

Smokeless Tobacco Council, Inc.

June 11, 2001



Office of the Secretary
Federal Trade Commission
Room H-159
600 Pennsylvania Avenue, N.W.
Washington, DC 20580

**Re: Cigarette and Smokeless Tobacco Reports;
Request for Public Comment**

Dear Mr. Secretary:

The Smokeless Tobacco Council, Inc. ("STC") is a trade association representing five of the smaller domestic smokeless tobacco manufacturers.

By publication in the Federal Register, the Commission has requested comments on the biennial reports on advertising and promotional expenditures by smokeless tobacco manufacturers required under the Comprehensive Smokeless Tobacco Health Education Act of 1986. This letter is delivered on behalf of our members in response to your request.

The member companies of the STC do not oppose the continuation of the biennial reports in accordance with current practice. However, our members reserve the right to comment further if, as a result of this comment period, there is a proposal to change current practice that could create additional burdens on such companies.

On October 16, 2000, the STC commented on the Commission's Ten-Year Review of the Comprehensive Smokeless Tobacco Health and Education Act (CSTHEA, 16 CFR Part 307).

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As stated then, given that much of the debate establishing the CSTHEA focused on reducing illegal underage use of smokeless tobacco products, we focused a majority of our remarks in this area and also commented briefly on the challenging competitive marketplace for adult smokeless tobacco sales that exists today.

As stated then and is the same now, according to leading government reports, the 1998 and 1999 National Household Survey on Drug Abuse and the University of Michigan's Monitoring the Future Survey, illegal youth usage of smokeless tobacco is declining and now is at an all-time low. While our industry is less than 2% of the U.S. adult tobacco market, we share a 100% commitment to preventing illegal underage tobacco use. Our current "Compliance thru Collaboration" program demonstrates that serious on-going commitment.

In 1994, the STC began a relationship with the Attorney General of Nevada. That year, the state of Nevada was concerned with reports of 64% non-compliance with existing state retail sales law. The Attorney General's office began a "collaborative" initiative with retail and enforcement stakeholders that resulted in a 70% reduction in non-compliance rates to 20% non-compliance in 1997. Nevada continues to meet baseline goals established by SAMHSA.

In 2000, the STC pioneered a next generation approach called "Compliance thru Collaboration". This program is the collaborative product of the STC, in conjunction with top law enforcement officials in Nevada, that stresses a "collaborative/cooperative" approach to ensuring compliance with state age -of- purchase laws.

In June of 2000, a pilot program was initiated with GA, OK and WV to replicate the success achieved in NV. The "Compliance thru Collaboration" program was shared in a day-long forum and aspects of the NV program are currently in place in these states.

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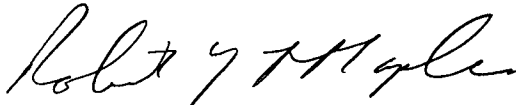
The "Compliance thru Collaboration" approach is such a successful and cutting-edge, responsible, tobacco retailing initiative that the Center for Substance Abuse Prevention (CSAP), a division of the US Department of Health and Human Services and lead agency for SAMHSA, is currently discussing with the STC and our NV facilitators to partner the "Compliance thru Collaboration" program initiative to all 50 states.

We believe this initiative between the STC and CSAP to be, yet, another groundbreaking initiative of the STC, in furtherance of effective public/private partnerships to reduce illegal underage tobacco use.

The STC is committed to the responsible sale of tobacco products to adults. We have NO tolerance - Zero Tolerance - for anyone under the legal age of purchase to purchase, possess or use tobacco products.

Thank you for consideration of our views.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert Y. Maples".

Robert Y. Maples
President