusers of the tobacco product, and taking into account—

- "(A) the increased or decreased likelihood that existing users of tobacco products will stop using such products; and
- "(B) the increased or decreased likelihood that those who do not use tobacco products will start using such products.

"(5) Basis for action.—

"(A) Investigations.—For purposes of paragraph (2)(A), whether permitting a tobacco product to be marketed would be appropriate for the protection of the public health shall, when appropriate, be determined on the basis of well-controlled investigations, which may include 1 or more clinical investigations by experts qualified by training and experience to evaluate the tobacco product.

"(B) OTHER EVIDENCE.—If the Secretary determines that there exists valid scientific evidence (other than evidence derived from inves-

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1	tigations described in subparagraph (A)) which
2	is sufficient to evaluate the tobacco product, the
3	Secretary may authorize that the determination
4	for purposes of paragraph (2)(A) be made on
5	the basis of such evidence.
6	"(d) WITHDRAWAL AND TEMPORARY SUSPENSION.—
7	"(1) In general.—The Secretary shall, upon
8	obtaining, where appropriate, advice on scientific
9	matters from the Tobacco Products Scientific Advi-
10	sory Committee, and after due notice and oppor-
11	tunity for informal hearing for a tobacco product for
12	which an order was issued under subsection
13	(c)(1)(A)(i), issue an order withdrawing the order if
14	the Secretary finds—
15	"(A) that the continued marketing of such
16	tobacco product no longer is appropriate for the
17	protection of the public health;
18	"(B) that the application contained or was
19	accompanied by an untrue statement of a mate-
20	rial fact;
21	"(C) that the applicant—
22	"(i) has failed to establish a system
23	for maintaining records, or has repeatedly
24	or deliberately failed to maintain records

1	or to make reports, required by an applica-
2	ble regulation under section 909;
3	"(ii) has refused to permit access to,
4	or copying or verification of, such records
5	as required by section 704; or
6	"(iii) has not complied with the re-
7	quirements of section 905;
8	"(D) on the basis of new information be-
9	fore the Secretary with respect to such tobacco
10	product, evaluated together with the evidence
11	before the Secretary when the application was
12	reviewed, that the methods used in, or the fa-
13	cilities and controls used for, the manufacture,
14	processing, packing, or installation of such to-
15	bacco product do not conform with the require-
16	ments of section 906(e) and were not brought
17	into conformity with such requirements within a
18	reasonable time after receipt of written notice
19	from the Secretary of nonconformity;
20	"(E) on the basis of new information be-
21	fore the Secretary, evaluated together with the
22	evidence before the Secretary when the applica-
23	tion was reviewed, that the labeling of such to-
24	bacco product, based on a fair evaluation of all
25	material facts, is false or misleading in any par-

able time after receipt of written notice from the Secretary of such fact; or

"(F) on the basis of new information before the Secretary, evaluated together with the
evidence before the Secretary when such order
was issued, that such tobacco product is not
shown to conform in all respects to a tobacco
product standard which is in effect under section 907, compliance with which was a condition to the issuance of an order relating to the
application, and that there is a lack of adequate
information to justify the deviation from such
standard.

- "(2) APPEAL.—The holder of an application subject to an order issued under paragraph (1) withdrawing an order issued pursuant to subsection (c)(1)(A)(i) may, by petition filed on or before the 30th day after the date upon which such holder receives notice of such withdrawal, obtain review thereof in accordance with section 912.
- "(3) Temporary suspension.—If, after providing an opportunity for an informal hearing, the Secretary determines there is reasonable probability that the continuation of distribution of a tobacco

- 1 product under an order would cause serious, adverse
- 2 health consequences or death, that is greater than
- 3 ordinarily caused by tobacco products on the market,
- 4 the Secretary shall by order temporarily suspend the
- 5 authority of the manufacturer to market the prod-
- 6 uct. If the Secretary issues such an order, the Sec-
- 7 retary shall proceed expeditiously under paragraph
- 8 (1) to withdraw such application.
- 9 "(e) Service of Order.—An order issued by the
- 10 Secretary under this section shall be served—
- "(1) in person by any officer or employee of the
- department designated by the Secretary; or
- "(2) by mailing the order by registered mail or
- certified mail addressed to the applicant at the ap-
- plicant's last known address in the records of the
- 16 Secretary.
- 17 "(f) Records.—
- 18 "(1) Additional information.—In the case
- of any tobacco product for which an order issued
- pursuant to subsection (c)(1)(A)(i) for an applica-
- 21 tion filed under subsection (b) is in effect, the appli-
- cant shall establish and maintain such records, and
- 23 make such reports to the Secretary, as the Secretary
- may by regulation, or by order with respect to such
- application, prescribe on the basis of a finding that

- 1 such records and reports are necessary in order to
- 2 enable the Secretary to determine, or facilitate a de-
- 3 termination of, whether there is or may be grounds
- 4 for withdrawing or temporarily suspending such
- 5 order.
- 6 "(2) Access to records.—Each person re-
- 7 quired under this section to maintain records, and
- 8 each person in charge of custody thereof, shall, upon
- 9 request of an officer or employee designated by the
- 10 Secretary, permit such officer or employee at all rea-
- sonable times to have access to and copy and verify
- such records.
- 13 "(g) Investigational Tobacco Product Exemp-
- 14 TION FOR INVESTIGATIONAL USE.—The Secretary may
- 15 exempt tobacco products intended for investigational use
- 16 from the provisions of this chapter under such conditions
- 17 as the Secretary may by regulation prescribe.
- 18 "SEC. 911. MODIFIED RISK TOBACCO PRODUCTS.
- 19 "(a) IN GENERAL.—No person may introduce or de-
- 20 liver for introduction into interstate commerce any modi-
- 21 fied risk tobacco product unless an order issued pursuant
- 22 to subsection (g) is effective with respect to such product.
- 23 "(b) Definitions.—In this section:
- 24 "(1) Modified risk tobacco product.—The
- 25 term 'modified risk tobacco product' means any to-

1	bacco product that is sold or distributed for use to
2	reduce harm or the risk of tobacco-related disease
3	associated with commercially marketed tobacco prod-
4	ucts.
5	"(2) Sold or distributed.—
6	"(A) IN GENERAL.—With respect to a to-
7	bacco product, the term 'sold or distributed for
8	use to reduce harm or the risk of tobacco-re-
9	lated disease associated with commercially mar-
10	keted tobacco products' means a tobacco prod-
11	uct—
12	"(i) the label, labeling, or advertising
13	of which represents explicitly or implicitly
14	that—
15	"(I) the tobacco product presents
16	a lower risk of tobacco-related disease
17	or is less harmful than one or more
18	other commercially marketed tobacco
19	products;
20	"(II) the tobacco product or its
21	smoke contains a reduced level of a
22	substance or presents a reduced expo-
23	sure to a substance; or

1	"(III) the tobacco product or its
2	smoke does not contain or is free of a
3	substance;
4	"(ii) the label, labeling, or advertising
5	of which uses the descriptors 'light', 'mild',
6	or 'low' or similar descriptors; or
7	"(iii) the tobacco product manufac-
8	turer of which has taken any action di-
9	rected to consumers through the media or
10	otherwise, other than by means of the to-
11	bacco product's label, labeling, or adver-
12	tising, after the date of enactment of the
13	Family Smoking Prevention and Tobacco
14	Control Act, respecting the product that
15	would be reasonably expected to result in
16	consumers believing that the tobacco prod-
17	uct or its smoke may present a lower risk
18	of disease or is less harmful than one or
19	more commercially marketed tobacco prod-
20	ucts, or presents a reduced exposure to, or
21	does not contain or is free of, a substance
22	or substances.
23	"(B) Limitation.—No tobacco product
24	shall be considered to be 'sold or distributed for
25	use to reduce harm or the risk of tobacco-re-

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lated disease associated with commercially marketed tobacco products', except as described in subparagraph (A).

"(C) Smokeless tobacco product.—No smokeless tobacco product shall be considered to be 'sold or distributed for use to reduce harm or the risk of tobacco-related disease associated with commercially marketed tobacco products' solely because its label, labeling, or advertising uses the following phrases to describe such product and its use: 'smokeless tobacco', 'smokeless tobacco product', 'not consumed by smoking', 'does produce not smoke'. 'smokefree', 'smoke-free', 'without smoke', 'no smoke', or 'not smoke'.

"(3) EFFECTIVE DATE.—The provisions of paragraph (2)(A)(ii) shall take effect 12 months after the date of enactment of the Family Smoking Prevention and Tobacco Control Act for those products whose label, labeling, or advertising contains the terms described in such paragraph on such date of enactment. The effective date shall be with respect to the date of manufacture, provided that, in any case, beginning 30 days after such effective date, a manufacturer shall not introduce into the do-

1	mestic commerce of the United States any product,
2	irrespective of the date of manufacture, that is not
3	in conformance with paragraph (2)(A)(ii).
4	"(c) Tobacco Dependence Products.—A product
5	that is intended to be used for the treatment of tobacco
6	dependence, including smoking cessation, is not a modified
7	risk tobacco product under this section if it has been ap-
8	proved as a drug or device by the Food and Drug Adminis-
9	tration and is subject to the requirements of chapter V.
10	"(d) FILING.—Any person may file with the Sec-
11	retary an application for a modified risk tobacco product.
12	Such application shall include—
13	"(1) a description of the proposed product and
14	any proposed advertising and labeling;
15	"(2) the conditions for using the product;
16	"(3) the formulation of the product;
17	"(4) sample product labels and labeling;
18	"(5) all documents (including underlying sci-
19	entific information) relating to research findings
20	conducted, supported, or possessed by the tobacco
21	product manufacturer relating to the effect of the
22	product on tobacco-related diseases and health-re-
23	lated conditions, including information both favor-
24	able and unfavorable to the ability of the product to

1	reduce risk or exposure and relating to human
2	health;
3	"(6) data and information on how consumers
4	actually use the tobacco product; and
5	"(7) such other information as the Secretary
6	may require.
7	"(e) Public Availability.—The Secretary shall
8	make the application described in subsection (d) publicly
9	available (except matters in the application which are
10	trade secrets or otherwise confidential, commercial infor-
11	mation) and shall request comments by interested persons
12	on the information contained in the application and on the
13	label, labeling, and advertising accompanying such appli-
14	cation.
15	"(f) Advisory Committee.—
16	"(1) IN GENERAL.—The Secretary shall refer to
17	the Tobacco Products Scientific Advisory Committee
18	any application submitted under this section.
19	"(2) Recommendations.—Not later than 60
20	days after the date an application is referred to the
21	Tobacco Products Scientific Advisory Committee
22	under paragraph (1), the Advisory Committee shall
23	report its recommendations on the application to the
24	Secretary.
25	"(g) Marketing.—

1	"(1) Modified risk products.—Except as
2	provided in paragraph (2), the Secretary shall, with
3	respect to an application submitted under this sec-
4	tion, issue an order that a modified risk product
5	may be commercially marketed only if the Secretary
6	determines that the applicant has demonstrated that
7	such product, as it is actually used by consumers,
8	will—

- "(A) significantly reduce harm and the risk of tobacco-related disease to individual tobacco users; and
- "(B) benefit the health of the population as a whole taking into account both users of tobacco products and persons who do not currently use tobacco products.
- "(2) Special rule for certain products.—
- "(A) IN GENERAL.—The Secretary may issue an order that a tobacco product may be introduced or delivered for introduction into interstate commerce, pursuant to an application under this section, with respect to a tobacco product that may not be commercially marketed under paragraph (1) if the Secretary makes the findings required under this paragraph and de-

1	termines that the applicant has demonstrated
2	that—
3	"(i) such order would be appropriate
4	to promote the public health;
5	"(ii) any aspect of the label, labeling,
6	and advertising for such product that
7	would cause the tobacco product to be a
8	modified risk tobacco product under sub-
9	section (b) is limited to an explicit or im-
10	plicit representation that such tobacco
11	product or its smoke does not contain or is
12	free of a substance or contains a reduced
13	level of a substance, or presents a reduced
14	exposure to a substance in tobacco smoke;
15	"(iii) scientific evidence is not avail-
16	able and, using the best available scientific
17	methods, cannot be made available without
18	conducting long-term epidemiological stud-
19	ies for an application to meet the stand-
20	ards set forth in paragraph (1); and
21	"(iv) the scientific evidence that is
22	available without conducting long-term epi-
23	demiological studies demonstrates that a
24	measurable and substantial reduction in
25	morbidity or mortality among individual

1	tobacco users is reasonably likely in subse-
2	quent studies.
3	"(B) Additional findings required.—
4	To issue an order under subparagraph (A) the
5	Secretary must also find that the applicant has
6	demonstrated that—
7	"(i) the magnitude of the overall re-
8	ductions in exposure to the substance or
9	substances which are the subject of the ap-
10	plication is substantial, such substance or
11	substances are harmful, and the product as
12	actually used exposes consumers to the
13	specified reduced level of the substance or
14	substances;
15	"(ii) the product as actually used by
16	consumers will not expose them to higher
17	levels of other harmful substances com-
18	pared to the similar types of tobacco prod-
19	ucts then on the market unless such in-
20	creases are minimal and the reasonably
21	likely overall impact of use of the product
22	remains a substantial and measurable re-
23	duction in overall morbidity and mortality
24	among individual tobacco users;

1	"(iii) testing of actual consumer per-
2	ception shows that, as the applicant pro-
3	poses to label and market the product, con-
4	sumers will not be misled into believing
5	that the product—
6	"(I) is or has been demonstrated
7	to be less harmful; or
8	"(II) presents or has been dem-
9	onstrated to present less of a risk of
10	disease than 1 or more other commer-
11	cially marketed tobacco products; and
12	"(iv) issuance of an order with respect
13	to the application is expected to benefit the
14	health of the population as a whole taking
15	into account both users of tobacco prod-
16	ucts and persons who do not currently use
17	tobacco products.
18	"(C) Conditions of Marketing.—
19	"(i) In general.—Applications sub-
20	ject to an order under this paragraph shall
21	be limited to a term of not more than 5
22	years, but may be renewed upon a finding
23	by the Secretary that the requirements of
24	this paragraph continue to be satisfied
25	based on the filing of a new application.

1	"(ii) AGREEMENTS BY APPLICANT.—
2	An order under this paragraph shall be
3	conditioned on the applicant's agreement
4	to conduct postmarket surveillance and
5	studies and to submit to the Secretary the
6	results of such surveillance and studies to
7	determine the impact of the order on con-
8	sumer perception, behavior, and health and
9	to enable the Secretary to review the accu-
10	racy of the determinations upon which the
11	order was based in accordance with a pro-
12	tocol approved by the Secretary.
13	"(iii) Annual submission.—The re-
14	sults of such postmarket surveillance and
15	studies described in clause (ii) shall be
16	submitted annually.
17	"(3) Basis.—The determinations under para-
18	graphs (1) and (2) shall be based on—
19	"(A) the scientific evidence submitted by
20	the applicant; and
21	"(B) scientific evidence and other informa-
22	tion that is made available to the Secretary.
23	"(4) Benefit to health of individuals
24	AND OF POPULATION AS A WHOLE.—In making the

1	determinations under paragraphs (1) and (2), the
2	Secretary shall take into account—
3	"(A) the relative health risks to individuals
4	of the tobacco product that is the subject of the
5	application;
6	"(B) the increased or decreased likelihood
7	that existing users of tobacco products who
8	would otherwise stop using such products will
9	switch to the tobacco product that is the subject
10	of the application;
11	"(C) the increased or decreased likelihood
12	that persons who do not use tobacco products
13	will start using the tobacco product that is the
14	subject of the application;
15	"(D) the risks and benefits to persons
16	from the use of the tobacco product that is the
17	subject of the application as compared to the
18	use of products for smoking cessation approved
19	under chapter V to treat nicotine dependence;
20	and
21	"(E) comments, data, and information
22	submitted by interested persons.
23	"(h) Additional Conditions for Marketing.—
24	"(1) Modified risk products.—The Sec-
25	retary shall require for the marketing of a product

under this section that any advertising or labeling concerning modified risk products enable the public to comprehend the information concerning modified risk and to understand the relative significance of such information in the context of total health and in relation to all of the diseases and health-related conditions associated with the use of tobacco products.

"(2) Comparative claims.—

"(A) IN GENERAL.—The Secretary may require for the marketing of a product under this subsection that a claim comparing a tobacco product to 1 or more other commercially marketed tobacco products shall compare the tobacco product to a commercially marketed tobacco product that is representative of that type of tobacco product on the market (for example the average value of the top 3 brands of an established regular tobacco product).

"(B) QUANTITATIVE COMPARISONS.—The Secretary may also require, for purposes of subparagraph (A), that the percent (or fraction) of change and identity of the reference tobacco product and a quantitative comparison of the amount of the substance claimed to be reduced

1 shall be stated in immediate proximity to the 2 most prominent claim. 3 "(3) Label disclosure.— "(A) IN GENERAL.—The Secretary may re-4 quire the disclosure on the label of other sub-6 stances in the tobacco product, or substances 7 that may be produced by the consumption of 8 that tobacco product, that may affect a disease 9 or health-related condition or may increase the 10 risk of other diseases or health-related condi-11 tions associated with the use of tobacco prod-12 ucts. "(B) CONDITIONS OF USE.—If the condi-13 14 tions of use of the tobacco product may affect 15 the risk of the product to human health, the 16 Secretary may require the labeling of conditions 17 of use. 18 "(4) Time.—An order issued under subsection 19 (g)(1) shall be effective for a specified period of

"(5) ADVERTISING.—The Secretary may require, with respect to a product for which an applicant obtained an order under subsection (g)(1), that the product comply with requirements relating to ad-

vertising and promotion of the tobacco product.

time.

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"(i) Postmarket Surveillance and Studies.—

"(1) In General.—The Secretary shall require, with respect to a product for which an applicant obtained an order under subsection (g)(1), that the applicant conduct postmarket surveillance and studies for such a tobacco product to determine the impact of the order issuance on consumer perception, behavior, and health, to enable the Secretary to review the accuracy of the determinations upon which the order was based, and to provide information that the Secretary determines is otherwise necessary regarding the use or health risks involving the tobacco product. The results of postmarket surveillance and studies shall be submitted to the Secretary on an annual basis.

"(2) Surveillance Protocol.—Each applicant required to conduct a surveillance of a tobacco product under paragraph (1) shall, within 30 days after receiving notice that the applicant is required to conduct such surveillance, submit, for the approval of the Secretary, a protocol for the required surveillance. The Secretary, within 60 days of the receipt of such protocol, shall determine if the principal investigator proposed to be used in the surveillance has sufficient qualifications and experience to

1	conduct such surveillance and if such protocol will
2	result in collection of the data or other information
3	designated by the Secretary as necessary to protect
4	the public health.
5	"(j) Withdrawal of Authorization.—The Sec-
6	retary, after an opportunity for an informal hearing, shall
7	withdraw an order under subsection (g) if the Secretary
8	determines that—
9	"(1) the applicant, based on new information,
10	can no longer make the demonstrations required
11	under subsection (g), or the Secretary can no longer
12	make the determinations required under subsection
13	(g);
14	"(2) the application failed to include material
15	information or included any untrue statement of ma-
16	terial fact;
17	"(3) any explicit or implicit representation that
18	the product reduces risk or exposure is no longer
19	valid, including if—
20	"(A) a tobacco product standard is estab-
21	lished pursuant to section 907;
22	"(B) an action is taken that affects the
23	risks presented by other commercially marketed
24	tobacco products that were compared to the
25	product that is the subject of the application; or

1	"(C) any postmarket surveillance or stud-
2	ies reveal that the order is no longer consistent
3	with the protection of the public health;
4	"(4) the applicant failed to conduct or submit
5	the postmarket surveillance and studies required
6	under subsection (g)(2)(C)(ii) or subsection (i); or
7	"(5) the applicant failed to meet a condition
8	imposed under subsection (h).
9	"(k) Chapter IV or V.—A product for which the
10	Secretary has issued an order pursuant to subsection (g)
11	shall not be subject to chapter IV or V.
12	"(l) Implementing Regulations or Guidance.—
13	"(1) Scientific evidence.—Not later than 2
14	years after the date of enactment of the Family
15	Smoking Prevention and Tobacco Control Act, the
16	Secretary shall issue regulations or guidance (or any
17	combination thereof) on the scientific evidence re-
18	quired for assessment and ongoing review of modi-
19	fied risk tobacco products. Such regulations or guid-
20	ance shall—
21	"(A) to the extent that adequate scientific
22	evidence exists, establish minimum standards
23	for scientific studies needed prior to issuing an
24	order under subsection (g) to show that a sub-
25	stantial reduction in morbidity or mortality

1	among individual tobacco users occurs for prod-
2	ucts described in subsection $(g)(1)$ or is reason-
3	ably likely for products described in subsection
4	(g)(2);
5	"(B) include validated biomarkers, inter-
6	mediate clinical endpoints, and other feasible
7	outcome measures, as appropriate;
8	"(C) establish minimum standards for
9	postmarket studies, that shall include regular
10	and long-term assessments of health outcomes
11	and mortality, intermediate clinical endpoints
12	consumer perception of harm reduction, and the
13	impact on quitting behavior and new use of to-
14	bacco products, as appropriate;
15	"(D) establish minimum standards for re-
16	quired postmarket surveillance, including ongo-
17	ing assessments of consumer perception;
18	"(E) require that data from the required
19	studies and surveillance be made available to
20	the Secretary prior to the decision on renewal
21	of a modified risk tobacco product; and
22	"(F) establish a reasonable timetable for
23	the Secretary to review an application under
24	this section.

- 1 "(2) Consultation.—The regulations or guid-2 ance issued under paragraph (1) shall be developed 3 in consultation with the Institute of Medicine, and 4 with the input of other appropriate scientific and 5 medical experts, on the design and conduct of such 6 studies and surveillance.
 - "(3) Revision.—The regulations or guidance under paragraph (1) shall be revised on a regular basis as new scientific information becomes available.
 - "(4) NEW TOBACCO PRODUCTS.—Not later than 2 years after the date of enactment of the Family Smoking Prevention and Tobacco Control Act, the Secretary shall issue a regulation or guidance that permits the filing of a single application for any tobacco product that is a new tobacco product under section 910 and which the applicant seeks to commercially market under this section.
- "(m) DISTRIBUTORS.—Except as provided in this section, no distributor may take any action, after the date of enactment of the Family Smoking Prevention and To-bacco Control Act, with respect to a tobacco product that would reasonably be expected to result in consumers believing that the tobacco product or its smoke may present a lower risk of disease or is less harmful than one or more

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1	commercially marketed to bacco products, or presents a re-
2	duced exposure to, or does not contain or is free of, a sub-
3	stance or substances.
4	"SEC. 912. JUDICIAL REVIEW.
5	"(a) Right To Review.—
6	"(1) In general.—Not later than 30 days
7	after—
8	"(A) the promulgation of a regulation
9	under section 907 establishing, amending, or
10	revoking a tobacco product standard; or
11	"(B) a denial of an application under sec-
12	tion 910(e),
13	any person adversely affected by such regulation or
14	denial may file a petition for judicial review of such
15	regulation or denial with the United States Court of
16	Appeals for the District of Columbia or for the cir-
17	cuit in which such person resides or has their prin-
18	cipal place of business.
19	"(2) Requirements.—
20	"(A) COPY OF PETITION.—A copy of the
21	petition filed under paragraph (1) shall be
22	transmitted by the clerk of the court involved to
23	the Secretary.
24	"(B) Record of proceedings.—On re-
25	ceipt of a petition under subparagraph (A), the

1	Secretary shall file in the court in which such
2	petition was filed—
3	"(i) the record of the proceedings on
4	which the regulation or order was based;
5	and
6	"(ii) a statement of the reasons for
7	the issuance of such a regulation or order.
8	"(C) Definition of Record.—In this
9	section, the term 'record' means—
10	"(i) all notices and other matter pub-
11	lished in the Federal Register with respect
12	to the regulation or order reviewed;
13	"(ii) all information submitted to the
14	Secretary with respect to such regulation
15	or order;
16	"(iii) proceedings of any panel or ad-
17	visory committee with respect to such reg-
18	ulation or order;
19	"(iv) any hearing held with respect to
20	such regulation or order; and
21	"(v) any other information identified
22	by the Secretary, in the administrative pro-
23	ceeding held with respect to such regula-
24	tion or order, as being relevant to such
25	regulation or order.

- 1 "(b) STANDARD OF REVIEW.—Upon the filing of the
- 2 petition under subsection (a) for judicial review of a regu-
- 3 lation or order, the court shall have jurisdiction to review
- 4 the regulation or order in accordance with chapter 7 of
- 5 title 5, United States Code, and to grant appropriate re-
- 6 lief, including interim relief, as provided for in such chap-
- 7 ter. A regulation or denial described in subsection (a) shall
- 8 be reviewed in accordance with section 706(2)(A) of title
- 9 5, United States Code.
- 10 "(c) Finality of Judgment.—The judgment of the
- 11 court affirming or setting aside, in whole or in part, any
- 12 regulation or order shall be final, subject to review by the
- 13 Supreme Court of the United States upon certiorari or
- 14 certification, as provided in section 1254 of title 28,
- 15 United States Code.
- 16 "(d) Other Remedies.—The remedies provided for
- 17 in this section shall be in addition to, and not in lieu of,
- 18 any other remedies provided by law.
- 19 "(e) Regulations and Orders Must Recite
- 20 Basis in Record.—To facilitate judicial review, a regula-
- 21 tion or order issued under section 906, 907, 908, 909,
- 22 910, or 916 shall contain a statement of the reasons for
- 23 the issuance of such regulation or order in the record of
- 24 the proceedings held in connection with its issuance.

1	"SEC.	913.	EQUAL	TREATMENT	OF	RETAIL	OUTLETS.
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- 2 "The Secretary shall issue regulations to require that
- 3 retail establishments for which the predominant business
- 4 is the sale of tobacco products comply with any advertising
- 5 restrictions applicable to retail establishments accessible
- 6 to individuals under the age of 18.

7 "SEC. 914. JURISDICTION OF AND COORDINATION WITH

- 8 THE FEDERAL TRADE COMMISSION.
- 9 "(a) Jurisdiction.—
- 10 "(1) IN GENERAL.—Except where expressly
- provided in this chapter, nothing in this chapter
- shall be construed as limiting or diminishing the au-
- thority of the Federal Trade Commission to enforce
- 14 the laws under its jurisdiction with respect to the
- advertising, sale, or distribution of tobacco products.
- 16 "(2) Enforcement.—Any advertising that vio-
- lates this chapter or a provision of the regulations
- referred to in section 102 of the Family Smoking
- 19 Prevention and Tobacco Control Act, is an unfair or
- deceptive act or practice under section 5(a) of the
- 21 Federal Trade Commission Act and shall be consid-
- 22 ered a violation of a rule promulgated under section
- 23 18 of that Act.
- 24 "(b) Coordination.—With respect to the require-
- 25 ments of section 4 of the Federal Cigarette Labeling and

- Advertising Act and section 3 of the Comprehensive 2 Smokeless Tobacco Health Education Act of 1986— 3 "(1) the Chairman of the Federal Trade Com-4 mission shall coordinate with the Secretary con-5 cerning the enforcement of such Act as such enforce-6 ment relates to unfair or deceptive acts or practices 7 in the advertising of cigarettes or smokeless tobacco; 8 and 9 "(2) the Secretary shall consult with the Chair-10 man of such Commission in revising the label state-11 ments and requirements under such sections. 12 "SEC. 915. REGULATION REQUIREMENT. "(a) Testing, Reporting, and Disclosure.—Not 13 later than 36 months after the date of enactment of the 14 15 Family Smoking Prevention and Tobacco Control Act, the Secretary shall promulgate regulations under this Act that 16 meet the requirements of subsection (b). 17
- 18 "(b) Contents of Rules.—The regulations pro-
- 19 mulgated under subsection (a)—
- 20 "(1) shall require testing and reporting of to-21 bacco product constituents, ingredients, and addi-22 tives, including smoke constituents, by brand and 23 subbrand that the Secretary determines should be 24 tested to protect the public health, provided that, for 25 purposes of the testing requirements of this para-

2 single tobacco product manufacturer that are iden-3 tical in all respects except the labels, packaging de-

graph, tobacco products manufactured and sold by a

- 4 sign, logo, trade dress, trademark, brand name, or
- 5 any combination thereof, shall be considered as a
- 6 single brand; and

- 7 "(2) may require that tobacco product manu-8 facturers, packagers, or importers make disclosures
- 9 relating to the results of the testing of tar and nico-
- tine through labels or advertising or other appro-
- priate means, and make disclosures regarding the
- results of the testing of other constituents, including
- smoke constituents, ingredients, or additives, that
- the Secretary determines should be disclosed to the
- public to protect the public health and will not mis-
- lead consumers about the risk of tobacco-related dis-
- ease.
- 18 "(c) Authority.—The Secretary shall have the au-
- 19 thority under this chapter to conduct or to require the
- 20 testing, reporting, or disclosure of tobacco product con-
- 21 stituents, including smoke constituents.
- 22 "(d) SMALL TOBACCO PRODUCT MANUFACTUR-
- 23 ERS.—
- 24 "(1) FIRST COMPLIANCE DATE.—The initial
- 25 regulations promulgated under subsection (a) shall

1	not impose requirements on small tobacco product
2	manufacturers before the later of—
3	"(A) the end of the 2-year period following
4	the final promulgation of such regulations; and
5	"(B) the initial date set by the Secretary
6	for compliance with such regulations by manu-
7	facturers that are not small tobacco product
8	manufacturers.
9	"(2) Testing and reporting initial com-
10	PLIANCE PERIOD.—
11	"(A) 4-YEAR PERIOD.—The initial regula-
12	tions promulgated under subsection (a) shall
13	give each small tobacco product manufacturer a
14	4-year period over which to conduct testing and
15	reporting for all of its tobacco products. Subject
16	to paragraph (1), the end of the first year of
17	such 4-year period shall coincide with the initial
18	date of compliance under this section set by the
19	Secretary with respect to manufacturers that
20	are not small tobacco product manufacturers or
21	the end of the 2-year period following the final
22	promulgation of such regulations, as described
23	in paragraph (1)(A). A small tobacco product
24	manufacturer shall be required—

	"(i) to conduct such testing and re-
2	porting for 25 percent of its tobacco prod-
3	ucts during each year of such 4-year pe-
1	riod; and

"(ii) to conduct such testing and reporting for its largest-selling tobacco products (as determined by the Secretary) before its other tobacco products, or in such other order of priority as determined by the Secretary.

"(B) CASE-BY-CASE DELAY.—Notwithstanding subparagraph (A), the Secretary may, on a case-by-case basis, delay the date by which an individual small tobacco product manufacturer must conduct testing and reporting for its tobacco products under this section based upon a showing of undue hardship to such manufacturer. Notwithstanding the preceding sentence, the Secretary shall not extend the deadline for a small tobacco product manufacturer to conduct testing and reporting for all of its tobacco products beyond a total of 5 years after the initial date of compliance under this section set by the Secretary with respect to manufacturers

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that are not small tobacco product manufacturers.

> "(3) Subsequent and additional testing AND REPORTING.—The regulations promulgated under subsection (a) shall provide that, with respect to any subsequent or additional testing and reporting of tobacco products required under this section. such testing and reporting by a small tobacco product manufacturer shall be conducted in accordance with the timeframes described in paragraph (2)(A), except that, in the case of a new product, or if there been a modification described in section 910(a)(1)(B) of any product of a small tobacco product manufacturer since the last testing and reporting required under this section, the Secretary shall require that any subsequent or additional testing and reporting be conducted in accordance with the same timeframe applicable to manufacturers that are not small tobacco product manufacturers.

> "(4) Joint Laboratory testing services.—
> The Secretary shall allow any 2 or more small tobacco product manufacturers to join together to purchase laboratory testing services required by this
> section on a group basis in order to ensure that such

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1	manufacturers receive access to, and fair pricing of,
2	such testing services.
3	"(e) Extensions for Limited Laboratory Ca-
4	PACITY.—
5	"(1) In General.—The regulations promul-
6	gated under subsection (a) shall provide that a small
7	tobacco product manufacturer shall not be consid-
8	ered to be in violation of this section before the
9	deadline applicable under paragraphs (3) and (4),
10	if—
11	"(A) the tobacco products of such manu-
12	facturer are in compliance with all other re-
13	quirements of this chapter; and
14	"(B) the conditions described in paragraph
15	(2) are met.
16	"(2) Conditions.—Notwithstanding the re-
17	quirements of this section, the Secretary may delay
18	the date by which a small tobacco product manufac-
19	turer must be in compliance with the testing and re-
20	porting required by this section until such time as
21	the testing is reported if, not later than 90 days be-
22	fore the deadline for reporting in accordance with
23	this section, a small tobacco product manufacturer
24	provides evidence to the Secretary demonstrating
25	that—

1	"(A) the manufacturer has submitted the
2	required products for testing to a laboratory
3	and has done so sufficiently in advance of the
4	deadline to create a reasonable expectation of
5	completion by the deadline;

- "(B) the products currently are awaiting testing by the laboratory; and
- "(C) neither that laboratory nor any other laboratory is able to complete testing by the deadline at customary, nonexpedited testing fees.
- "(3) EXTENSION.—The Secretary, taking into account the laboratory testing capacity that is available to tobacco product manufacturers, shall review and verify the evidence submitted by a small tobacco product manufacturer in accordance with paragraph (2). If the Secretary finds that the conditions described in such paragraph are met, the Secretary shall notify the small tobacco product manufacturer that the manufacturer shall not be considered to be in violation of the testing and reporting requirements of this section until the testing is reported or until 1 year after the reporting deadline has passed, whichever occurs sooner. If, however, the Secretary has not made a finding before the reporting dead-

- line, the manufacturer shall not be considered to be
- 2 in violation of such requirements until the Secretary
- finds that the conditions described in paragraph (2)
- 4 have not been met, or until 1 year after the report-
- 5 ing deadline, whichever occurs sooner.
- 6 "(4) Addition to
- 7 the time that may be provided under paragraph (3),
- 8 the Secretary may provide further extensions of
- 9 time, in increments of no more than 1 year, for re-
- quired testing and reporting to occur if the Sec-
- 11 retary determines, based on evidence properly and
- timely submitted by a small tobacco product manu-
- facturer in accordance with paragraph (2), that a
- lack of available laboratory capacity prevents the
- 15 manufacturer from completing the required testing
- during the period described in paragraph (3).
- 17 "(f) Rule of Construction.—Nothing in sub-
- 18 section (d) or (e) shall be construed to authorize the exten-
- 19 sion of any deadline, or to otherwise affect any timeframe,
- 20 under any provision of this Act or the Family Smoking
- 21 Prevention and Tobacco Control Act other than this sec-
- 22 tion.
- 23 "SEC. 916. PRESERVATION OF STATE AND LOCAL AUTHOR-
- 24 ITY.
- 25 "(a) IN GENERAL.—

"(1) Preservation.—Except as provided in 1 2 paragraph (2)(A), nothing in this chapter, or rules 3 promulgated under this chapter, shall be construed 4 to limit the authority of a Federal agency (including 5 the Armed Forces), a State or political subdivision 6 of a State, or the government of an Indian tribe to 7 enact, adopt, promulgate, and enforce any law, rule, 8 regulation, or other measure with respect to tobacco 9 products that is in addition to, or more stringent 10 than, requirements established under this chapter, 11 including a law, rule, regulation, or other measure 12 relating to or prohibiting the sale, distribution, possession, exposure to, access to, advertising and pro-13 14 motion of, or use of tobacco products by individuals 15 of any age, information reporting to the State, or 16 measures relating to fire safety standards for to-17 bacco products. No provision of this chapter shall 18 limit or otherwise affect any State, Tribal, or local 19 taxation of tobacco products.

- "(2) Preemption of Certain State and Local requirements.—
 - "(A) IN GENERAL.—No State or political subdivision of a State may establish or continue in effect with respect to a tobacco product any requirement which is different from, or in addi-

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tion to, any requirement under the provisions of
this chapter relating to tobacco product standards, premarket review, adulteration, misbranding, labeling, registration, good manufacturing standards, or modified risk tobacco products.

"(B) EXCEPTION.—Subparagraph (A) does not apply to requirements relating to the sale, distribution, possession, information reporting to the State, exposure to, access to, the advertising and promotion of, or use of, tobacco products by individuals of any age, or relating to fire safety standards for tobacco products. Information disclosed to a State under subparagraph (A) that is exempt from disclosure under section 552(b)(4) of title 5, United States Code, shall be treated as a trade secret and confidential information by the State.

"(b) Rule of Construction Regarding Product
Liability.—No provision of this chapter relating to a tobacco product shall be construed to modify or otherwise
affect any action or the liability of any person under the
product liability law of any State.

1	"SEC. 917. TOBACCO PRODUCTS SCIENTIFIC ADVISORY
2	COMMITTEE.
3	"(a) Establishment.—Not later than 6 months
4	after the date of enactment of the Family Smoking Pre-
5	vention and Tobacco Control Act, the Secretary shall es-
6	tablish a 12-member advisory committee, to be known as
7	the Tobacco Products Scientific Advisory Committee (in
8	this section referred to as the 'Advisory Committee').
9	"(b) Membership.—
10	"(1) In general.—
11	"(A) Members.—The Secretary shall ap-
12	point as members of the Tobacco Products Sci-
13	entific Advisory Committee individuals who are
14	technically qualified by training and experience
15	in medicine, medical ethics, science, or tech-
16	nology involving the manufacture, evaluation, or
17	use of tobacco products, who are of appro-
18	priately diversified professional backgrounds
19	The committee shall be composed of—
20	"(i) 7 individuals who are physicians
21	dentists, scientists, or health care profes-
22	sionals practicing in the area of oncology,
23	pulmonology, cardiology, toxicology, phar-
24	macology, addiction, or any other relevant
25	specialty;

1	"(ii) 1 individual who is an officer or
2	employee of a State or local government or
3	of the Federal Government;
4	"(iii) 1 individual as a representative
5	of the general public;
6	"(iv) 1 individual as a representative
7	of the interests of the tobacco manufac-
8	turing industry;
9	"(v) 1 individual as a representative
10	of the interests of the small business to-
11	bacco manufacturing industry, which posi-
12	tion may be filled on a rotating, sequential
13	basis by representatives of different small
14	business tobacco manufacturers based on
15	areas of expertise relevant to the topics
16	being considered by the Advisory Com-
17	mittee; and
18	"(vi) 1 individual as a representative
19	of the interests of the tobacco growers.
20	"(B) Nonvoting members.—The mem-
21	bers of the committee appointed under clauses
22	(iv), (v), and (vi) of subparagraph (A) shall
23	serve as consultants to those described in
24	clauses (i) through (iii) of subparagraph (A)
25	and shall be nonvoting representatives.

"(C) Conflicts of interest.—No mem-1 2 bers of the committee, other than members appointed pursuant to clauses (iv), (v), and (vi) of 3 4 subparagraph (A) shall, during the member's 5 tenure on the committee or for the 18-month period prior to becoming such a member, re-6 7 ceive any salary, grants, or other payments or 8 support from any business that manufactures, 9 distributes, markets, or sells cigarettes or other 10 tobacco products. 11 "(2) LIMITATION.—The Secretary may not appoint to the Advisory Committee any individual who 12 13 is in the regular full-time employ of the Food and 14 Drug Administration or any agency responsible for 15 the enforcement of this Act. The Secretary may ap-16 point Federal officials as ex officio members. 17 "(3) Chairperson.—The Secretary shall des-18 ignate 1 of the members appointed under clauses (i), 19 (ii), and (iii) of paragraph (1)(A) to serve as chair-20 person. 21 "(c) Duties.—The Tobacco Products Scientific Ad-22 visory Committee shall provide advice, information, and 23 recommendations to the Secretary—

"(1) as provided in this chapter;

- 1 "(2) on the effects of the alteration of the nico-2 tine yields from tobacco products;
- 3 "(3) on whether there is a threshold level below 4 which nicotine yields do not produce dependence on 5 the tobacco product involved; and
 - "(4) on its review of other safety, dependence, or health issues relating to tobacco products as requested by the Secretary.

"(d) Compensation; Support; FACA.—

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"(1) Compensation and Travel.—Members of the Advisory Committee who are not officers or employees of the United States, while attending conferences or meetings of the committee or otherwise engaged in its business, shall be entitled to receive compensation at rates to be fixed by the Secretary, which may not exceed the daily equivalent of the rate in effect under the Senior Executive Schedule under section 5382 of title 5, United States Code, for each day (including travel time) they are so engaged; and while so serving away from their homes or regular places of business each member may be allowed travel expenses, including per diem in lieu of subsistence, as authorized by section 5703 of title 5, United States Code, for persons in the Government service employed intermittently.

1	"(2) Administrative support.—The Sec-
2	retary shall furnish the Advisory Committee clerical
3	and other assistance.
4	"(3) Nonapplication of Faca.—Section 14 of
5	the Federal Advisory Committee Act does not apply
6	to the Advisory Committee.
7	"(e) Proceedings of Advisory Panels and Com-
8	MITTEES.—The Advisory Committee shall make and
9	maintain a transcript of any proceeding of the panel or
10	committee. Each such panel and committee shall delete
11	from any transcript made under this subsection informa-
12	tion which is exempt from disclosure under section 552(b)
13	of title 5, United States Code.
14	"SEC. 918. DRUG PRODUCTS USED TO TREAT TOBACCO DE-
15	PENDENCE.
16	"(a) In General.—The Secretary shall—
17	"(1) at the request of the applicant, consider
18	designating products for smoking cessation, includ-
19	ing nicotine replacement products as fast track re-
20	search and approval products within the meaning of
21	section 506;
22	"(2) consider approving the extended use of nic-
23	otine replacement products (such as nicotine patch-
	ounc replacement products (such as meounc paten
24	es, nicotine gum, and nicotine lozenges) for the

1	"(3) review and consider the evidence for addi-
2	tional indications for nicotine replacement products
3	such as for craving relief or relapse prevention.
4	"(b) Report on Innovative Products.—
5	"(1) In General.—Not later than 3 years
6	after the date of enactment of the Family Smoking
7	Prevention and Tobacco Control Act, the Secretary,
8	after consultation with recognized scientific, medical
9	and public health experts (including both Federal
10	agencies and nongovernmental entities, the Institute
11	of Medicine of the National Academy of Sciences
12	and the Society for Research on Nicotine and To-
13	bacco), shall submit to the Congress a report that
14	examines how best to regulate, promote, and encour-
15	age the development of innovative products and
16	treatments (including nicotine-based and non-nico-
17	tine-based products and treatments) to better
18	achieve, in a manner that best protects and pro-
19	motes the public health—
20	"(A) total abstinence from tobacco use;
21	"(B) reductions in consumption of tobacco
22	and
23	"(C) reductions in the harm associated
24	with continued tobacco use.

1 "(2) RECOMMENDATIONS.—The report under 2 paragraph (1) shall include the recommendations of 3 the Secretary on how the Food and Drug Administration should coordinate and facilitate the exchange of information on such innovative products and 5 6 treatments among relevant offices and centers within 7 the Administration and within the National Insti-8 tutes of Health, the Centers for Disease Control and 9 Prevention, and other relevant agencies.

10 "SEC. 919. USER FEES.

- 11 "(a) Establishment of Quarterly Fee.—Begin-12 ning on the date of the enactment of the Family Smoking Prevention and Tobacco Control Act, the Secretary shall in accordance with this section assess user fees on, and 14 15 collect such fees from, each manufacturer and importer of tobacco products subject to this chapter. The fees shall 16 be assessed and collected with respect to each quarter of 18 each fiscal year, and the total amount assessed and col-19 lected for a fiscal year shall be the amount specified in subsection (b)(1) for such year, subject to subsection (c). 20
- 21 "(b) Assessment of User Fee.—
- 22 "(1) AMOUNT OF ASSESSMENT.—The total 23 amount of user fees authorized to be assessed and 24 collected under subsection (a) for a fiscal year is the 25 following, as applicable to the fiscal year involved:

1	"(A) For fiscal year 2009, \$85,000,000
2	(subject to subsection (e)).
3	"(B) For fiscal year 2010, \$235,000,000.
4	"(C) For fiscal year 2011, \$450,000,000.
5	"(D) For fiscal year 2012, \$477,000,000.
6	"(E) For fiscal year 2013, \$505,000,000.
7	"(F) For fiscal year 2014, \$534,000,000.
8	"(G) For fiscal year 2015, \$566,000,000.
9	"(H) For fiscal year 2016, \$599,000,000.
10	"(I) For fiscal year 2017, \$635,000,000.
11	"(J) For fiscal year 2018, \$672,000,000.
12	"(K) For fiscal year 2019 and each subse-
13	quent fiscal year, \$712,000,000.
14	"(2) Allocations of assessment by class
15	OF TOBACCO PRODUCTS.—
16	"(A) IN GENERAL.—The total user fees as-
17	sessed and collected under subsection (a) each
18	fiscal year with respect to each class of tobacco
19	products shall be an amount that is equal to
20	the applicable percentage of each class for the
21	fiscal year multiplied by the amount specified in
22	paragraph (1) for the fiscal year.
23	"(B) Applicable percentage.—
24	"(i) In general.—For purposes of
25	subparagraph (A), the applicable percent-

1	age for a fiscal year for each of the fol-
2	lowing classes of tobacco products shall be
3	determined in accordance with clause (ii):
4	"(I) Cigarettes.
5	"(II) Cigars, including small ci-
6	gars and cigars other than small ci-
7	gars.
8	"(III) Snuff.
9	"(IV) Chewing tobacco.
10	"(V) Pipe tobacco.
11	"(VI) Roll-your-own tobacco.
12	"(ii) Allocations.—The applicable
13	percentage of each class of tobacco product
14	described in clause (i) for a fiscal year
15	shall be the percentage determined under
16	section 625(c) of Public Law 108-357 for
17	each such class of product for such fiscal
18	year.
19	"(iii) Requirement of regula-
20	TIONS.—Notwithstanding clause (ii), no
21	user fees shall be assessed on a class of to-
22	bacco products unless such class of tobacco
23	products is listed in section 901(b) or is
24	deemed by the Secretary in a regulation

1	under section 901(b) to be subject to this
2	chapter.
3	"(iv) Reallocations.—In the case
4	of a class of tobacco products that is not
5	listed in section 901(b) or deemed by the
6	Secretary in a regulation under section
7	901(b) to be subject to this chapter, the
8	amount of user fees that would otherwise
9	be assessed to such class of tobacco prod-
10	ucts shall be reallocated to the classes of
11	tobacco products that are subject to this
12	chapter in the same manner and based on
13	the same relative percentages otherwise de-
14	termined under clause (ii).
15	"(3) Determination of user fee by com-
16	PANY.—
17	"(A) In general.—The total user fee to
18	be paid by each manufacturer or importer of a
19	particular class of tobacco products shall be de-
20	termined for each quarter by multiplying—
21	"(i) such manufacturer's or importer's
22	percentage share as determined under
23	paragraph (4); by
24	"(ii) the portion of the user fee
25	amount for the current quarter to be as-

1	sessed on all manufacturers and importers
2	of such class of tobacco products as deter-
3	mined under paragraph (2).
4	"(B) No fee in excess of percentage
5	Share.—No manufacturer or importer of to-
6	bacco products shall be required to pay a user
7	fee in excess of the percentage share of such
8	manufacturer or importer.
9	"(4) Allocation of assessment within
10	EACH CLASS OF TOBACCO PRODUCT.—The percent-
11	age share of each manufacturer or importer of a
12	particular class of tobacco products of the total user
13	fee to be paid by all manufacturers or importers of
14	that class of tobacco products shall be the percent-
15	age determined for purposes of allocations under
16	subsections (e) through (h) of section 625 of Public

- "(5) ALLOCATION FOR CIGARS.—Notwithstanding paragraph (4), if a user fee assessment is imposed on cigars, the percentage share of each manufacturer or importer of cigars shall be based on the excise taxes paid by such manufacturer or importer during the prior fiscal year.
- "(6) Timing of assessment.—The Secretary shall notify each manufacturer and importer of to-

Law 108-357.

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bacco products subject to this section of the amount of the quarterly assessment imposed on such manufacturer or importer under this subsection for each quarter of each fiscal year. Such notifications shall occur not later than 30 days prior to the end of the quarter for which such assessment is made, and payments of all assessments shall be made by the last day of the quarter involved.

"(7) Memorandum of understanding.—

"(A) IN GENERAL.—The Secretary shall request the appropriate Federal agency to enter into a memorandum of understanding that provides for the regular and timely transfer from the head of such agency to the Secretary of the information described in paragraphs (2)(B)(ii) and (4) and all necessary information regarding all tobacco product manufacturers and importers required to pay user fees. The Secretary shall maintain all disclosure restrictions established by the head of such agency regarding the information provided under the memorandum of understanding.

"(B) Assurances.—Beginning not later than fiscal year 2015, and for each subsequent fiscal year, the Secretary shall ensure that the

Food and Drug Administration is able to determine the applicable percentages described in paragraph (2) and the percentage shares described in paragraph (4). The Secretary may carry out this subparagraph by entering into a contract with the head of the Federal agency referred to in subparagraph (A) to continue to provide the necessary information.

"(c) Crediting and Availability of Fees.—

"(1) IN GENERAL.—Fees authorized under subsection (a) shall be collected and available for obligation only to the extent and in the amount provided in advance in appropriations Acts. Such fees are authorized to remain available until expended. Such sums as may be necessary may be transferred from the Food and Drug Administration salaries and expenses appropriation account without fiscal year limitation to such appropriation account for salaries and expenses with such fiscal year limitation.

"(2) Availability.—

"(A) IN GENERAL.—Fees appropriated under paragraph (3) are available only for the purpose of paying the costs of the activities of the Food and Drug Administration related to the regulation of tobacco products under this

1 chapter and the Family Smoking Prevention
2 and Tobacco Control Act. No fees collected
3 under subsection (a) may be used for any other
4 costs.
5 "(B) Prohibition against use of
6 OTHER FUNDS.—
7 "(i) In general.—Except as pro
8 vided in clause (ii), fees collected under
9 subsection (a) are the only funds author
ized to be made available for the purpos
described in subparagraph (A).
12 "(ii) Startup costs.—Clause (i
does not apply until the date on which th
Secretary has collected fees under sub-
section (a) for 2 fiscal year quarters. Unt
such date, other amounts available to the
Food and Drug Administration (excluding
fees collected under subsection (a)) are au
thorized to be made available to pay th
costs described in subparagraph (A), pro
vided that such amounts are reimburse
through fees collected under subsection (a)
"(3) Authorization of appropriations.—
24 For fiscal year 2009 and each subsequent fisca
year, there is authorized to be appropriated for fee

- 1 under this section an amount equal to the amount
- 2 specified in subsection (b)(1) for the fiscal year.
- 3 "(d) Collection of Unpaid Fees.—In any case
- 4 where the Secretary does not receive payment of a fee as-
- 5 sessed under subsection (a) within 30 days after it is due,
- 6 such fee shall be treated as a claim of the United States
- 7 Government subject to subchapter II of chapter 37 of title
- 8 31, United States Code.
- 9 "(e) Applicability to Fiscal Year 2009.—If the
- 10 date of the enactment of the Family Smoking Prevention
- 11 and Tobacco Control Act occurs during fiscal year 2009,
- 12 the following applies, subject to subsection (c):
- "(1) The Secretary shall determine the fees
- that would apply for a single quarter of such fiscal
- 15 year according to the application of subsection (b) to
- the amount specified in paragraph (1)(A) of such
- 17 subsection (referred to in this subsection as the
- 18 'quarterly fee amounts').
- "(2) For the quarter in which such date of en-
- actment occurs, the amount of fees assessed shall be
- a pro rata amount, determined according to the
- number of days remaining in the quarter (including
- such date of enactment) and according to the daily
- equivalent of the quarterly fee amounts. Fees as-

1	sessed under the preceding sentence shall not be col-
2	lected until the next quarter.
3	"(3) For the quarter following the quarter to
4	which paragraph (2) applies, the full quarterly fee
5	amounts shall be assessed and collected, in addition
6	to collection of the pro rata fees assessed under
7	paragraph (2).
8	"(f) Study by GAO.—
9	"(1) IN GENERAL.—The Comptroller General of
10	the United States shall conduct a study on—
11	"(A) the prevalence of youth tobacco use
12	and the brands and subbrands that individuals
13	under the age of 18 consume;
14	"(B) the feasibility of structuring the user
15	fees or a portion of the user fees collected under
16	this section on the youth market share of a
17	manufacturer or year to year changes in a man-
18	ufacturer's share of youth market; and
19	"(C) the potential effects of tobacco mar-
20	keting to youth audiences if user fees were cal-
21	culated in whole or in part on youth market
22	share.
23	"(2) Report.—The Comptroller General shall
24	submit to the Committee on Energy and Commerce
25	of the House of Representatives and the Committee

on Health, Education, Labor, and Pensions of the Senate a report on the study conducted under paragraph (1) by not later than 3 years after the date of enactment of the Family Smoking Prevention and Tobacco Control Act.".

6 SEC. 102. FINAL RULE.

- (a) Cigarettes and Smokeless Tobacco.—
- (1) IN GENERAL.—On the first day of publication of the Federal Register that is 180 days or more after the date of enactment of this Act, the Secretary of Health and Human Services shall publish in the Federal Register a final rule regarding cigarettes and smokeless tobacco, which—
 - (A) is deemed to be issued under chapter 9 of the Federal Food, Drug, and Cosmetic Act, as added by section 101 of this Act; and
 - (B) shall be deemed to be in compliance with all applicable provisions of chapter 5 of title 5, United States Code, and all other provisions of law relating to rulemaking procedures.
 - (2) CONTENTS OF RULE.—Except as provided in this subsection, the final rule published under paragraph (1), shall be identical in its provisions to part 897 of the regulations promulgated by the Secretary of Health and Human Services in the August

1	28, 1996, issue of the Federal Register (61 Fed.
2	Reg., 44615–44618). Such rule shall—
3	(A) provide for the designation of jurisdic-
4	tional authority that is in accordance with this
5	subsection in accordance with this Act and the
6	amendments made by this Act;
7	(B) strike Subpart C—Labels and section
8	897.32(c);
9	(C) strike paragraphs (a), (b), and (i) of
10	section 897.3 and insert definitions of the terms
11	"cigarette", "cigarette tobacco,", and "smoke-
12	less tobacco" as defined in section 900 of the
13	Federal Food, Drug, and Cosmetic Act;
14	(D) insert "or roll-your-own paper" in sec-
15	tion 897.34(a) after "other than cigarettes or
16	smokeless tobacco";
17	(E) become effective on the date that is 1
18	year after the date of enactment of this Act;
19	and
20	(F) amend paragraph (d) of section 897.16
21	to read as follows:
22	"(d)(1) Except as provided in subparagraph (2), no
23	manufacturer, distributor, or retailer may distribute or
24	cause to be distributed any free samples of cigarettes,
25	smokeless tobacco, or other tobacco products (as such

- 1 term is defined in section 201 of the Federal Food, Drug,
- 2 and Cosmetic Act).
- 3 "(2)(A) Subparagraph (1) does not prohibit a manu-
- 4 facturer, distributor, or retailer from distributing or caus-
- 5 ing to be distributed free samples of smokeless tobacco
- 6 in a qualified adult-only facility.
- 7 "(B) This subparagraph does not affect the authority
- 8 of a State or local government to prohibit or otherwise
- 9 restrict the distribution of free samples of smokeless to-
- 10 bacco.
- 11 "(C) For purposes of this paragraph, the term 'quali-
- 12 fied adult-only facility' means a facility or restricted area
- 13 that—
- 14 "(i) requires each person present to provide to
- a law enforcement officer (whether on or off duty)
- or to a security guard licensed by a governmental
- entity government-issued identification showing a
- photograph and at least the minimum age estab-
- lished by applicable law for the purchase of smoke-
- 20 less tobacco;
- 21 "(ii) does not sell, serve, or distribute alcohol;
- 22 "(iii) is not located adjacent to or immediately
- across from (in any direction) a space that is used
- primarily for youth-oriented marketing, promotional,
- or other activities;

1	"(iv) is a temporary structure constructed, des-
2	ignated, and operated as a distinct enclosed area for
3	the purpose of distributing free samples of smokeless
4	tobacco in accordance with this subparagraph; and
5	"(v) is enclosed by a barrier that—
6	"(I) is constructed of, or covered with, an
7	opaque material (except for entrances and
8	exits);
9	"(II) extends from no more than 12 inches
10	above the ground or floor (which area at the
11	bottom of the barrier must be covered with ma-
12	terial that restricts visibility but may allow air-
13	flow) to at least 8 feet above the ground or
14	floor (or to the ceiling); and
15	"(III) prevents persons outside the quali-
16	fied adult-only facility from seeing into the
17	qualified adult-only facility, unless they make
18	unreasonable efforts to do so; and
19	"(vi) does not display on its exterior—
20	"(I) any tobacco product advertising;
21	"(II) a brand name other than in conjunc-
22	tion with words for an area or enclosure to
23	identify an adult-only facility; or
24	"(III) any combination of words that
25	would imply to a reasonable observer that the

1	manufacturer, distributor, or retailer has a
2	sponsorship that would violate section
3	897.34(e).
4	"(D) Distribution of samples of smokeless tobacco
5	under this subparagraph permitted to be taken out of the
6	qualified adult-only facility shall be limited to 1 package
7	per adult consumer containing no more than 0.53 ounces
8	(15 grams) of smokeless tobacco. If such package of
9	smokeless tobacco contains individual portions of smoke-
10	less tobacco, the individual portions of smokeless tobacco
11	shall not exceed 8 individual portions and the collective
12	weight of such individual portions shall not exceed 0.53
13	ounces (15 grams). Any manufacturer, distributor, or re-
14	tailer who distributes or causes to be distributed free sam-
15	ples also shall take reasonable steps to ensure that the
16	above amounts are limited to one such package per adult
17	consumer per day.
18	"(3) Notwithstanding subparagraph (2), no manufac-
19	turer, distributor, or retailer may distribute or cause to
20	be distributed any free samples of smokeless to bacco—
21	"(A) to a sports team or entertainment group;
22	or
23	"(B) at any football, basketball, baseball, soc-
24	cer, or hockey event or any other sporting or enter-

- 1 tainment event determined by the Secretary to be
- 2 covered by this subparagraph.
- 3 "(4) The Secretary shall implement a program to en-
- 4 sure compliance with this paragraph and submit a report
- 5 to the Congress on such compliance not later than 18
- 6 months after the date of enactment of the Family Smok-
- 7 ing Prevention and Tobacco Control Act.
- 8 "(5) Nothing in this paragraph shall be construed to
- 9 authorize any person to distribute or cause to be distrib-
- 10 uted any sample of a tobacco product to any individual
- 11 who has not attained the minimum age established by ap-
- 12 plicable law for the purchase of such product.".
- 13 (3) Amendments to rule.—Prior to making
- amendments to the rule published under paragraph
- 15 (1), the Secretary shall promulgate a proposed rule
- in accordance with chapter 5 of title 5, United
- 17 States Code.
- 18 (4) Rule of construction.—Except as pro-
- vided in paragraph (3), nothing in this section shall
- be construed to limit the authority of the Secretary
- 21 to amend, in accordance with chapter 5 of title 5,
- 22 United States Code, the regulation promulgated pur-
- suant to this section, including the provisions of
- such regulation relating to distribution of free sam-
- ples.

- 1 (5) Enforcement of retail sale provi-2 SIONS.—The Secretary of Health and Human Serv-3 ices shall ensure that the provisions of this Act, the 4 amendments made by this Act, and the imple-5 menting regulations (including such provisions, 6 amendments, and regulations relating to the retail 7 sale of tobacco products) are enforced with respect 8 to the United States and Indian tribes.
- 9 (6)QUALIFIED ADULT-ONLY FACILITY.—A 10 qualified adult-only facility (as such term is defined 11 in section 897.16(d) of the final rule published 12 under paragraph (1)) that is also a retailer and that 13 commits a violation as a retailer shall not be subject 14 to the limitations in section 103(q) and shall be sub-15 ject to penalties applicable to a qualified adult-only 16 facility.
- 17 (7) CONGRESSIONAL REVIEW PROVISIONS.—
 18 Section 801 of title 5, United States Code, shall not
 19 apply to the final rule published under paragraph
 20 (1).
- 21 (b) Limitation on Advisory Opinions.—As of the 22 date of enactment of this Act, the following documents 23 issued by the Food and Drug Administration shall not 24 constitute advisory opinions under section 10.85(d)(1) of 25 title 21, Code of Federal Regulations, except as they apply

- 1 to tobacco products, and shall not be cited by the Sec-
- 2 retary of Health and Human Services or the Food and
- 3 Drug Administration as binding precedent:
- 4 (1) The preamble to the proposed rule in the
- 5 document titled "Regulations Restricting the Sale
- 6 and Distribution of Cigarettes and Smokeless To-
- 7 bacco Products to Protect Children and Adoles-
- 8 cents" (60 Fed. Reg. 41314–41372 (August 11,
- 9 1995)).
- 10 (2) The document titled "Nicotine in Cigarettes
- and Smokeless Tobacco Products is a Drug and
- 12 These Products Are Nicotine Delivery Devices
- Under the Federal Food, Drug, and Cosmetic Act"
- 14 (60 Fed. Reg. 41453–41787 (August 11, 1995)).
- 15 (3) The preamble to the final rule in the docu-
- ment titled "Regulations Restricting the Sale and
- 17 Distribution of Cigarettes and Smokeless Tobacco to
- 18 Protect Children and Adolescents" (61 Fed. Reg.
- 19 44396–44615 (August 28, 1996)).
- 20 (4) The document titled "Nicotine in Cigarettes
- and Smokeless Tobacco is a Drug and These Prod-
- 22 ucts are Nicotine Delivery Devices Under the Fed-
- eral Food, Drug, and Cosmetic Act; Jurisdictional
- 24 Determination" (61 Fed. Reg. 44619–45318 (Au-
- 25 gust 28, 1996)).

1	SEC. 103. CONFORMING AND OTHER AMENDMENTS TO GEN-
2	ERAL PROVISIONS.
3	(a) Amendment of Federal Food, Drug, and
4	Cosmetic Act.—Except as otherwise expressly provided,
5	whenever in this section an amendment is expressed in
6	terms of an amendment to, or repeal of, a section or other
7	provision, the reference is to a section or other provision
8	of the Federal Food, Drug, and Cosmetic Act (21 U.S.C.
9	301 et seq.).
10	(b) Section 301.—Section 301 (21 U.S.C. 331) is
11	amended—
12	(1) in subsection (a), by inserting "tobacco
13	product," after "device,";
14	(2) in subsection (b), by inserting "tobacco
15	product," after "device,";
16	(3) in subsection (c), by inserting "tobacco
17	product," after "device,";
18	(4) in subsection (e)—
19	(A) by striking the period after "572(i)";
20	and
21	(B) by striking "or 761 or the refusal to
22	permit access to" and inserting "761, 909, or
23	920 or the refusal to permit access to";
24	(5) in subsection (g), by inserting "tobacco
25	product," after "device,";

```
1
              (6) in subsection (h), by inserting "tobacco
 2
         product," after "device,";
 3
             (7) in subsection (j)—
                  (A) by striking the period after "573"; and
 4
                  (B) by striking "708, or 721" and insert-
 5
             ing "708, 721, 904, 905, 906, 907, 908, 909,
 6
 7
             or 920(b)";
 8
             (8) in subsection (k), by inserting "tobacco
 9
         product," after "device,";
10
             (9) by striking subsection (p) and inserting the
11
         following:
12
         "(p) The failure to register in accordance with section
    510 or 905, the failure to provide any information re-
13
14
    quired by section 510(j), 510(k), 905(i), or 905(j), or the
15
    failure to provide a notice required by section 510(j)(2)
    or 905(i)(3).";
16
17
             (10) by striking subsection (q)(1) and inserting
18
         the following:
19
         "(q)(1) The failure or refusal—
             "(A) to comply with any requirement prescribed
20
21
         under section 518, 520(g), 903(b), 907, 908, or 916;
22
              "(B) to furnish any notification or other mate-
23
         rial or information required by or under section 519,
         520(g), 904, 909, or 920; or
24
```

- 1 "(C) to comply with a requirement under sec-
- 2 tion 522 or 913.";
- 3 (11) in subsection (q)(2), by striking "device,"
- 4 and inserting "device or tobacco product,";
- 5 (12) in subsection (r), by inserting "or tobacco
- 6 product" after the term "device" each time that
- 7 such term appears; and
- 8 (13) by adding at the end the following:
- 9 "(oo) The sale of tobacco products in violation of a
- 10 no-tobacco-sale order issued under section 303(f).
- 11 "(pp) The introduction or delivery for introduction
- 12 into interstate commerce of a tobacco product in violation
- 13 of section 911.
- 14 "(qq)(1) Forging, counterfeiting, simulating, or false-
- 15 ly representing, or without proper authority using any
- 16 mark, stamp (including tax stamp), tag, label, or other
- 17 identification device upon any tobacco product or con-
- 18 tainer or labeling thereof so as to render such tobacco
- 19 product a counterfeit tobacco product.
- 20 "(2) Making, selling, disposing of, or keeping in pos-
- 21 session, control, or custody, or concealing any punch, die,
- 22 plate, stone, or other item that is designed to print, im-
- 23 print, or reproduce the trademark, trade name, or other
- 24 identifying mark, imprint, or device of another or any like-
- 25 ness of any of the foregoing upon any tobacco product or

- 1 container or labeling thereof so as to render such tobacco
- 2 product a counterfeit tobacco product.
- 3 "(3) The doing of any act that causes a tobacco prod-
- 4 uct to be a counterfeit tobacco product, or the sale or dis-
- 5 pensing, or the holding for sale or dispensing, of a coun-
- 6 terfeit tobacco product.
- 7 "(rr) The charitable distribution of tobacco products.
- 8 "(ss) The failure of a manufacturer or distributor to
- 9 notify the Attorney General and the Secretary of the
- 10 Treasury of their knowledge of tobacco products used in
- 11 illicit trade.
- 12 "(tt) With respect to a tobacco product, any state-
- 13 ment directed to consumers through the media or through
- 14 the label, labeling, or advertising that would reasonably
- 15 be expected to result in consumers believing that the prod-
- 16 uct is regulated, inspected or approved by the Food and
- 17 Drug Administration, or that the product complies with
- 18 the requirements of the Food and Drug Administration,
- 19 including a statement or implication in the label, labeling,
- 20 or advertising of such product, and that could result in
- 21 consumers believing that the product is endorsed for use
- 22 by the Food and Drug Administration or in consumers
- 23 being misled about the harmfulness of the product because
- 24 of such regulation, inspection, or compliance.".

1	(c) Section 303.—Section 303(f) (21 U.S.C. 333(f))
2	is amended—
3	(1) in paragraph (1)(A), by inserting "or to-
4	bacco products" after the term "devices" each place
5	such term appears;
6	(2) in paragraph (5)—
7	(A) in subparagraph (A)—
8	(i) by striking "assessed" the first
9	time it appears and inserting "assessed, or
10	a no-tobacco-sale order may be imposed,";
11	and
12	(ii) by striking "penalty" the second
13	time it appears and inserting "penalty, or
14	upon whom a no-tobacco-sale order is to be
15	imposed,";
16	(B) in subparagraph (B)—
17	(i) by inserting after "penalty," the
18	following: "or the period to be covered by
19	a no-tobacco-sale order,"; and
20	(ii) by adding at the end the fol-
21	lowing: "A no-tobacco-sale order perma-
22	nently prohibiting an individual retail out-
23	let from selling tobacco products shall in-
24	clude provisions that allow the outlet, after
25	a specified period of time, to request that

1	the Secretary compromise, modify, or ter-
2	minate the order."; and
3	(C) by adding at the end the following:
4	"(D) The Secretary may compromise, modify, or ter-
5	minate, with or without conditions, any no-tobacco-sale
6	order.";
7	(3) in paragraph (6)—
8	(A) by inserting "or the imposition of a
9	no-tobacco-sale order" after the term "penalty"
10	each place such term appears; and
11	(B) by striking "issued." and inserting
12	"issued, or on which the no-tobacco-sale order
13	was imposed, as the case may be."; and
14	(4) by adding at the end the following:
15	"(8) If the Secretary finds that a person has
16	committed repeated violations of restrictions promul-
17	gated under section 906(d) at a particular retail out-
18	let then the Secretary may impose a no-tobacco-sale
19	order on that person prohibiting the sale of tobacco
20	products in that outlet. A no-tobacco-sale order may
21	be imposed with a civil penalty under paragraph (1).
22	Prior to the entry of a no-sale order under this para-
23	graph, a person shall be entitled to a hearing pursu-
24	ant to the procedures established through regula-
25	tions of the Food and Drug Administration for as-

```
1
        sessing civil money penalties, including at a retailer's
 2
        request a hearing by telephone, or at the nearest re-
 3
        gional or field office of the Food and Drug Adminis-
 4
        tration, or at a Federal, State, or county facility
 5
        within 100 miles from the location of the retail out-
 6
        let, if such a facility is available.".
 7
        (d) Section 304.—Section 304 (21 U.S.C. 334) is
 8
    amended—
 9
             (1) in subsection (a)(2)—
                  (A) by striking "and" before "(D)"; and
10
11
                  (B) by striking "device." and inserting the
             following: "device, and (E) Any adulterated or
12
13
             misbranded tobacco product.";
14
             (2) in subsection (d)(1), by inserting "tobacco
15
        product," after "device,";
             (3) in subsection (g)(1), by inserting "or to-
16
17
        bacco product" after the term "device" each place
18
        such term appears; and
             (4) in subsection (g)(2)(A), by inserting "or to-
19
        bacco product" after "device".
20
21
        (e) Section 505.—Section 505(n)(2) (21 U.S.C.
    355(n)(2)) is amended by striking "section 904" and in-
22
    serting "section 1004".
23
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1
        (f) Section 523.—Section 523(b)(2)(D) (21 U.S.C.
 2
    360m(b)(2)(D)) is amended by striking "section 903(g)"
    and inserting "section 1003(g)".
 3
 4
        (g)
              Section 702.—Section
                                         702(a)(1)
                                                     (U.S.C.
 5
    372(a)(1)) is amended—
                                 "(a)(1)"
 6
             (1)
                   bv
                        striking
                                             and
                                                    inserting
 7
        "(a)(1)(A)"; and
 8
             (2) by adding at the end the following:
 9
        "(B)(i) For a tobacco product, to the extent feasible,
10
    the Secretary shall contract with the States in accordance
    with this paragraph to carry out inspections of retailers
    within that State in connection with the enforcement of
13
    this Act.
14
        "(ii) The Secretary shall not enter into any contract
15
    under clause (i) with the government of any of the several
    States to exercise enforcement authority under this Act
16
17
    on Indian lands without the express written consent of the
    Indian tribe involved.".
18
19
         (h) Section 703.—Section 703 (21 U.S.C. 373) is
20
    amended—
             (1) by inserting "tobacco product," after the
21
22
        term "device," each place such term appears; and
23
             (2) by inserting "tobacco products," after the
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term "devices," each place such term appears.

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1
        (i) Section 704.—Section 704 (21 U.S.C. 374) is
 2
   amended—
 3
             (1) in subsection (a)(1)(A), by inserting "to-
        bacco products," after the term "devices," each
 4
 5
        place such term appears;
 6
             (2) in subsection (a)(1)(B), by inserting "or to-
 7
        bacco products" after the term "restricted devices"
 8
        each place such term appears;
 9
             (3) in subsection (b), by inserting "tobacco
10
        product," after "device,"; and
11
             (4) in subsection (g)(13), by striking "section"
12
        903(g)" and inserting "section 1003(g)".
13
             Section 705.—Section 705(b) (21)
                                                    U.S.C.
   375(b)) is amended by inserting "tobacco products," after
14
   "devices,".
15
16
        (k) Section 709.—Section 709 (21 U.S.C. 379a) is
   amended by inserting "tobacco product," after "device,".
17
18
        (l) Section 801.—Section 801 (21 U.S.C. 381) is
19
   amended—
20
             (1) in subsection (a)—
                 (A) by inserting "tobacco products," after
21
             the term "devices,";
22
                 (B) by inserting "or section 905(h)" after
23
             "section 510"; and
24
```

1	(C) by striking the term "drugs or de-
2	vices" each time such term appears and insert-
3	ing "drugs, devices, or tobacco products";
4	(2) in subsection (e)(1), by inserting "tobacco
5	product," after "device,"; and
6	(3) by adding at the end the following:
7	"(p)(1) Not later than 36 months after the date of
8	enactment of the Family Smoking Prevention and To-
9	bacco Control Act, and annually thereafter, the Secretary
10	shall submit to the Committee on Health, Education,
11	Labor, and Pensions of the Senate and the Committee on
12	Energy and Commerce of the House of Representatives,
13	a report regarding—
14	"(A) the nature, extent, and destination of
15	United States tobacco product exports that do not
16	conform to tobacco product standards established
17	pursuant to this Act;
18	"(B) the public health implications of such ex-
19	ports, including any evidence of a negative public
20	health impact; and
21	"(C) recommendations or assessments of policy
22	alternatives available to Congress and the executive
23	branch to reduce any negative public health impact
24	caused by such exports.

1	"(2) The Secretary is authorized to establish appro-
2	priate information disclosure requirements to carry out
3	this subsection.".
4	(m) Section 1003.—Section 1003(d)(2)(C) (as re-
5	designated by section 101(b)) is amended—
6	(1) by striking "and" after "cosmetics,"; and
7	(2) inserting ", and tobacco products" after
8	"devices".
9	(n) Section 1009.—Section 1009(b) (as redesig-
10	nated by section 101(b)) is amended by striking "section
11	908" and inserting "section 1008".
12	(o) Section 409 of the Federal Meat Inspec-
13	TION ACT.—Section 409(a) of the Federal Meat Inspec-
14	tion Act (21 U.S.C. 679(a)) is amended by striking "sec-
15	tion 902(b)" and inserting "section 1002(b)".
16	(p) Rule of Construction.—Nothing in this sec-
17	tion is intended or shall be construed to expand, contract,
18	or otherwise modify or amend the existing limitations on
19	State government authority over tribal restricted fee or
20	trust lands.
21	(q) GUIDANCE AND EFFECTIVE DATES.—
22	(1) IN GENERAL.—The Secretary of Health and
23	Human Services shall issue guidance—
24	(A) defining the term "repeated violation",
25	as used in section 303(f)(8) of the Federal

Food, Drug, and Cosmetic Act (21 U.S.C. 333(f)(8)) as amended by subsection (c), as including at least 5 violations of particular requirements over a 36-month period at a particular retail outlet that constitute a repeated violation and providing for civil penalties in accordance with paragraph (2);

(B) providing for timely and effective notice by certified or registered mail or personal delivery to the retailer of each alleged violation at a particular retail outlet prior to conducting a followup compliance check, such notice to be sent to the location specified on the retailer's registration or to the retailer's registered agent if the retailer has provider such agent information to the Food and Drug Administration prior to the violation;

(C) providing for a hearing pursuant to the procedures established through regulations of the Food and Drug Administration for assessing civil money penalties, including at a retailer's request a hearing by telephone or at the nearest regional or field office of the Food and Drug Administration, and providing for an ex-

1	pedited procedure for the administrative appeal
2	of an alleged violation;
3	(D) providing that a person may not be
4	charged with a violation at a particular retail
5	outlet unless the Secretary has provided notice
6	to the retailer of all previous violations at that
7	outlet;
8	(E) establishing that civil money penalties
9	for multiple violations shall increase from one
10	violation to the next violation pursuant to para-
11	graph (2) within the time periods provided for
12	in such paragraph;
13	(F) providing that good faith reliance on
14	the presentation of a false government-issued
15	photographic identification that contains a date
16	of birth does not constitute a violation of any
17	minimum age requirement for the sale of to-
18	bacco products if the retailer has taken effective
19	steps to prevent such violations, including—
20	(i) adopting and enforcing a written
21	policy against sales to minors;
22	(ii) informing its employees of all ap-
23	plicable laws;
24	(iii) establishing disciplinary sanctions
25	for employee noncompliance: and

1	(iv) requiring its employees to verify
2	age by way of photographic identification
3	or electronic scanning device; and
4	(G) providing for the Secretary, in deter-
5	mining whether to impose a no-tobacco-sale
6	order and in determining whether to com-
7	promise, modify, or terminate such an order, to
8	consider whether the retailer has taken effective
9	steps to prevent violations of the minimum age
10	requirements for the sale of tobacco products,
11	including the steps listed in subparagraph (F).
12	(2) Penalties for violations.—
13	(A) In general.—The amount of the civil
14	penalty to be applied for violations of restric-
15	tions promulgated under section 906(d), as de-
16	scribed in paragraph (1), shall be as follows:
17	(i) With respect to a retailer with an
18	approved training program, the amount of
19	the civil penalty shall not exceed—
20	(I) in the case of the first viola-
21	tion, \$0.00 together with the issuance
22	of a warning letter to the retailer;
23	(II) in the case of a second viola-
24	tion within a 12-month period, \$250;

1	(III) in the case of a third viola-
2	tion within a 24-month period, \$500;
3	(IV) in the case of a fourth viola-
4	tion within a 24-month period,
5	\$2,000;
6	(V) in the case of a fifth violation
7	within a 36-month period, \$5,000;
8	and
9	(VI) in the case of a sixth or sub-
10	sequent violation within a 48-month
11	period, \$10,000 as determined by the
12	Secretary on a case-by-case basis.
13	(ii) With respect to a retailer that
14	does not have an approved training pro-
15	gram, the amount of the civil penalty shall
16	not exceed—
17	(I) in the case of the first viola-
18	tion, \$250;
19	(II) in the case of a second viola-
20	tion within a 12-month period, \$500;
21	(III) in the case of a third viola-
22	tion within a 24-month period,
23	\$1,000 ;

1	(IV) in the case of a fourth viola-
2	tion within a 24-month period,
3	\$2,000;
4	(V) in the case of a fifth violation
5	within a 36-month period, \$5,000;
6	and
7	(VI) in the case of a sixth or sub-
8	sequent violation within a 48-month
9	period, \$10,000 as determined by the
10	Secretary on a case-by-case basis.
11	(B) Training program.—For purposes of
12	subparagraph (A), the term "approved training
13	program" means a training program that com-
14	plies with standards developed by the Food and
15	Drug Administration for such programs.
16	(C) Consideration of state pen-
17	ALTIES.—The Secretary shall coordinate with
18	the States in enforcing the provisions of this
19	Act and, for purposes of mitigating a civil pen-
20	alty to be applied for a violation by a retailer
21	of any restriction promulgated under section
22	906(d), shall consider the amount of any pen-
23	alties paid by the retailer to a State for the
24	same violation.

- 1 (3) GENERAL EFFECTIVE DATE.—The amend2 ments made by paragraphs (2), (3), and (4) of sub3 section (c) shall take effect upon the issuance of
 4 guidance described in paragraph (1) of this sub5 section.
 - (4) SPECIAL EFFECTIVE DATE.—The amendment made by subsection (c)(1) shall take effect on the date of enactment of this Act.
 - package label requirements of paragraphs (2), (3), and (4) of section 903(a) of the Federal Food, Drug, and Cosmetic Act (as amended by this Act) shall take effect on the date that is 12 months after the date of enactment of this Act. The effective date shall be with respect to the date of manufacture, provided that, in any case, beginning 30 days after such effective date, a manufacturer shall not introduce into the domestic commerce of the United States any product, irrespective of the date of manufacture, that is not in conformance with section 903(a)(2), (3), and (4) and section 920(a) of the Federal Food, Drug, and Cosmetic Act.
 - (6) ADVERTISING REQUIREMENTS.—The advertising requirements of section 903(a)(8) of the Federal Food, Drug, and Cosmetic Act (as amended by

1	this Act) shall take effect on the date that is 12
2	months after the date of enactment of this Act.
3	SEC. 104. STUDY ON RAISING THE MINIMUM AGE TO PUR-
4	CHASE TOBACCO PRODUCTS.
5	The Secretary of Health and Human Services shall—
6	(1) convene an expert panel to conduct a study
7	on the public health implications of raising the min-
8	imum age to purchase tobacco products; and
9	(2) not later than 5 years after the date of the
10	enactment of this Act, submit a report to the Con-
11	gress on the results of such study.
12	SEC. 105. TOBACCO INDUSTRY CONCENTRATION.
13	(a) Study.—The Federal Trade Commission shall
14	conduct a study on the causes and effects of concentration
15	in the tobacco industry.
16	(b) Public Report.—The Federal Trade Commis-
17	sion shall transmit to Congress a report not later than
18	5 years after the date of enactment of this Act, and a
19	subsequent report on the date that is 10 years after the
20	date of enactment of this Act. Such reports shall include—
21	(1) an analysis of trends in the market share of
22	any dominant tobacco product manufacturer in any
23	class of tobacco products; or
24	(2) an analysis of trends in competition or the
25	emergence of a monopoly: and

1	(3) recommendations to Congress on any cor-
2	rective actions that should be taken to address to-
3	bacco industry concentration.
4	SEC. 106. ENFORCEMENT ACTION PLAN FOR ADVERTISING
5	AND PROMOTION RESTRICTIONS.
6	(a) Action Plan.—
7	(1) Development.—Not later than 6 months
8	after the date of the enactment of this Act, the Sec-
9	retary of Health and Human Services (in this sec-
10	tion referred to as the "Secretary") shall develop
11	and publish an action plan to enforce restrictions
12	adopted pursuant to section 906 of the Federal
13	Food, Drug, and Cosmetic Act, as added by section
14	101(b) of this Act, or pursuant to section 102(a) of
15	this Act, on promotion and advertising of menthol
16	and other cigarettes to youth.
17	(2) Consultation.—The action plan required
18	by paragraph (1) shall be developed in consultation
19	with public health organizations and other stake-
20	holders with demonstrated expertise and experience
21	in serving minority communities.
22	(3) Priority.—The action plan required by
23	paragraph (1) shall include provisions designed to
24	ensure enforcement of the restrictions described in

paragraph (1) in minority communities.

1 (b) STATE AND LOCAL A	Activities.—
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- (1) Information on authority.—Not later than 3 months after the date of the enactment of this Act, the Secretary shall inform State, local, and tribal governments of the authority provided to such entities under section 5(c) of the Federal Cigarette Labeling and Advertising Act, as added by section 203 of this Act, or preserved by such entities under section 916 of the Federal Food, Drug, and Cosmetic Act, as added by section 101(b) of this Act.
 - (2) Community assistance.—At the request of communities seeking assistance to prevent underage tobacco use, the Secretary shall provide such assistance, including assistance with strategies to address the prevention of underage tobacco use in communities with a disproportionate use of menthol cigarettes by minors.

18 TITLE II—TOBACCO PRODUCT

- 19 WARNINGS; CONSTITUENT
- 20 AND SMOKE CONSTITUENT
- **DISCLOSURE**
- 22 SEC. 201. CIGARETTE LABEL AND ADVERTISING WARNINGS.
- 23 (a) Amendment.—Section 4 of the Federal Ciga-
- 24 rette Labeling and Advertising Act (15 U.S.C. 1333) is
- 25 amended to read as follows:

1 "SEC. 4. LABELING.

2	"(a) Label Requirements.—
3	"(1) In general.—It shall be unlawful for any
4	person to manufacture, package, sell, offer to sell,
5	distribute, or import for sale or distribution within
6	the United States any cigarettes the package of
7	which fails to bear, in accordance with the require-
8	ments of this section, one of the following labels:
9	"WARNING: Cigarettes are addictive.
10	"WARNING: Tobacco smoke can harm
11	your children.
12	"WARNING: Cigarettes cause fatal lung
13	disease.
14	"WARNING: Cigarettes cause cancer.
15	"WARNING: Cigarettes cause strokes and
16	heart disease.
17	"WARNING: Smoking during pregnancy
18	can harm your baby.
19	"WARNING: Smoking can kill you.
20	"WARNING: Tobacco smoke causes fatal
21	lung disease in nonsmokers.
22	"WARNING: Quitting smoking now great-
23	ly reduces serious risks to your health.
24	"(2) Placement; Typography; etc.—Each
25	label statement required by paragraph (1) shall be
26	located in the upper portion of the front and rear

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panels of the package, directly on the package underneath the cellophane or other clear wrapping. Each label statement shall comprise at least the top 30 percent of the front and rear panels of the package. The word 'WARNING' shall appear in capital letters and all text shall be in conspicuous and legible 17-point type, unless the text of the label statement would occupy more than 70 percent of such area, in which case the text may be in a smaller conspicuous and legible type size, provided that at least 60 percent of such area is occupied by required text. The text shall be black on a white background, or white on a black background, in a manner that contrasts, by typography, layout, or color, with all other printed material on the package, in an alternating fashion under the plan submitted under subsection (c).

"(3) Does not apply to foreign do not apply to a tobacco product manufacturer or distributor of cigarettes which does not manufacture, package, or import cigarettes for sale or distribution within the United States.

1	"(4) Applicability to retailers.—A retailer
2	of cigarettes shall not be in violation of this sub-
3	section for packaging that—
4	"(A) contains a warning label;
5	"(B) is supplied to the retailer by a
6	license- or permit-holding tobacco product man-
7	ufacturer, importer, or distributor; and
8	"(C) is not altered by the retailer in a way
9	that is material to the requirements of this sub-
10	section.
11	"(b) Advertising Requirements.—
12	"(1) IN GENERAL.—It shall be unlawful for any
13	tobacco product manufacturer, importer, distributor,
14	or retailer of cigarettes to advertise or cause to be
15	advertised within the United States any cigarette
16	unless its advertising bears, in accordance with the
17	requirements of this section, one of the labels speci-
18	fied in subsection (a).
19	"(2) Typography, etc.—Each label statement
20	required by subsection (a) in cigarette advertising
21	shall comply with the standards set forth in this
22	paragraph. For press and poster advertisements,
23	each such statement and (where applicable) any re-
24	quired statement relating to tar, nicotine, or other
25	constituent (including a smoke constituent) yield

1 shall comprise at least 20 percent of the area of the 2 advertisement and shall appear in a conspicuous and 3 prominent format and location at the top of each ad-4 vertisement within the trim area. The Secretary may 5 revise the required type sizes in such area in such 6 manner as the Secretary determines appropriate. 7 The word 'WARNING' shall appear in capital let-8 ters, and each label statement shall appear in con-9 spicuous and legible type. The text of the label state-10 ment shall be black if the background is white and white if the background is black, under the plan sub-12 mitted under subsection (c). The label statements 13 shall be enclosed by a rectangular border that is the 14 same color as the letters of the statements and that 15 is the width of the first downstroke of the capital 'W' of the word 'WARNING' in the label state-16 17 ments. The text of such label statements shall be in 18 a typeface pro rata to the following requirements: 19 45-point type for a whole-page broadsheet newspaper 20 advertisement; 39-point for type half-page broadsheet newspaper advertisement; 39-point type 22 for a whole-page tabloid newspaper advertisement; 23 27-point type for a half-page tabloid newspaper ad-24 vertisement; 31.5-point type for a double page 25 spread magazine or whole-page magazine advertise-

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- ment; 22.5-point type for a 28 centimeter by 3 column advertisement; and 15-point type for a 20 centimeter by 2 column advertisement. The label statements shall be in English, except that—
 - "(A) in the case of an advertisement that appears in a newspaper, magazine, periodical, or other publication that is not in English, the statements shall appear in the predominant language of the publication; and
 - "(B) in the case of any other advertisement that is not in English, the statements shall appear in the same language as that principally used in the advertisement.
 - "(3) Matchbooks.—Notwithstanding paragraph (2), for matchbooks (defined as containing not more than 20 matches) customarily given away with the purchase of tobacco products, each label statement required by subsection (a) may be printed on the inside cover of the matchbook.
 - "(4) Adjustment by Secretary.—The Secretary may, through a rulemaking under section 553 of title 5, United States Code, adjust the format and type sizes for the label statements required by this section; the text, format, and type sizes of any required tar, nicotine yield, or other constituent (in-

cluding smoke constituent) disclosures; or the text, format, and type sizes for any other disclosures required under the Federal Food, Drug, and Cosmetic Act. The text of any such label statements or disclosures shall be required to appear only within the 20 percent area of cigarette advertisements provided by paragraph (2). The Secretary shall promulgate regulations which provide for adjustments in the format and type sizes of any text required to appear in such area to ensure that the total text required to appear by law will fit within such area.

"(c) Marketing Requirements.—

- "(1) RANDOM DISPLAY.—The label statements specified in subsection (a)(1) shall be randomly displayed in each 12-month period, in as equal a number of times as is possible on each brand of the product and be randomly distributed in all areas of the United States in which the product is marketed in accordance with a plan submitted by the tobacco product manufacturer, importer, distributor, or retailer and approved by the Secretary.
- "(2) ROTATION.—The label statements specified in subsection (a)(1) shall be rotated quarterly in alternating sequence in advertisements for each brand of cigarettes in accordance with a plan sub-

- mitted by the tobacco product manufacturer, importer, distributor, or retailer to, and approved by, the Secretary.

 "(3) REVIEW.—The Secretary shall review each
 - "(3) Review.—The Secretary shall review each plan submitted under paragraph (2) and approve it if the plan—
 - "(A) will provide for the equal distribution and display on packaging and the rotation required in advertising under this subsection; and
 - "(B) assures that all of the labels required under this section will be displayed by the tobacco product manufacturer, importer, distributor, or retailer at the same time.
 - "(4) APPLICABILITY TO RETAILERS.—This subsection and subsection (b) apply to a retailer only if that retailer is responsible for or directs the label statements required under this section except that this paragraph shall not relieve a retailer of liability if the retailer displays, in a location open to the public, an advertisement that does not contain a warning label or has been altered by the retailer in a way that is material to the requirements of this subsection and subsection (b).".
- 24 (b) Effective Date.—The amendment made by 25 subsection (a) shall take effect 12 months after the date

- 1 of enactment of this Act. Such effective date shall be with
- 2 respect to the date of manufacture, provided that, in any
- 3 case, beginning 30 days after such effective date, a manu-
- 4 facturer shall not introduce into the domestic commerce
- 5 of the United States any product, irrespective of the date
- 6 of manufacture, that is not in conformance with section
- 7 4 of the Federal Cigarette Labeling and Advertising Act
- 8 (15 U.S.C. 1333), as amended by subsection (a).

9 SEC. 202. AUTHORITY TO REVISE CIGARETTE WARNING

- 10 LABEL STATEMENTS.
- 11 (a) Preemption.—Section 5(a) of the Federal Ciga-
- 12 rette Labeling and Advertising Act (15 U.S.C. 1334(a))
- 13 is amended by striking "No" and inserting "Except to the
- 14 extent the Secretary requires additional or different state-
- 15 ments on any cigarette package by a regulation, by an
- 16 order, by a standard, by an authorization to market a
- 17 product, or by a condition of marketing a product, pursu-
- 18 ant to the Family Smoking Prevention and Tobacco Con-
- 19 trol Act (and the amendments made by that Act), or as
- 20 required under section 903(a)(2) or section 920(a) of the
- 21 Federal Food, Drug, and Cosmetic Act, no".
- 22 (b) Change in Required Statements.—Section 4
- 23 of the Federal Cigarette Labeling and Advertising Act (15
- 24 U.S.C. 1333), as amended by section 201, is further
- 25 amended by adding at the end the following:

- 1 "(d) Change in Required Statements.—The
- 2 Secretary may, by a rulemaking conducted under section
- 3 553 of title 5, United States Code, adjust the format, type
- 4 size, and text of any of the label requirements, require
- 5 color graphics to accompany the text, increase the re-
- 6 quired label area from 30 percent up to 50 percent of the
- 7 front and rear panels of the package, or establish the for-
- 8 mat, type size, and text of any other disclosures required
- 9 under the Federal Food, Drug, and Cosmetic Act, if the
- 10 Secretary finds that such a change would promote greater
- 11 public understanding of the risks associated with the use
- 12 of tobacco products.".
- 13 SEC. 203. STATE REGULATION OF CIGARETTE ADVER-
- 14 TISING AND PROMOTION.
- 15 Section 5 of the Federal Cigarette Labeling and Ad-
- 16 vertising Act (15 U.S.C. 1334) is amended by adding at
- 17 the end the following:
- 18 "(c) Exception.—Notwithstanding subsection (b), a
- 19 State or locality may enact statutes and promulgate regu-
- 20 lations, based on smoking and health, that take effect
- 21 after the effective date of the Family Smoking Prevention
- 22 and Tobacco Control Act, imposing specific bans or re-
- 23 strictions on the time, place, and manner, but not content,
- 24 of the advertising or promotion of any cigarettes.".

1	SEC. 204. SMOKELESS TOBACCO LABELS AND ADVERTISING
2	WARNINGS.
3	(a) Amendment.—Section 3 of the Comprehensive
4	Smokeless Tobacco Health Education Act of 1986 (15
5	U.S.C. 4402) is amended to read as follows:
6	"SEC. 3. SMOKELESS TOBACCO WARNING.
7	"(a) General Rule.—
8	"(1) It shall be unlawful for any person to man-
9	ufacture, package, sell, offer to sell, distribute, or
10	import for sale or distribution within the United
11	States any smokeless tobacco product unless the
12	product package bears, in accordance with the re-
13	quirements of this Act, one of the following labels:
14	"WARNING: This product can cause
15	mouth cancer.
16	"WARNING: This product can cause gum
17	disease and tooth loss.
18	"WARNING: This product is not a safe al-
19	ternative to cigarettes.
20	"WARNING: Smokeless tobacco is addict-
21	ive.
22	"(2) Each label statement required by para-
23	graph (1) shall be—
24	"(A) located on the 2 principal display
25	panels of the package, and each label statement

shall comprise at least 30 percent of each such display panel; and

"(B) in 17-point conspicuous and legible type and in black text on a white background, or white text on a black background, in a manner that contrasts by typography, layout, or color, with all other printed material on the package, in an alternating fashion under the plan submitted under subsection (b)(3), except that if the text of a label statement would occupy more than 70 percent of the area specified by subparagraph (A), such text may appear in a smaller type size, so long as at least 60 percent of such warning area is occupied by the label statement.

- "(3) The label statements required by paragraph (1) shall be introduced by each tobacco product manufacturer, packager, importer, distributor, or retailer of smokeless tobacco products concurrently into the distribution chain of such products.
- "(4) The provisions of this subsection do not apply to a tobacco product manufacturer or distributor of any smokeless tobacco product that does not manufacture, package, or import smokeless to-

1	bacco products for sale or distribution within the
2	United States.
3	"(5) A retailer of smokeless tobacco products
4	shall not be in violation of this subsection for pack-
5	aging that—
6	"(A) contains a warning label;
7	"(B) is supplied to the retailer by a
8	license- or permit-holding tobacco product man-
9	ufacturer, importer, or distributor; and
10	"(C) is not altered by the retailer in a way
11	that is material to the requirements of this sub-
12	section.
13	"(b) Required Labels.—
14	"(1) It shall be unlawful for any tobacco prod-
15	uct manufacturer, packager, importer, distributor, or
16	retailer of smokeless tobacco products to advertise or
17	cause to be advertised within the United States any
18	smokeless tobacco product unless its advertising
19	bears, in accordance with the requirements of this
20	section, one of the labels specified in subsection (a).
21	"(2)(A) Each label statement required by sub-
22	section (a) in smokeless tobacco advertising shall
23	comply with the standards set forth in this para-
24	graph.

- "(B) For press and poster advertisements, each such statement and (where applicable) any required statement relating to tar, nicotine, or other constituent yield shall comprise at least 20 percent of the area of the advertisement.
 - "(C) The word 'WARNING' shall appear in capital letters, and each label statement shall appear in conspicuous and legible type.
 - "(D) The text of the label statement shall be black on a white background, or white on a black background, in an alternating fashion under the plan submitted under paragraph (3).
 - "(E) The label statements shall be enclosed by a rectangular border that is the same color as the letters of the statements and that is the width of the first downstroke of the capital 'W' of the word 'WARNING' in the label statements.
 - "(F) The text of such label statements shall be in a typeface pro rata to the following requirements: 45-point type for a whole-page broadsheet newspaper advertisement; 39-point type for a half-page broadsheet newspaper advertisement; 39-point type for a whole-page tabloid newspaper advertisement; 27-point type for a half-page tabloid newspaper advertisement; 31.5-point type for a double page

1	spread magazine or whole-page magazine advertise-
2	ment; 22.5-point type for a 28 centimeter by 3 col-
3	umn advertisement; and 15-point type for a 20 cen-
4	timeter by 2 column advertisement.
5	"(G) The label statements shall be in English,
6	except that—
7	"(i) in the case of an advertisement that
8	appears in a newspaper, magazine, periodical,
9	or other publication that is not in English, the
10	statements shall appear in the predominant lan-
11	guage of the publication; and
12	"(ii) in the case of any other advertisement
13	that is not in English, the statements shall ap-
14	pear in the same language as that principally
15	used in the advertisement.
16	"(3)(A) The label statements specified in sub-
17	section (a)(1) shall be randomly displayed in each
18	12-month period, in as equal a number of times as
19	is possible on each brand of the product and be ran-
20	domly distributed in all areas of the United States
21	in which the product is marketed in accordance with
22	a plan submitted by the tobacco product manufac-
23	turer, importer, distributor, or retailer and approved

by the Secretary.

1	"(B) The label statements specified in sub-
2	section (a)(1) shall be rotated quarterly in alter-
3	nating sequence in advertisements for each brand of
4	smokeless tobacco product in accordance with a plan
5	submitted by the tobacco product manufacturer, im-
6	porter, distributor, or retailer to, and approved by,
7	the Secretary.
8	"(C) The Secretary shall review each plan sub-
9	mitted under subparagraphs (A) and (B) and ap-
10	prove it if the plan—
11	"(i) will provide for the equal distribution
12	and display on packaging and the rotation re-
13	quired in advertising under this subsection; and
14	"(ii) assures that all of the labels required
15	under this section will be displayed by the to-
16	bacco product manufacturer, importer, dis-
17	tributor, or retailer at the same time.
18	"(D) This paragraph applies to a retailer only
19	if that retailer is responsible for or directs the label
20	statements under this section, unless the retailer dis-
21	plays, in a location open to the public, an advertise-
22	ment that does not contain a warning label or has

been altered by the retailer in a way that is material

to the requirements of this subsection.

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"(4) The Secretary may, through a rulemaking 1 2 under section 553 of title 5, United States Code, ad-3 just the format and type sizes for the label state-4 ments required by this section; the text, format, and 5 type sizes of any required tar, nicotine yield, or 6 other constituent disclosures; or the text, format, 7 and type sizes for any other disclosures required 8 under the Federal Food, Drug, and Cosmetic Act. 9 The text of any such label statements or disclosures 10 shall be required to appear only within the 20 per-11 cent area of advertisements provided by paragraph 12 The Secretary shall promulgate regulations 13 which provide for adjustments in the format and 14 type sizes of any text required to appear in such 15 area to ensure that the total text required to appear 16 by law will fit within such area.

- "(c) Television and Radio Advertising.—It is unlawful to advertise smokeless tobacco on any medium of electronic communications subject to the jurisdiction of the Federal Communications Commission.".
- 21 (b) EFFECTIVE DATE.—The amendment made by 22 subsection (a) shall take effect 12 months after the date 23 of enactment of this Act. Such effective date shall be with 24 respect to the date of manufacture, provided that, in any 25 case, beginning 30 days after such effective date, a manu-

- 1 facturer shall not introduce into the domestic commerce
- 2 of the United States any product, irrespective of the date
- 3 of manufacture, that is not in conformance with section
- 4 3 of the Comprehensive Smokeless Tobacco Health Edu-
- 5 cation Act of 1986 (15 U.S.C. 4402), as amended by sub-
- 6 section (a)

7 SEC. 205. AUTHORITY TO REVISE SMOKELESS TOBACCO

- 8 PRODUCT WARNING LABEL STATEMENTS.
- 9 (a) In General.—Section 3 of the Comprehensive
- 10 Smokeless Tobacco Health Education Act of 1986 (15
- 11 U.S.C. 4402), as amended by section 204, is further
- 12 amended by adding at the end the following:
- 13 "(d) Authority To Revise Warning Label
- 14 STATEMENTS.—The Secretary may, by a rulemaking con-
- 15 ducted under section 553 of title 5, United States Code,
- 16 adjust the format, type size, and text of any of the label
- 17 requirements, require color graphics to accompany the
- 18 text, increase the required label area from 30 percent up
- 19 to 50 percent of the front and rear panels of the package,
- 20 or establish the format, type size, and text of any other
- 21 disclosures required under the Federal Food, Drug, and
- 22 Cosmetic Act, if the Secretary finds that such a change
- 23 would promote greater public understanding of the risks
- 24 associated with the use of smokeless tobacco products.".

1 (b) Preemption.—Section 7(a) of the Comprehen	1	(b)	Preemption.	—Section	7(a)	of the	Comprehen
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- 2 sive Smokeless Tobacco Health Education Act of 1986 (15
- 3 U.S.C. 4406(a)) is amended by striking "No" and insert-
- 4 ing "Except as provided in the Family Smoking Preven-
- 5 tion and Tobacco Control Act (and the amendments made
- 6 by that Act), no".
- 7 SEC. 206. TAR, NICOTINE, AND OTHER SMOKE CON-
- 8 STITUENT DISCLOSURE TO THE PUBLIC.
- 9 Section 4 of the Federal Cigarette Labeling and Ad-
- 10 vertising Act (15 U.S.C. 1333), as amended by sections
- 11 201 and 202, is further amended by adding at the end
- 12 the following:
- 13 "(e) Tar, Nicotine, and Other Smoke Con-
- 14 STITUENT DISCLOSURE.—
- 15 "(1) IN GENERAL.—The Secretary shall, by a
- rulemaking conducted under section 553 of title 5,
- 17 United States Code, determine (in the Secretary's
- sole discretion) whether cigarette and other tobacco
- 19 product manufacturers shall be required to include
- in the area of each cigarette advertisement specified
- 21 by subsection (b) of this section, or on the package
- label, or both, the tar and nicotine yields of the ad-
- vertised or packaged brand. Any such disclosure
- shall be in accordance with the methodology estab-
- lished under such regulations, shall conform to the

- type size requirements of subsection (b) of this section, and shall appear within the area specified in subsection (b) of this section.
 - "(2) RESOLUTION OF DIFFERENCES.—Any differences between the requirements established by the Secretary under paragraph (1) and tar and nicotine yield reporting requirements established by the Federal Trade Commission shall be resolved by a memorandum of understanding between the Secretary and the Federal Trade Commission.
 - "(3) CIGARETTE AND OTHER TOBACCO PROD-UCT CONSTITUENTS.—In addition to the disclosures required by paragraph (1), the Secretary may, under a rulemaking conducted under section 553 of title 5, United States Code, prescribe disclosure requirements regarding the level of any cigarette or other tobacco product constituent including any smoke constituent. Any such disclosure may be required if the Secretary determines that disclosure would be of benefit to the public health, or otherwise would increase consumer awareness of the health consequences of the use of tobacco products, except that no such prescribed disclosure shall be required on the face of any cigarette package or advertisement. Nothing in this section shall prohibit the Secretary

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1	from requiring such prescribed disclosure through a
2	cigarette or other tobacco product package or adver-
3	tisement insert, or by any other means under the
4	Federal Food, Drug, and Cosmetic Act.
5	"(4) Retailers.—This subsection applies to a
6	retailer only if that retailer is responsible for or di-
7	rects the label statements required under this sec-
8	tion.".
9	TITLE III—PREVENTION OF IL-
10	LICIT TRADE IN TOBACCO
11	PRODUCTS
12	SEC. 301. LABELING, RECORDKEEPING, RECORDS INSPEC-
13	TION.
14	Chapter IX of the Federal Food, Drug, and Cosmetic
15	Act, as added by section 101, is further amended by add-
16	ing at the end the following:
17	"SEC. 920. LABELING, RECORDKEEPING, RECORDS INSPEC-
18	TION.
19	"(a) Origin Labeling.—
20	"(1) Requirement.—Beginning 1 year after
21	the date of enactment of the Family Smoking Pre-
22	vention and Tobacco Control Act, the label, pack-
23	aging, and shipping containers of tobacco products
24	for introduction or delivery for introduction into
25	interstate commerce in the United States shall bear

- the statement 'sale only allowed in the UnitedStates'.
- 3 "(2) EFFECTIVE DATE.—The effective date 4 specified in paragraph (1) shall be with respect to 5 the date of manufacture, provided that, in any case, 6 beginning 30 days after such effective date, a manu-7 facturer shall not introduce into the domestic com-8 merce of the United States any product, irrespective 9 of the date of manufacture, that is not in conform-10 ance with such paragraph.
- 11 "(b) REGULATIONS CONCERNING RECORDKEEPING 12 FOR TRACKING AND TRACING.—
- "(1) IN GENERAL.—The Secretary shall promulgate regulations regarding the establishment and maintenance of records by any person who manufactures, processes, transports, distributes, receives, packages, holds, exports, or imports tobacco products.
- 19 "(2) Inspection.—In promulgating the regula-20 tions described in paragraph (1), the Secretary shall 21 consider which records are needed for inspection to 22 monitor the movement of tobacco products from the 23 point of manufacture through distribution to retail 24 outlets to assist in investigating potential illicit

- trade, smuggling, or counterfeiting of tobacco products.
- 3 "(3) Codes.—The Secretary may require codes 4 on the labels of tobacco products or other designs or 5 devices for the purpose of tracking or tracing the to-6 bacco product through the distribution system.
 - "(4) Size of Business.—The Secretary shall take into account the size of a business in promulgating regulations under this section.
- "(5) RECORDKEEPING BY RETAILERS.—The
 Secretary shall not require any retailer to maintain
 records relating to individual purchasers of tobacco
 products for personal consumption.
- 14 "(c) RECORDS INSPECTION.—If the Secretary has a 15 reasonable belief that a tobacco product is part of an illicit trade or smuggling or is a counterfeit product, each person 16 who manufactures, processes, transports, distributes, re-18 ceives, holds, packages, exports, or imports tobacco prod-19 ucts shall, at the request of an officer or employee duly 20 designated by the Secretary, permit such officer or em-21 ployee, at reasonable times and within reasonable limits and in a reasonable manner, upon the presentation of appropriate credentials and a written notice to such person, to have access to and copy all records (including financial records) relating to such article that are needed to assist

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1	the Secretary in investigating potential illicit trade, smug-
2	gling, or counterfeiting of tobacco products. The Secretary
3	shall not authorize an officer or employee of the govern-
4	ment of any of the several States to exercise authority
5	under the preceding sentence on Indian lands without the
6	express written consent of the Indian tribe involved.
7	"(d) Knowledge of Illegal Transaction.—
8	"(1) Notification.—If the manufacturer or
9	distributor of a tobacco product has knowledge
10	which reasonably supports the conclusion that a to-
11	bacco product manufactured or distributed by such
12	manufacturer or distributor that has left the control
13	of such person may be or has been—
14	"(A) imported, exported, distributed, or of-
15	fered for sale in interstate commerce by a per-
16	son without paying duties or taxes required by
17	law; or
18	"(B) imported, exported, distributed, or di-
19	verted for possible illicit marketing,
20	the manufacturer or distributor shall promptly no-
21	tify the Attorney General and the Secretary of the
22	Treasury of such knowledge.
23	"(2) Knowledge defined.—For purposes of
24	this subsection, the term 'knowledge' as applied to
25	a manufacturer or distributor means—

1	"(A) the actual knowledge that the manu-
2	facturer or distributor had; or
3	"(B) the knowledge which a reasonable
4	person would have had under like circumstances
5	or which would have been obtained upon the ex-
6	ercise of due care.".
7	SEC. 302. STUDY AND REPORT.
8	(a) STUDY.—The Comptroller General of the United
9	States shall conduct a study of cross-border trade in to-
10	bacco products to—
11	(1) collect data on cross-border trade in tobacco
12	products, including illicit trade and trade of counter-
13	feit tobacco products and make recommendations on
14	the monitoring of such trade;
15	(2) collect data on cross-border advertising (any
16	advertising intended to be broadcast, transmitted, or
17	distributed from the United States to another coun-
18	try) of tobacco products and make recommendations
19	on how to prevent or eliminate, and what tech-
20	nologies could help facilitate the elimination of,
21	cross-border advertising; and
22	(3) collect data on the health effects (particu-
23	larly with respect to individuals under 18 years of
24	age) resulting from cross-border trade in tobacco

1	products, including the health effects resulting
2	from—
3	(A) the illicit trade of tobacco products
4	and the trade of counterfeit tobacco products;
5	and
6	(B) the differing tax rates applicable to to-
7	bacco products.
8	(b) Report.—Not later than 18 months after the
9	date of enactment of this Act, the Comptroller General
10	of the United States shall submit to the Committee on
11	Health, Education, Labor, and Pensions of the Senate and
12	the Committee on Energy and Commerce of the House
13	of Representatives a report on the study described in sub-
14	section (a).
15	(c) DEFINITION.—In this section:
16	(1) The term "cross-border trade" means trade
17	across a border of the United States, a State or Ter-
18	ritory, or Indian country.
19	(2) The term "Indian country" has the mean-
20	ing given to that term in section 1151 of title 18,
21	United States Code.
22	(3) The terms "State" and "Territory" have
23	the meanings given to those terms in section 201 of
24	the Federal Food, Drug, and Cosmetic Act (21
25	U.S.C. 321).

1 TITLE IV—THRIFT SAVINGS 2 PLAN ENHANCEMENT

3	SEC. 401. SHORT TITLE.
4	This title may be cited as the "Thrift Savings Plan
5	Enhancement Act of 2008".
6	SEC. 402. AUTOMATIC ENROLLMENTS.
7	(a) Automatic Enrollments.—
8	(1) In general.—Section 8432(b) of title 5,
9	United States Code, is amended by striking para-
10	graphs (2) through (4) and inserting the following:
11	"(2)(A) The Board shall by regulation provide for an
12	eligible individual to be automatically enrolled to make
13	contributions under subsection (a) at the default percent-
14	age of basic pay.
15	"(B) For purposes of this paragraph, the default per-
16	centage shall be equal to 3 percent or such other percent-
17	age, not less than 2 percent nor more than 5 percent, as
18	the Board may by regulation prescribe.
19	"(C) The regulations shall include provisions under
20	which any individual who would otherwise be automatically
21	enrolled in accordance with subparagraph (A) may—
22	"(i) modify the percentage or amount to be con-
23	tributed pursuant to automatic enrollment, effective
24	from the start of such enrollment; or
25	"(ii) decline automatic enrollment altogether.

- 1 "(D) For purposes of this paragraph, the term 'eligi-
- 2 ble individual' means any individual who, after any regula-
- 3 tions under subparagraph (A) first take effect, is ap-
- 4 pointed, transferred, or reappointed to a position in which
- 5 that individual is eligible to contribute to the Thrift Sav-
- 6 ings Fund.
- 7 "(E) Sections 8351(a)(1), 8440a(a)(1), 8440b(a)(1),
- 8 8440c(a)(1), 8440d(a)(1), and <math>8440e(a)(1) shall be ap-
- 9 plied in a manner consistent with the purposes of this
- 10 paragraph.".
- 11 (2) TECHNICAL AMENDMENT.—Section
- 12 8432(b)(1) of title 5, United States Code, is amend-
- ed by striking the parenthetical matter in subpara-
- 14 graph (B).
- 15 (b) Default Investments.—Section 8438(c)(2) of
- 16 title 5, United States Code, is amended to read as follows:
- 17 "(2) If an election has not been made with respect
- 18 to any sums in the Thrift Savings Fund which are avail-
- 19 able for investment, the Executive Director shall invest
- 20 such sums in—
- 21 "(A) the Government Securities Investment
- Fund; or
- 23 "(B) such alternative fund or funds (in lieu of
- the fund under subparagraph (A)) as the Board may
- designate in regulations.

- 1 The designation of an alternative fund by regulations
- 2 under subparagraph (B) may be made only if, in the judg-
- 3 ment of the Board, such designation would be in the best
- 4 interests of participants. Any decision under the preceding
- 5 sentence shall be made after consultation with the Em-
- 6 ployee Thrift Advisory Council (established under section
- 7 8473).".
- 8 SEC. 403. QUALIFIED ROTH CONTRIBUTION PROGRAM.
- 9 (a) IN GENERAL.—Subchapter III of chapter 84 of
- 10 title 5, United States Code, is amended by inserting after
- 11 section 8432c the following:
- 12 "§ 8432d. Qualified Roth contribution program
- 13 "(a) Definitions.—For purposes of this section—
- 14 "(1) the term 'qualified Roth contribution pro-
- gram' means a program described in paragraph (1)
- of section 402A(b) of the Internal Revenue Code of
- 17 1986 which meets the requirements of paragraph (2)
- of such section; and
- 19 "(2) the terms 'designated Roth contribution'
- and 'elective deferral' have the meanings given such
- terms in section 402A of the Internal Revenue Code
- of 1986.
- 23 "(b) AUTHORITY TO ESTABLISH.—The Board shall
- 24 by regulation provide for the inclusion in the Thrift Sav-

1	ings Plan of a qualified Roth contribution program, under
2	such terms and conditions as the Board may prescribe
3	"(c) Required Provisions.—The regulations under
4	subsection (b) shall include—
5	"(1) provisions under which an election to make
6	designated Roth contributions may be made—
7	"(A) by any individual who is eligible to
8	make contributions under section 8351
9	8432(a), 8440a, 8440b, 8440c, 8440d, or
10	8440e; and
11	"(B) by any individual, not described in
12	subparagraph (A), who is otherwise eligible to
13	make elective deferrals under the Thrift Sav-
14	ings Plan;
15	"(2) any provisions which may, as a result of
16	the enactment of this section, be necessary in order
17	to clarify the meaning of any reference to an 'ac-
18	count' made in section 8432(f), 8433, 8434(d)
19	8435, 8437, or any other provision of law; and
20	"(3) any other provisions which may be nec-
21	essary to carry out this section.".
22	(b) CLERICAL AMENDMENT.—The analysis for chap-
23	ter 84 of title 5, United States Code, is amended by insert-
24	ing after the item relating to section 8432c the following
	"8432d. Qualified Roth contribution program.".

1	SEC. 404. AUTHORITY TO ESTABLISH SELF-DIRECTED IN-
2	VESTMENT WINDOW.
3	(a) In General.—Section 8438(b)(1) of title 5,
4	United States Code, is amended—
5	(1) in subparagraph (D), by striking "and" at
6	the end;
7	(2) in subparagraph (E), by striking the period
8	and inserting "; and; and
9	(3) by adding after subparagraph (E) the fol-
10	lowing:
11	"(F) a self-directed investment window, if
12	the Board authorizes such window under para-
13	graph (5).".
14	(b) Requirements.—Section 8438(b) of title 5,
15	United States Code, is amended by adding at the end the
16	following:
17	"(5)(A) The Board may authorize the addition of a
18	self-directed investment window under the Thrift Savings
19	Plan if the Board determines that such addition would be
20	in the best interests of participants.
21	"(B) The self-directed investment window shall be
22	limited to—
23	"(i) low-cost, passively-managed index funds
24	that offer diversification benefits; and

- 1 "(ii) other investment options, if the Board de-
- 2 termines the options to be appropriate retirement in-
- 3 vestment vehicles for participants.
- 4 "(C) The Board shall ensure that any administrative
- 5 expenses related to use of the self-directed investment win-
- 6 dow are borne solely by the participants who use such win-
- 7 dow.
- 8 "(D) The Board may establish such other terms and
- 9 conditions for the self-directed investment window as the
- 10 Board considers appropriate to protect the interests of
- 11 participants, including requirements relating to risk dis-
- 12 closure.
- 13 "(E) The Board shall consult with the Employee
- 14 Thrift Advisory Council (established under section 8473)
- 15 before establishing any self-directed investment window.".
- 16 SEC. 405. REPORTING REQUIREMENTS.
- 17 (a) Annual Report.—The Board shall, not later
- 18 than June 30 of each year, submit to Congress an annual
- 19 report on the operations of the Thrift Savings Plan. Such
- 20 report shall include, for the prior calendar year, informa-
- 21 tion on the number of participants as of the last day of
- 22 such prior calendar year, the median balance in partici-
- 23 pants' accounts as of such last day, demographic informa-
- 24 tion on participants, the percentage allocation of amounts
- 25 among investment funds or options, the status of the de-

- 1 velopment and implementation of the self-directed invest-
- 2 ment window, the diversity demographics of any company,
- 3 investment adviser, or other entity retained to invest and
- 4 manage the assets of the Thrift Savings Fund, and such
- 5 other information as the Board considers appropriate. A
- 6 copy of each annual report under this subsection shall be
- 7 made available to the public through an Internet website.
- 8 (b) Reporting of Fees and Other Informa-
- 9 TION.—
- 10 (1) IN GENERAL.—The Board shall include in 11 the periodic statements provided to participants 12 under section 8439(c) the amount of the investment 13 management fees, administrative expenses, and any 14 other fees or expenses paid with respect to each in-15 vestment fund and option under the Thrift Savings 16 Plan. Any such statement shall also provide a state-17 ment notifying participants as to how they may ac-18 cess the annual report described in subsection (a), as 19 well as any other information concerning the Thrift 20 Savings Plan that might be useful.
 - (2) USE OF ESTIMATES.—For purposes of providing the information required under this subsection, the Executive Director may provide a reasonable and representative estimate of any fees or expenses described in paragraph (1) and shall indi-

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1	cate any such estimate as being such an estimate.
2	Any such estimate shall be based on the previous
3	year's experience.
4	(c) Definitions.—For purposes of this section—
5	(1) the term "Board" has the meaning given
6	such term by 8401(5) of title 5, United States Code;
7	(2) the term "participant" has the meaning
8	given such term by section 8471(3) of title 5, United
9	States Code; and
10	(3) the term "account" means an account es-
11	tablished under section 8439 of title 5, United
12	States Code.
13	SEC. 406. ACKNOWLEDGEMENT OF RISK.
13 14	SEC. 406. ACKNOWLEDGEMENT OF RISK. (a) IN GENERAL.—Section 8439(d) of title 5, United
14	(a) In General.—Section 8439(d) of title 5, United
14 15	(a) In General.—Section 8439(d) of title 5, United States Code, is amended—
14 15 16	 (a) IN GENERAL.—Section 8439(d) of title 5, United States Code, is amended— (1) by striking the matter after "who elects to
14 15 16 17	(a) In General.—Section 8439(d) of title 5, United States Code, is amended— (1) by striking the matter after "who elects to invest in" and before "shall sign an acknowledge-
14 15 16 17 18	(a) In General.—Section 8439(d) of title 5, United States Code, is amended— (1) by striking the matter after "who elects to invest in" and before "shall sign an acknowledgement" and inserting "any investment fund or option
14 15 16 17 18	(a) In General.—Section 8439(d) of title 5, United States Code, is amended— (1) by striking the matter after "who elects to invest in" and before "shall sign an acknowledgement" and inserting "any investment fund or option under this chapter, other than the Government Section 1.
14 15 16 17 18 19 20	(a) In General.—Section 8439(d) of title 5, United States Code, is amended— (1) by striking the matter after "who elects to invest in" and before "shall sign an acknowledgement" and inserting "any investment fund or option under this chapter, other than the Government Securities Investment Fund,"; and
14 15 16 17 18 19 20 21	(a) In General.—Section 8439(d) of title 5, United States Code, is amended— (1) by striking the matter after "who elects to invest in" and before "shall sign an acknowledgement" and inserting "any investment fund or option under this chapter, other than the Government Securities Investment Fund,"; and (2) by striking "either such Fund" and insert-

- 1 section (d) of section 8439 of title 5, United States Code
- 2 (as amended by subsection (a)) is further amended—
- 3 (1) by redesignating subsection (d) as sub-
- 4 section (d)(1); and
- 5 (2) by adding at the end the following:
- 6 "(2)(A) In the case of an investment made under sec-
- 7 tion 8438(c)(2) in any fund or option to which paragraph
- 8 (1) would otherwise apply, the participant involved shall,
- 9 for purposes of this subsection, be deemed—
- "(i) to have elected to invest in such fund or
- 11 option; and
- "(ii) to have executed the acknowledgement re-
- quired under paragraph (1).
- 14 "(B)(i) The Executive Director shall prescribe regu-
- 15 lations under which written notice shall be provided to a
- 16 participant whenever an investment is made under section
- 17 8438(c)(2)(B) on behalf of such participant in the absence
- 18 of an affirmative election described in section 8438(c)(1).
- 19 "(ii) The regulations shall ensure that any such no-
- 20 tice shall be provided to the participant within 7 calendar
- 21 days after the effective date of the default election.
- 22 "(C) For purposes of this paragraph, the term 'par-
- 23 ticipant' has the meaning given such term by section
- 24 8471(3).".

(c) Coordination With Provisions Relating to 1 FIDUCIARY RESPONSIBILITIES, LIABILITIES, AND PEN-ALTIES.—Section 8477(e)(1)(C) of title 5, United States 3 Code, is amended— 4 5 (1) by redesignating subparagraph (C) as sub-6 paragraph (C)(i); and 7 (2) by adding at the end the following: "(ii) A fiduciary shall not be liable under subpara-8 graph (A), and no civil action may be brought against a fiduciary— 10 11 "(I) for providing for the automatic enrollment 12 accordance of participant in with section 13 8432(b)(2)(A);14 "(II) for enrolling a participant in a default in-15 vestment fund in accordance with section 16 8438(c)(2)(B); or 17 "(III) for allowing a participant to invest 18 through the self-directed investment window or for 19 establishing restrictions applicable to participants' 20 ability to invest through the self-directed investment 21 window.". 22 SEC. 407. CREDIT FOR UNUSED SICK LEAVE. 23 (a) In General.—Section 8415 of title 5, United

States Code, is amended—

1	(1) by redesignating the second subsection (k)
2	and subsection (l) as subsections (l) and (m), respec-
3	tively; and
4	(2) in subsection (l) (as so redesignated by
5	paragraph (1))—
6	(A) by striking "(l) In computing" and in-
7	serting "(l)(1) In computing"; and
8	(B) by adding at the end the following:
9	"(2) Except as provided in paragraph (1), in com-
10	puting an annuity under this subchapter, the total service
11	of an employee who retires on an immediate annuity or
12	who dies leaving a survivor or survivors entitled to annuity
13	includes—
14	"(A) for an employee who retires within 3 years
15	after the date of enactment of this paragraph, 3/4 of
16	the days, and
17	"(B) for an employee who retires after 3 years
18	after the date of enactment of this paragraph, the
19	days
20	of unused sick leave to his credit under a formal leave
21	system, except that these days will not be counted in deter-
22	mining average pay or annuity eligibility under this sub-
23	chapter. For purposes of this subsection, in the case of
24	any such employee who is excepted from subchapter I of
25	chapter 63 under section 6301(2)(x)-(xiii), the days of un-

- 1 used sick leave to his credit include any unused sick leave
- 2 standing to his credit when he was excepted from such
- 3 subchapter.".
- 4 (b) Exception From Deposit Requirement.—
- 5 Section 8422(d)(2) of title 5, United States Code, is
- 6 amended by striking "section 8415(k)" and inserting
- 7 "paragraph (1) or (2) of section 8415(l)".
- 8 (c) Effective Date.—The amendments made by
- 9 this section shall apply with respect to annuities computed
- 10 based on separations occurring on or after the date of the
- 11 enactment of this Act.

Passed the House of Representatives July 30, 2008. Attest:

Clerk.

110TH CONGRESS H. R. 1108

AN ACT

To protect the public health by providing the Food and Drug Administration with certain authority to regulate tobacco products.