



**DEPARTMENT OF JUSTICE**  
CIVIL ENFORCEMENT DIVISION

**MEMORANDUM**

DATE: September 27, 2010

TO: All Non-Participating Manufacturers Certified in Oregon

FROM: Lisa M. Udland, Sr. Assistant Attorney General  
Civil Recovery Section

SUBJECT: Prevent All Cigarette Trafficking ("PACT") Act, 15 U.S.C. §§ 375, *et seq.*

The federal Prevent All Cigarette Trafficking ("PACT") Act, 15 U.S.C. §§ 375, *et seq.*, became effective on June 30, 2010. Pursuant to the PACT Act, all persons who sell, transfer, or ship cigarettes in interstate commerce for profit must: (1) register with the tobacco tax administrator of the state into which shipment is made and (2) file monthly reports with the tobacco tax administrator, no later than the 10th of each month, identifying the brands, quantities, and recipients of cigarette and smokeless tobacco shipments into such state. These provisions apply to tobacco product manufacturers, including Non-Participating Manufacturers ("NPMs") within the meaning of ORS 180.400(5).

As you know, all tobacco product manufacturers desiring to sell cigarettes in Oregon must be included on Oregon's Directory of Cigarette Brands Approved for Stamping and Sale ("the Directory"). ORS 180.410(1) and 180.425(1). In determining whether to include or retain an NPM on the Directory, OAR 137-105-0010(1) provides that the Attorney General "will consider" several factors, including whether the NPM is in full compliance with all local, state, and federal laws. The Attorney General considers failure to register with the Oregon Department of Revenue and failure to provide timely monthly reports of shipments to be evidence of non-compliance with federal law. The Attorney General may remove NPMs that are not in compliance with the PACT Act from the Directory, in accordance with OAR 137-105-0010(5).

Pursuant to ORS 180.435(8), the Attorney General may require a tobacco product manufacturer to submit any additional information that will enable the Attorney General to determine whether the manufacturer is in full compliance with ORS 180.400 *et seq.* and the related administrative rules. Because the Attorney General has determined that compliance with the PACT Act is a condition for certification, all NPMs must provide the Attorney General with copies of the PACT Act reports that are submitted to Oregon Department of Revenue, effective immediately. In addition, NPMs that sell cigarettes to Oregon-licensed distributors that are located outside Oregon must provide copies of the PACT Act reports that are submitted to those states. These reports are due on the 10th of each month, and should be sent to Oregon Department of Justice, Attn. Tobacco Enforcement, 1162 Court St. NE, Salem, OR 97301.

LMU/kb2/2269715-v1