DAVID Y. IGE GOVERNOR

JOSH GREEN M.D. LT. GOVERNOR



## STATE OF HAWAII DEPARTMENT OF TAXATION

P.O. BOX 259 HONOLULU, HAWAII 96809 PHONE NO: (808) 587-1540 FAX NO: (808) 587-1560

To: The Honorable Henry J.C. Aquino, Chair;

The Honorable Greggor Ilagan, Vice Chair;

and Members of the House Committee on Transportation

From: Isaac W. Choy, Director

Department of Taxation

Date: February 10, 2021

Time: 10:00 A.M.

Place: Via Video Conference, State Capitol

Re: H.B. 598, Relating to Tobacco Products

The Department of Taxation (Department) offers the following <u>comments</u> regarding H.B. 598 for your consideration.

H.B. 598 makes numerous amendments to chapter 245, Hawaii Revised Statutes. These amendments will enable improved regulation of the sale of electronic smoking products. The bill is effective January 1, 2022.

The Department appreciates that the measure regulates these products for tobacco tax purposes by amending the existing definition of "tobacco products." This amendment to the law is easy for the Department to administer compared to other measures proposing to impose the tobacco tax on electronic smoking products, because the new imposition can be administered as part of the existing tax.

However, the Department notes this measure taxes electronic smoking devices, but not the e-liquid that is used with them. If this was not the intent of the measure, the Department suggests amending it to impose the tax on e-liquid.

Finally, the Department appreciates the increased wholesaler/dealer license fees and retail permit fees in sections 245-2 and 245-2.5, HRS, respectively. In most cases, the current fee amount does not cover the cost to the State to issue the license or permit.

Thank you for the opportunity to provide comments.



## ON THE FOLLOWING MEASURE:

H.B. NO. 598, RELATING TO TOBACCO PRODUCTS.

**BEFORE THE:** 

HOUSE COMMITTEE ON TRANSPORTATION

**DATE:** Wednesday, February 10, 2021 **TIME:** 10:00 a.m.

**LOCATION:** State Capitol, Room 423, Via Videoconference

TESTIFIER(S): WRITTEN TESTIMONY ONLY.

(For more information, contact Delanie Prescott-Tate,

Deputy Attorney General, at 586-1189)

Chair Aquino and Members of the Committee:

The Department of the Attorney General (Department) provides the following comments.

The purposes of the bill are to: (1) establish the offense of unlawful shipment of tobacco products; (2) include e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law; (3) raise the fees for obtaining a tobacco wholesaler/dealer license and a retail tobacco permit; (4) allocate a portion of the excise tax on tobacco products to health education and prevention programs for youth on the dangers of using electronic smoking devices; and (5) repeal certain provisions of the Hawaii Revised Statutes (HRS) relating to electronic smoking devices.

Section 2 of the bill essentially adopts the wording of section 245-16, HRS, which sets forth the offense of unlawful shipment of cigarettes. It replaces the term "cigarettes" with "tobacco products" to create a new offense intended to allow electronic smoking devices and substances used in electronic smoking devices (e-liquids) to be treated as tobacco products within the framework of the Cigarette and Tobacco Tax Law. The inclusion of electronic smoking devices and e-liquids in the definition of "tobacco products" enables the State to restrict delivery of electronic smoking devices and e-liquids to licensed wholesalers and dealers of tobacco products.

For clarity and consistency, the newly proposed offense of unlawful shipment of tobacco products should track the text of section 245-16, HRS, and use the same wording throughout the new offense. Specifically, on page 7, lines 2 and 3, the term "person" in subsection (a) should be replaced with the phrase "person or entity" so that subsection (a) reads as follows:

- (a) A person or entity commits the offense of unlawful shipment of tobacco products if the person or entity: . . . .Similarly, the term "person" on page 8, line 5, should be changed, so that subsection (e) reads as follows:
- (e) For the purpose of this section, <u>a person or entity</u> is . . . . Use of the phrase "person or entity" in subsections (a) and (e) provides consistency with subsections (a)(2), (c), (d), and (f) of the bill. The terms "person" and "entity" are already defined in section 245-1, HRS.

It should be noted that subsection (b)(1) on page 7, lines 11 to 14, exempts tobacco products "from the applicability of this chapter as provided by section 245-62[.]" Section 245-62, HRS, applies to cigarettes, not tobacco products. The reference to section 245-62, HRS, could be stricken, or section 245-62, HRS, could be amended to include tobacco products. The Department recommends that reference to section 245-62, HRS, be stricken from the new offense.

Additionally, the purpose of the bill, at page 5, lines 13-15, states that the term "e-liquid" is to be included in the definition of "tobacco products." Instead, the definition of "tobacco products" on page 9, line 16 through page 10, line 13, makes reference to "substances used in electronic smoking devices" and not "e-liquid." The Department suggests that the term "e-liquid" be added to page 10, line 8, following the word "pipes," and the words "any other" be inserted on page 10, line 9, before "substances used in electronic smoking devices" so the definition from page 10, line 6, reads as follows:

"Tobacco products" also means electronic smoking devices and any component or accessory used in the consumption of a tobacco product, such as filter, rolling papers, pipes, <u>e-liquids</u>, and <u>any other</u> substances used in electronic smoking devices, whether or not they contain nicotine."

For clarity, a definition of "e-liquid" should be added as a definition to section 245-1, HRS. The following definition of "e-liquid" could be inserted in section 3, starting on page 8, line 17, as follows:

1. By adding <u>two new definitions</u> to be appropriately inserted and to read: ""Electronic smoking device" means . . . .

"E-liquid" means any liquid or like substance, which may or may not contain nicotine, that is designed or intended to be used in an electronic smoking device, whether or not packaged in a cartridge or other container. "E-liquid" shall not include prescription drugs; medical cannabis or manufactured cannabis products pursuant to chapter 329D; or medical devices used to aerosolize, inhale, or ingest prescription drugs, including manufactured cannabis products manufactured or distributed in accordance with section 329D-10(a)."

Additionally, the Department recommends that the definition of "electronic smoking device", page 9, lines 1 to 13, be amended to include the phrase "or any other substance" following the word "nicotine" on line 2, so that the definition reads as follows:

"Electronic smoking device" means any device that can be used to deliver aerosolized or vaporized nicotine <u>or any other substance</u> to the person inhaling from the device, including but not limited to an e-cigarette, e-cigar, e-pipe, vape pen or e-hookah . . . .

Expanding the definition of "electronic smoking device" to include "other substances" would take into account that not all aerosolized or vaporized substances used in electronic smoking devices contain nicotine.

Section 6 of the bill seeks to amend section 245-15, HRS, by adding a new paragraph (7), at page 16, starting on line 20, and ending on page 17, line 5, which proposes that each year \$750,000 of the cigarette tax realizations be deposited into the Hawaii Tobacco Prevention and Control Trust Fund. The money is to be used for health education and prevention programs regarding the risks and dangers of the use of electronic smoking devices for youth. The Hawaii Tobacco Prevention and Control Trust Fund was established by section 328L-5, HRS. Section 328L-5(e), HRS, lists the

Testimony of the Department of the Attorney General Thirty-First Legislature, 2021 Page 4 of 4

assets that comprise the Hawaii Tobacco Prevention and Control Trust Fund. Section 328L-5(e), HRS, should be amended to allow the "moneys collected pursuant to section 245-15(7)" to be included as an asset of the Hawaii Tobacco Prevention and Control Trust Fund.

Finally, based upon this bill's goal of subjecting electronic smoking devices and e-liquids to taxation and regulation under chapter 245, HRS, a function already within the purview of the Department of Taxation, this bill would render the Electronic Smoking Device Retailer Registration Unit, created by 28-163, HRS, unnecessary. As such, this bill repeals part XII of chapter 28, HRS. See section page 17, lines 8 to 9. Including electronic smoking devices and e-liquids within the same regulatory framework as other tobacco products would conserve resources and make the regulation of electronic smoking devices and e-liquids a more efficient process for retailers and the State. The Department supports the repeal of part XII of chapter 28, HRS.

Thank you for the opportunity to provide comments.



P.O. Box 3378 Honolulu, HI 96801-3378 doh.testimony@doh.hawaii.gov

# Testimony in SUPPORT of H.B. 598 RELATING TO TOBACCO PRODUCTS

# REPRESENTATIVE HENRY J.C. AQUINO, CHAIR HOUSE COMMITTEE ON TRANSPORTATION

Hearing Date: 2/10/2021 Room Number: Videoconference

- 1 **Fiscal Implications:** The Department of Health (DOH) defers to the Department of Taxation
- 2 (DOTAX) for fiscal implications of implementation and to the Department of the Attorney
- 3 General (AG) for fiscal implications for enforcement.
- 4 **Department Testimony:** The DOH supports House Bill 598 (H.B. 598) as a public health and
- 5 social justice measure to end the youth vaping epidemic in Hawaii through the prohibition of
- 6 online sales to customers, defining and taxing electronic smoking devices (ESDs) as tobacco
- 7 products, providing for sustainable licensing and permitting mechanisms, and eliminating
- 8 delivery sales of tobacco products.

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- ESDs, also known as e-cigarettes, have become the most commonly used tobacco product among youth in Hawaii. High school youth experimentation with ESDs grew from 22% in 2015 to 48% in 2019. In 2015, over one in four (25.5%) high school students reported being current users, and today it is almost one in three (30.6%).
- While the federal government has raised the legal age of sale of tobacco products, including ESDs from 18 to 21 and also prioritizes enforcement on the sale of cartridge-based or pod-based flavored tobacco products, these regulations provide loopholes that still leave online

<sup>&</sup>lt;sup>1</sup> National Youth Risk Behavior Survey, Hawaii and the United States (2019)

sales for other popular varieties of ESDs (e.g., disposable, tank systems, and refillable ecigarettes) unregulated and easily accessible.

The DOH supports the restriction of shipping tobacco products to anyone other than a licensed wholesaler and the prohibition of delivery or sales of tobacco products other than through face-to-face exchange at a tobacco retail location. Unregulated shipping (or importing) of tobacco products, particularly, ESDs ordered online, undermines efforts to protect underage smokers who often circumvent the age verification process for purchasing tobacco. Examples of existing online state restrictions exist for e-commerce on items such as wine and liquor, plants and other agricultural products, and colognes and perfumes. States are able to regulate some aspects of their interstate commerce, and can ban interstate shipments, and in the absence of federal laws, state laws are usually upheld (Hammerstein v. Superior Court [1951])."<sup>2</sup>

Hawaii does not regulate ESDs through licensing, permitting, nor taxation and ESDs are currently not taxed like other tobacco products and often can be purchased at lower prices than cigarettes. According to the U.S. Surgeon General, increasing the price of tobacco products is the single most effective way to reduce consumption.<sup>3</sup> According to an economic study by the University of Illinois, increasing the price of ESDs by 10% has been shown to lead to a 10% to 18% reduction in the demand and consumption of ESDs – a higher price elasticity compared to combustible cigarettes. Increasing the price of tobacco products has the greatest impact on youth, who are particularly price sensitive.<sup>4</sup> Further, the imposition of an excise tax equal to 70% of the wholesale price of each ESD will be consistent and provide parity with the tax on other tobacco products.

Requiring licensure and retail permitting under the DOTAX would bring ESD and

<sup>&</sup>lt;sup>2</sup> https://www.britannica.com/topic/interstate-commerce-United-States-law

<sup>&</sup>lt;sup>3</sup> U.S. Department of Health and Human Services. <u>Preventing Tobacco Use Among Youth and Young Adults: A Report of the Surgeon General</u>. Atlanta: U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, National Center for Chronic Disease Prevention and Health Promotion, Office on Smoking and Health, 2012 [accessed 2018 Jan 22].

<sup>&</sup>lt;sup>4</sup> Chaloupka, F. Macro-Social Influences: The Effects of Prices and Tobacco Control Policies on the Demand for Tobacco Products, 1 Nicotine & Tobacco Research S105 (Supp. 1 1999)

- 1 vendors in alignment with the traditional tobacco retailers and would provide accurate data for
- 2 compliance surveillance. As of 2020, 31 states, the District of Columbia, the Northern Mariana
- 3 Islands, and the U.S. Virgin Islands required retailers to have a license to sell ESDs.<sup>5</sup> Tobacco
- 4 licensing is an effective tool for limiting the negative public health consequences of tobacco use
- 5 by ensuring that wholesalers and retailers comply with responsible sales practices. Increasing
- 6 the licensure and permitting fees, which have remained unchanged since 1995, despite high
- 7 tobacco taxes and ever-increasing tobacco industry expenditures in marketing and advertising,
- 8 would be a further positive move.
- 9 The DOH supports this measure to protect Hawaii's youth from the promotion of, and access to, ESDs.
- Thank you for the opportunity to testify on this measure.
  - **Offered Amendments:** None

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<sup>&</sup>lt;sup>5</sup> U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, STATE System Licensure Fact Sheet, <a href="https://www.cdc.gov/statesystem/ecigarette.html">https://www.cdc.gov/statesystem/ecigarette.html</a>

Jamil Folio The Man Cave 1993 S. Kihei Rd Suite 18 Kihei. Hawaii 96733



To our Distinguished Legislators:

My name is Jamil Folio, I am the Administrative Manager for "The Man Cave" retail business in Kihei, Hawaii. I am a property owner, father of young children, concerned citizen and a small business advocate who is proud to call Maui my home.

I am writing in **STRONG support** of comprehensive tobacco regulations, and especially banning flavored tobacco products. We sell tobacco products in our store, and understand the trepidation of other business owners/operators concerning potential lost revenue. BUT, we cannot jeopardize the health of our youth and our community by focusing on short term profit.

An alarming number of Maui County high school students, over 30%, are currently using ecigarettes, while less than 5% of adults in Hawai'i are current users. These products are proving to be dangerous in themselves. A good portion of them will go on to use combustible tobacco products, which are the leading cause of preventable death and disease in the United States. Children are 10 times more likely to start smoking having had exposure to vaping or e-cigarettes in the past.

**21,000** children under the age of 18 currently living in Hawaii will die prematurely from smoking. If you could please read the previous sentence one more time. Then consider the financial cost associated with long term cancer and end of life care. Any lost short term revenue from banning the sales of flavored tobacco products is a minor rounding error in the long term costs associated with cancer for tens of thousands of Hawaii's citizens.

We are not talking about the rights adults have to make informed discussions. We are talking about middle school children being hooked on bubble gum, cotton candy, and Pipeline POG flavored addiction. And that is what is being sold: addiction. This is a tried and true campaign of influence from tobacco companies who have been marketing to children for decades (as proven in their own internal documents multiple times).

In fact, the same documents show that tobacco companies have targeted minority groups like African Americans and Native Hawaiians even more so than other groups, which is evidenced by the fact that over 40% of Maui County Native Hawaiian high school students are using e-cigarettes.

If our solution is to arrest and fine kids for being caught with these products, then more Native Hawaiian youth are going to end up criminalized for their addiction than other youth. This is a social justice issue that can't be ignored. Don't hold kids responsible for the industry's insidious manipulation. Hold the industry accountable, as they should be.

I also ask that you be sure to include menthol in order for this to be a comprehensive ban on flavored tobacco products. Menthol masks harshness, making it easier to start and harder to quit. Mint and menthol have historically been used to target youth and minority populations for the industry's profit. In fact, 78 percent of Native Hawaiian smokers smoke menthol cigarettes. This is a social justice issue that needs to be addressed here in Hawaii.

For every potential sale that would be lost, a life might be saved. So please represent your constituents, our community, and our island ohana by doing the right thing. No child or adult needs candy flavored cancer causing products.

Thank you for your time.

Jamil Folio

## LEGISLATIVE TAX BILL SERVICE

# TAX FOUNDATION OF HAWAII

126 Queen Street, Suite 304

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Include electronic smoking devices, hike fees

BILL NUMBER: HB 598; SB 621

INTRODUCED BY: HB by JOHANSON, KITAGAWA; SB by BAKER, KEOHOKALOLE,

MISALUCHA, RHOADS, Shimabukuro

EXECUTIVE SUMMARY: Establishes the offense of unlawful shipment of tobacco products. Includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products. Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products. Allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs concerning the risks and dangers of the use of electronic smoking devices for youth. Repeals certain provisions of the HRS relating to electronic smoking devices.

SYNOPSIS: Adds a new section to chapter 245, HRS, to establish the offense of unlawful shipment of tobacco products.

Amends section 245-1, HRS, to define "electronic smoking device" as any device that can be used to deliver aerosolized or vaporized nicotine to the person inhaling from the device, including but not limited to an e-cigarette, e-cigar, e-pipe, vape pen or e-hookah. "Electronic smoking device" includes any component, part, or accessory of such device, whether or not sold separately, and includes any substance intended to be aerosolized or vaporized during the use of the device. "Electronic smoking device" does not include any battery or battery charger when sold separately. In addition, "electronic smoking device" does not include drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in title 21 United States Code chapter 9.

Amends the definition of "tobacco products" to be any product, other than cigarettes or little cigars, that is made from or derived from tobacco, or that contains nicotine, that is intended for human consumption or is likely to be consumed, whether smoked, heated, chewed, absorbed, dissolved, inhaled or ingested by any other means, including but not limited to a cigarette, a cigar, pipe tobacco, chewing tobacco, snuff, or snus. "Tobacco products" also means electronic smoking devices and any component or accessory used in the consumption of a tobacco product, such as filters, rolling papers, pipes, and substances used in electronic smoking devices, whether or not they contain nicotine. "Tobacco products" does not include drugs, devices, or combination products authorized for sale by the U.S. Food and Drug Administration, as those terms are defined in title 21 United States Code chapter 9.

Amends section 245-2, HRS, to raise the annual fee for a tobacco license from \$2.50 to \$250.00.

Re: HB 598; SB 621

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Amends section 245-2.5, HRS, to raise the annual fee for a retail tobacco permit from \$20.00 to \$300.00.

Amends section 245-15, HRS, to earmark \$750,000 annually to the Hawaii tobacco prevention and control trust fund (section 328L-5, HRS) to support health education and prevention programs concerning the risks and danger of the use of electronic smoking devices for youth.

Repeals part XII of chapter 28, HRS (sections 28-161 through 28-168), relating to Electronic Smoking Device Retailer Registration Unit.

Repeals section 245-17, HRS, relating to delivery sales.

EFFECTIVE DATE: 1/1/2022.

STAFF COMMENTS: The question that should be asked is the purpose of the tobacco tax. If the goal is to make people stop smoking by making it cost-prohibitive to smoke, then (a) it's working, as hikes in the cigarette tax have begun to exert downward pressure on collections not only locally but also nationally, but (b) it shouldn't be expected to raise revenue, because of (a). If the goal is really to stop the behavior, why are we not banning it?

As the Foundation's previous President, Lowell Kalapa, wrote in the Tax Foundation of Hawaii's weekly commentary on October 28, 2012:

Lawmakers seem to have a simplistic reaction to solving problems the solution to which plagues their constituents - tax it.

Probably the best example is what people like to call sin taxes, those excise taxes that are levied on tobacco and alcohol products. After all, smoking causes cancer and alcohol causes all sorts of problems including driving under the influence. Lawmakers and community advocates shake their heads and push for higher tax rates, arguing that making these products more expensive will deter folks from using these products.

The problem is that lawmakers also like the revenues that are generated from the sales of these products and, in some cases, they have tried to link the use and sale of these products with noble causes such as the funding of the Cancer Research Center that is currently being built. Again, the argument is that smokers should pay for programs and projects which seek to cure the related ill which in this case is cancer caused by smoking.

The irony is that arguments to increase the tax on tobacco and, more specifically, cigarettes, is a goal of getting smokers to quit while depending on the revenues from tobacco and cigarette taxes to fund an ongoing program, in this case the Cancer Research Center. So, which is it folks, stop smokers from smoking and if successful, there won't be any revenues to fund the Cancer Research Center?

The fact of the matter is that it appears that both locally and nationally, higher taxes on cigarettes are influencing smokers as tax collections on the sale of cigarettes have fallen. Certainly some of the decline is due to smokers actually quitting, but to some degree one has to suspect that some purchases were made via mail order from exempt Indian

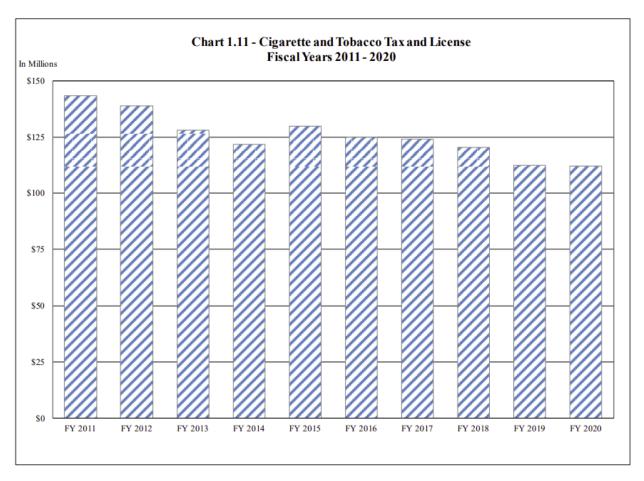
Re: HB 598; SB 621

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reservation outlets while others may be what is called gray market purchases, that is from sources outside the country.

What should come as a surprise is that most of the folks who have quit are of some means as they are more likely to recognize the health hazard caused by use of this product. That means most of those who are still smoking are among the lower-income members of our community. Thus, the tax is regressive, generating less and less collections from middle and higher-income individuals.

As predicted, programs that have been fed by earmarks from the tobacco tax, like the Cancer Research Center, have become a victim of the success of tobacco cessation programs and publicity. Revenues produced by the tobacco tax have been in steady decline over the past few years despite tax rate increases, and hoisting the smoking age to 21 in the 2015 session certainly didn't reverse the trend.



Source: Department of Taxation Annual Report (2019-2020), page 23.

Fiscal reliance on funds from a sin tax is inadvisable, perhaps outright dangerous. If the goal is to affect social behavior, use of the tax law is not the most effective way to do so.

Digested 2/6/2021



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## **Executive Officers**

Joe Carter, Coca-Cola Bottling of Hawaii, Chair Charlie Gustafson, Tamura Super Market, Vice Chair Eddie Asato, The Pint Size Corp., Secretary/Treas. Lauren Zirbel, HFIA, Executive Director John Schlif, Rainbow Sales and Marketing, Advisor Stan Brown, Acosta Sales & Marketing, Advisor Paul Kosasa, ABC Stores, Advisor Derek Kurisu, KTA Superstores, Advisor Beau Oshiro, C&S Wholesale Grocers, Advisor Toby Taniguchi, KTA Superstores, Advisor

TO:

Committee on Transportation Rep. Henry J.C. Aquino, Chair Rep. Greggor Ilagan, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION

Lauren Zirbel, Executive Director

DATE: February 10, 2021

TIME: 10am

PLACE: Via Videoconference

RE: HB598 Relating to Tobacco Products

Position: Comments

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA supports portions of this bill that seek to regulate the shipping of electronic smoking devices and e-liquid. Data<sup>1</sup> shows that the majority of underage people who use electronic smoking devises buy them online or get them from their friends. A relatively small percentage purchase them in stores that sell tobacco products since these businesses already have established and enforced age restriction in place. Regulating the shipping of these products is a common-sense way to keep them out of the hands of young people.

We oppose the section of this bill that seek to increase fees on retail tobacco licenses and permits. This measure would increase the license fee for tobacco by 10,000%, which is excessive and unnecessary.

Hawaii has the second highest tobacco taxes of any state. By attempting to increase license and permit fees, this bill unfairly and misguidedly targets retailers and wholesalers rather than tobacco users.

<sup>1</sup> https://www.cnbc.com/2019/07/03/commentary-convenience-stores-say-teen-vaping-to-worsen-in-fda-plan.html

There is no nexus between license fees and smoking cessation. Retailer license fees exist to pay for the licensing process and enforcement; these fees were not created to fund other programs. Using licensing fees to fund programs for which they were not intended creates a situation where fees are likely to rise unpredictably, this impedes retailers' ability to budget and creates unnecessary financial and administrative burdens. We thank you for the opportunity to testify.



## Hawaii Dental Association

To: House Committee on Transportation

Time/Date: 10 a.m., February 10, 2021

Location: State Capitol Room 423 and Via Teleconference

Re: HB 598, Relating to Tobacco Products

Aloha Chair Aquino, Vice Chair Ilagan, and members of the Committee:

The Hawaii Dental Association (HDA) is a professional association comprised of approximately 950-member dentists. **We are in support of HB 598**, relating to tobacco products. This bill includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Among other provisions, it allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs concerning the risks and dangers of the use of electronic smoking devices for youth.

HDA expresses its opposition to use of oral tobacco, including vaping nicotine from e-cigarettes, and urges people using any type of tobacco product to quit. Tobacco use is causally associated with higher rates of tooth decay, receding gums, periodontal disease, mucosial lesions, bone damage, tooth loss, jaw bone loss and more. That is why the Hawaii Dental Association, like the American Dental Association, is working with dentists, educators, public health officials, lawmakers, and the public to prevent and, hopefully, eliminate the use of all tobacco products. HDA supports regulatory and legislative action to ban the sale and distribution of all e-cigarette and vaping products, with the exception of those approved by the FDA for tobacco cessation purposes and made available by prescription only. We will continue to support legislation aimed at enhancing and promoting oral health.

HDA is a statewide membership organization representing dentists practicing in Hawaii and licensed by the State of Hawaii's Board of Dentistry. HDA members are committed to protecting the oral health and well-being of the people of Hawaii, from keiki to kupuna and everyone in between.

Mahalo for the opportunity to testify in support of HB 598.



## **HB598 Tobacco Shipping and Taxes**

COMMITTEE ON TRANSPORTATION:

- Rep Henry Aquino, Chair; Rep. Greggor Ilagan, Vice Chair
- Wednesday, Feb. 10, 2021: 10:00 am: Videoconference

## Hawaii Substance Abuse Coalition Supports HB598:

GOOD MORNING CHAIR, VICE CHAIR AND DISTINGUISHED COMMITTEE MEMBERS. My name is Alan Johnson. I am the current chair of the Hawaii Substance Abuse Coalition (HSAC), a statewide organization of over 30 substance use disorder and co-occurring mental health disorder treatment and prevention agencies.

## Funding for Prevention is needed to address the major concern for the health of our children:

- Given the Surgeon General's warning about the dangers of vaping, especially by the historic rise in its use by youth, allocating taxes to fund a youth prevention campaign is paramount.
- The danger to children is a growing major public health concern.
- Excise taxes and the continuing increase in taxes has proven to help people quit or sustain cessation.

We appreciate the opportunity to provide testimony and are available for questions.



## American Vaping Association | www.vaping.org

6 Landmark Square, 4th Floor, Stamford, CT 06901 (609) 947 - 8059

February 10, 2021

RE: HB 598 / SB 621, creating a tax on vaping products and banning online sales of tobacco and vaping products

Chairman Aquino, Vice-Chair Ilagan, and members of the Committee on Transportation:

On behalf of the American Vaping Association, a nonprofit organization that advocates for tobacco harm reduction policies to reduce smoking rates, I am writing to urge the committee to reject HB 598. HB 598 contains numerous policies that would negatively impact adult smokers and throughout the state. Of particular interest to this committee is likely the proposed ban on shipping vaping products or offering curbside pickup (even if an ID is checked at delivery).

## Taxes on vaping products will only succeed in increasing cigarette use.

Just recently, the Wall Street Journal sounded a warning bell – cigarette sales have increased during the COVID-19 pandemic thanks in part to misinformation over the health risks of vaping. With nearly 150,000 adults in Hawaii still using combustible cigarettes, a new tax on vaping products will not benefit public health. Instead, the end result will be more cigarette smoking, the closing of small businesses, and growth in the illicit sale of these products.

# Internet and mail order sales of vaping products will be federally-regulated in the next 60 days.

Congress recently passed a bill adding vaping products to the federal Prevent All Cigarette Trafficking Act of 2009 (PACT Act). This law strictly regulates the sale of vaping products through the internet and mail and imposes stiff penalties on those who violate the law. Beginning at the end of March, any retailer shipping products to Hawaii will have to register with the state, collect and remit any Hawaii taxes, and ship the product using a delivery service that checks the recipient's proof of age at delivery.

Hawaii's existing law governing online sales of vaping products, which this bill seeks to strike out, contains similar language as found in the federal law. Instead of moving towards a ban at the same time the federal law goes into effect, we instead encourage you to provide funding for increased enforcement.

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<sup>&</sup>lt;sup>1</sup> "Smoking's Long Decline Is Over." Wall Street Journal. January 28, 2021. https://www.wsj.com/articles/during-covid-19-lockdowns-people-went-back-to-smoking-11611829803

# Significant legislative and regulatory action on vaping products has occurred at the federal level. Even more is coming.

The Food & Drug Administration has regulated vaping products since August 2016. In that time, it has conducted tens of thousands of retail compliance checks, forced the removal of non-menthol and non-tobacco closed pod systems (i.e., JUUL) from the market pending authorization, gone after companies selling products with labeling that may appeal to youth, and seized illegal disposable vaping products coming in from overseas.

Most significantly, as of September 9, 2020, the FDA now requires that manufacturers of vaping products submit each of their products to a retroactive premarket review process. Right now, the FDA is reviewing applications from hundreds of different manufacturers. The agency must assess each product under a population-level health standard that considers potential impacts on users and non-users of the product, including youth. Regardless of a product's particular flavor, if an application is denied by the FDA, any manufacturer or retailer continuing to sell it will be in violation of federal law.

# This is a complicated subject and simplistic policy solutions like prohibition and new taxes will backfire.

Hawaii's vape businesses and vapers want to be a part of the solution. However, punishing adults by making it harder for them to quit smoking is not the answer. Hawaii should vigorously enforce its numerous existing laws on vaping products, but new excise taxes and online sales bans in the middle of a pandemic are not warranted.

Again, we urge you to reject this bill.

Sincerely.

Gregory Conley, J.D., M.B.A.

President, American Vaping Association

Gregory Conley

Growing list of respected scientific and public health organizations that have reviewed all the evidence and concluded that nicotine vaping is safer than smoking (and helps smokers quit)

## Partial list:



World Health Organization EURO Office: "There is conclusive evidence that: Completely substituting electronic nicotine and non-nicotine delivery systems for combustible tobacco cigarettes reduces users' exposure to numerous toxicants and carcinogens present in combustible tobacco cigarettes."

## **International Agency for Research on Cancer**



International Agency for Research on Cancer: "The use of e-cigarettes is expected to have a lower risk of disease and death than tobacco smoking... E-cigarettes have the potential to reduce the enormous burden of disease and death caused by tobacco smoking if most smokers switch to e-cigarettes."



Cochrane systematic review: "We found 50 studies in 12,430 adults who smoked... The studies took place in the USA (21 studies), UK (9), Italy (7), Australia (2), New Zealand (2), Greece (2) and one study each in Belgium, Canada, Poland, South Korea, South Africa, Switzerland and Turkey."

FINDINGS: "Moderate certainty" that "e-cigarettes with nicotine increase quit rates compared to e-cigarettes without nicotine, and compared to nicotine replacement therapy [nicotine patches & gum]... We did not detect any clear evidence of harm from nicotine e-cigarettes" [up to 2 years]."



**Public Health England:** "Our new review reinforces the finding that vaping is a fraction of the risk of smoking, at least 95% less harmful, and of negligible risk to bystanders. Yet over half of smokers either falsely believe that vaping is as harmful as smoking or just don't know."



**Royal College of Physicians:** "Although it is not possible to precisely quantify the long-term health risks associated with e-cigarettes, the available data suggest that they are unlikely to exceed 5% of those associated with smoked tobacco products, and may well be substantially lower than this figure... E-cigarettes are effective in helping people to stop smoking."



National Institute for Health and Care Excellence: "The evidence suggests that e-cigarettes are substantially less harmful to health than smoking but are not risk free. Many people have found them helpful to quit smoking cigarettes."



**British Medical Association:** "Significant numbers of smokers are using e-cigarettes (electronic cigarettes), with many reporting that they are helpful in quitting or cutting down cigarette use. There are clear potential benefits to their use in reducing the substantial harms associated with smoking, and a growing consensus that they are significantly less harmful than tobacco use."



Cancer Research UK: "While the long-term health consequences of e-cigarette use are uncertain, the evidence so far suggests that e-cigarettes are far less harmful than smoking. ...There is also growing evidence to suggest that e-cigarettes can work successfully as an aid to cessation. ...There is insufficient evidence to support a blanket indoor ban on e-cigarette use, either on the basis of renormalisation of smoking or harm to bystanders from second-hand vapour."



**British Lung Foundation:** "Experts have reviewed all the research done on e-cigarettes over the past few years, and found no significant risks for people using e-cigarettes. ... Swapping cigarettes for an e-cig can improve your symptoms of lung conditions like asthma and COPD."



Royal College of General Practitioners: "The evidence so far shows that e-cigarettes have significantly reduced levels of key toxicants compared to cigarettes, with average levels of exposure falling well below the thresholds for concern."



**Royal Society for Public Health:** "RSPH has welcomed a new comprehensive evidence review on ecigarettes published by Public Health England (PHE). The report reflects an up-to-date evidence base that is increasingly pointing in the same direction: not only that vaping is at least 95% less harmful than smoking, but also that it is helping increasing numbers of smokers to quit."



**Stroke Association UK:** "Current evidence shows that the risk to health posed by e-cigarettes in the short term is likely to be considerably less compared to smoking."



Action on Smoking and Health UK: "It has been estimated that e-cigarettes are 95% less harmful than ordinary cigarettes. There is negligible risk to others from second-hand e-cigarette vapour. ...The lifetime cancer risk of vaping has been assessed to be under 0.5% of the risk of smoking. [But] Public understanding of the relative harms of e-cigarettes [vs smoking cigarettes] have worsened over time and are less accurate today than they were in 2014."



## Knee-jerk vaping bans will fail public health, experts argue

Evidence supports e-cigarettes as a harm-reduction tool

Bans and other policies restricting e-cigarette sales could do more public harm than good, according to a group of public-health, tobacco-policy and ethics experts.

In a piece published online today (Dec. 12, 2019) in the journal <u>Science</u>, the authors, including three public health deans, caution that blanket policies developed in a rush to address two different concerns come with dangerous downsides – most notably the risk of taking away a powerful tool to help smokers quit.



"Illnesses and deaths, which appear to be related to vaping illicit THC oils, have caused justifiable alarm as has the rise of young people who are vaping nicotine. But in our response we must not lump together these troubling developments and fail to consider the powerful evidence supporting the availability of legal nicotine products," said lead author Amy Fairchild, dean of The Ohio State University College of Public Health.

In *Science*, she and her co-authors write that "Restricting access and appeal among less harmful vaping products out of an abundance of caution while leaving deadly combustible products on the market does not protect public health. It threatens to derail a trend that could hasten the demise of cigarettes, poised to take a billion lives this century."

The paper comes after the emergence this year of vaping-related lung injuries and deaths throughout the U.S. The Centers for Disease

Control and Prevention has reported 2,291 cases of serious lung injury and 48 deaths as of last week. Authorities have identified vitamin E acetate, a THC-product additive, as a "chemical of concern" and said that many of the products appear to have been acquired through informal sources – not from retail establishments selling products directly from known manufacturers. THC, or Tetrahydrocannabinol, is the primary psychoactive component of marijuana.

Many policymakers and organizations including the American Medical Association have called for an across-the-board ban on vaping, and some municipalities and states have moved to ban either all vaping products or those with flavors other than tobacco flavoring, including menthol.

Fairchild said that vaping policy discussions and debates should include an examination of the immediate crisis in the context of all of the scientific evidence regarding the risks and benefits.

"There are important distinctions to be made between nicotine and THC products, between products manufactured by reputable companies and those sold on the black market, and between the potential risks and benefits to adolescents and to adults," she said.

Drawing comparisons to initial reluctance to offer needle exchange programs that promote safety by preventing life-threatening infections for people who aren't ready to quit heroin, the authors write that evidence about harm reduction should outweigh emotional responses.

"We should be careful to remain aware of the unintended consequences of extreme measures and the important lessons that harm reduction has provided us in areas such a heroin use, HIV prevention and alcohol control," said co-author <a href="Cheryl G. Healton">Cheryl G. Healton</a>, <a href="Meanton">dean of New York University's College of Global Public Health</a>.

The authors point to research showing that not only vaping – but flavored products, in particular – can help adult smokers quit and provide a more effective and appealing option than nicotine replacement therapy.

They urge continued efforts to better understand the risks and benefits of vaping and call for regulatory measures that strike a balance between "making regulated nicotine vaping products available to smokers while adopting forceful measures to limit the risks to and use by youth as much as possible."

Among their suggestions to combat youth use: Implementation and enforcement of laws that restrict purchases to those 21 and older and prohibitions against predatory marketing to children and teens.

They call for the U.S. Food and Drug Administration to implement a product monitoring system and for a surveillance system to detect unanticipated harm early.

Regulatory bans on the menthol front should start with cigarettes and inexpensive little cigars, not with nicotine vape products, they argue.

"Despite two FDA-derived reports that recommended a ban on menthol in combustibles, there has been policy paralysis in the face of appalling evidence," they write, citing statistics showing that more than half of young people and more than 90 percent of African-American youth start smoking with menthol.

Fairchild and her co-authors stress that they take the illnesses and deaths due to vaping seriously but emphasize that each day more than 2,500 U.S. teens start smoking and

about 1,300 adults die due to cigarettes. Taking vaping – including flavored products – away as a smoking-cessation and harm-reduction tool now will amount to a public health failure, they argue.

"It is crucial to identify the source of serious lung injuries and closely monitor and regulate the vaping industry – including how it markets its products to young people," said co-author <u>James Curran</u>, <u>dean of the Rollins School of Public Health at Emory University</u>.

"But the evidence so far supports continuing to allow nicotine vaping as a harm-reduction alternative to smoking, which remains the largest preventable cause of death and disability in our country."

Other authors of the paper were Ronald Bayer of Columbia University and David Abrams of NYU.

"Restricting access and appeal among less harmful vaping products out of an abundance of caution while leaving deadly combustible products on the market...threatens to derail a trend that could hasten the demise of cigarettes, poised to take a billion lives this century."

https://www.wsj.com/articles/during-covid-19-lockdowns-people-went-back-to-smoking-11611829803

#### BUSINESS

## Smoking's Long Decline Is Over

Slide in cigarette sales stopped last year amid Covid-19 lockdowns and health concerns about ecigarettes



U.S. cigarette sales last year topped those of 2015, when many consumers switched back to cigarettes after trying first-generation vaping devices.

PHOTO: PAUL WEAVER/ZUMA PRESS

#### By Jennifer Maloney

Updated Jan. 28, 2021 10:58 am ET



The decadeslong decline in U.S. cigarette sales halted last year as people in lockdown lit up more frequently and health concerns around e-cigarettes caused some vapers to switch back to cigarettes.

Before the pandemic, U.S. cigarette unit sales had been falling at an accelerating rate, hitting 5.5% in 2019, as smokers quit or switched to alternatives like e-cigarettes. The pandemic put the brakes on that slide. In 2020, the U.S. cigarette industry's unit sales were flat compared to the previous year, according to data released Thursday by Marlboro maker Altria Group Inc.

People had more opportunities to smoke because they spent more time at home and had more money to spend on cigarettes because they spent less on gas, travel and entertainment, Altria said. They drank more liquor, too, <u>buoying spirits makers</u>.

At the same time, some e-cigarette users turned back to combustible cigarettes because of increased e-cigarette taxes, bans on flavored vaping products and confusion about the health effects of vaping, consumers and industry officials say. Altria on Thursday didn't offer a projection for cigarette sales in 2021, saying it would depend in part on the rollout of the Covid-19 vaccine and how consumers' behavior changes after they are vaccinated.



A woman smokes a cigarette while standing on Wall Street in New York City. PHOTO: CARLO ALLEGRI/REUTERS

U.S. cigarette sales were even stronger last year than they were in 2015, when gas prices dropped sharply, allowing consumers more discretionary spending, and many people switched back to cigarettes after trying first-generation vaping devices. Those early products didn't deliver nicotine effectively enough to satisfy some addicted cigarette smokers. But e-cigarette sales took off again in 2017, spurred by the popularity of a new vaporizer called Juul.

E-cigarette sales were booming in the fall of 2019 when the U.S. Centers for Disease Control and Prevention, investigating an outbreak of a mysterious lung illness, warned consumers not to use any vaping products. Sales took a nosedive. The illness later was <u>linked to vitamin</u> <u>E oil</u> in marijuana vaping products, but the public's perception of ecigarette safety hasn't rebounded and neither have sales.

Bisher Kunbargi, a software developer in San Antonio, gave up Marlboros for e-cigarettes around 2018 and switched back to cigarettes in late 2019.

"Trust the devil you know," said Mr. Kunbargi, who is 28. "I keep smoking, it's going to give me cancer. Whereas vaping is much more uncharted territory."

Working at home with a laptop outside on his front patio during the pandemic, he said, he is smoking more than he did before—as many 10 cigarettes a day.

"I can't take 10 breaks a day" at the office, he said. At home, "I can have a cigarette whenever I want."

Public health officials say that while e-cigarette use isn't risk-free, it poses significantly less risk than cigarette smoking, which is associated with more than 480,000 deaths in the U.S. each year. Yet according to a Euromonitor survey in early 2020, 73% of U.S. respondents said vaping products were as harmful or more harmful than cigarettes. Euromonitor reported that public perceptions of e-cigarette safety worsened in all 20 of the countries it surveyed.

"This weakness was undoubtedly a factor in the relative robustness of cigarette volumes in 2020." the research firm said.

Adults using e-cigarettes as an alternative to cigarettes

shouldn't go back to smoking, said Brian King, a deputy director of the CDC's Office on Smoking and Health and a senior official involved in the agency's vaping-related illness response. Those people should consider using FDA-approved smoking cessation medications, and if they choose to use e-cigarettes, they should switch completely from cigarettes, he added.

During the lung-illness investigation, the CDC promptly shared the latest data with the public and <a href="refned">refned its recommendations</a> based on available scientific evidence, Dr. King said. The CDC now recommends that people avoid vaping products containing THC, the psychoactive ingredient in marijuana, particularly from informal sources like friends, family, or in-person or online dealers.

Other adult smokers said in interviews that restrictions on fruity and minty e-cigarette flavors have nudged them back to cigarettes.

Seeking to curb an uptick in underage vaping, federal legislation in 2020 raised the legal tobacco purchase age to 21 and the Food and Drug Administration took some sweet and mint-flavored e-cigarette refill cartridges off the market.

Those measures appear to have worked. In a federal

survey conducted between January and March of 2020, 19.6% of high-school students said they had vaped in the past 30 days, compared with 27.5% in the same period a year earlier. But vaping also declined among adults. The number of vapers 21 years or older in the U.S. fell to 9.8 million last year from 11.8 million in 2019, according to Altria's estimates.

An FDA spokeswoman said changes in tobacco consumption couldn't be attributed to a single policy, event or piece of legislation. She noted that adult consumers still had access to flavored vaping products like disposable e-cigarettes and tank systems.

"Covid-19 has created a drastic change in daily life, including increased stress and anxiety, that may contribute to a smaller-than-expected reduction in cigarette sales," she said. She added that because cigarette smoking increases the risk of more severe illness with Covid-19, "There has never been a better time to try to quit."

Altria, the biggest U.S. tobacco company, reported that sales rose 4.9% to \$6.3 billion in the quarter ended Dec. 31 from \$6.0 billion a year earlier. Its revenue from cigarettes and cigars was \$5.6 billion.

E-cigarette market leader Juul Labs Inc. reported \$1.9 billion in sales in the first nine months of 2019. The CDC in September of that year warned people not to vape, and Juul later that autumn voluntarily stopped selling its sweet and mint-flavored refill pods in anticipation of federal flavor restrictions. The company's revenue dropped to \$1.1 billion in the first nine months of 2020 and was an estimated \$340 million in the last quarter of the year. Altria holds a 35% stake in Juul.

## Write to Jennifer Maloney at jennifer.maloney@wsj.com

Appeared in the January 29, 2021, print edition as 'American Smokers Quit Trying to Quit.'

#### Would you like more stories like this?

YES NO

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February 7, 2021

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Ron Wiley 808 245-9527 **Committee on Transportation** 

Rep. Henry J.C. Aquino, Chair Hawaii State House of Representatives via e-mail

STRONG SUPPORT FOR
HB598 RELATING TO TOBACCO PRODUCTS

Aloha Rep. Aquino and Committee Members,

This testimony is submitted on behalf of the Friends of Kamalani and Lydgate Park committee, registering our strong support for HB598.

We collaborated with appointed and elected officials to designate portions of Lydgate Beach Park as the County of Kauai's first tobacco-free park, and we believe in advancing the health and wellness of our youth by protecting them from becoming tobacco product addicts.

Now is the time to apply regulations comparable to measures imposed on more traditional tobacco products to the electronic smoking devices ("ESDs"). Please move this bill forward now to help end the sale of flavored tobacco and e-liquids, impose a tax on ESDs, and close the online purchasing loophole.

ESDs deliver vaping compounds that in effect assure tobacco industry profits by addicting children to nicotine. The detrimental long-term public health effects of tobacco use and nicotine addiction are established science.

Please fulfill your allegiance to the people of Hawaii and advance HB598 as written and without dilution. It is your responsibility to protect our youths' health, not to assure the tobacco industry's and tobacco retailers' profits at the expense of assured life-long health degradation and quality of life impairments.

Sincerely,

s/ Tommy A. Noyes

General Coordinator
The Friends of Kamalani and Lydgate Park



February 7, 2021

To: Chair Aquino

Vice Chair Ilagan

House Committee on Transportation

RE: STRONG SUPPORT for HB598

Thank you for this opportunity to testify in **SUPPORT** of **HB598**. Blue Zones Project was brought to Hawai'i by HMSA to help increase overall well-being of our communities and to make Hawai'i a healthier, happier place to live, work, and play. To accomplish that goal, we work to lower rates of obesity, tobacco use, and chronic disease.

HB598 would require licensing and permitting for e-cigarette wholesalers and retailers, apply a tobacco tax of 70% on the wholesale price of Electronic smoking devices (ESD), allow online shipments of ESD only to licensed retailers, and dedicate \$750,000 per year to the Tobacco Prevention & Control Trust fund for e-cigarette prevention and education programs.

ESD use by youth is on an upward trend; from 2017-2019, ESD use more than doubled among high school students and tripled among middle school students. Locally, 27% of middle school students and 42% of public high school students acknowledged trying electronic smoking devices in 2017.

Data from local and national sources, including the Centers for Disease Control and Prevention (CDC), cite numerous safety and public health concerns with its use. According to the CDC, "young people who use ecigarettes may be more likely to smoke cigarettes in the future."

Given the many public health concerns tied with ESD use among youth, we urge you to pass HB598.

Thank you for this opportunity to testify in **strong support** of **HB598**.

Sincerely,

Colby Takeda, MPH, MBA Senior Manager

<sup>&</sup>lt;sup>2</sup> 2017 Hawai'i Youth Risk Behavior Survey. <sup>3</sup> Dunbar, M. S., Davis, J. P., Rodriguez, A., Tucker, J. S., Seelam, R., & D'Amico, E. J. (2018). Disentangling Within- and Between-Person Effects of Shared Risk Factors on E-cigarette and Cigarette Use Trajectories from Late Adolescence to Young Adulthood. *Nicotine & Tobacco Research*, nty179.





<sup>&</sup>lt;sup>1</sup> Wang, T. W., et al. (2019). Tobacco Product Use and Associated Factors Among Middle and High School Students. Centers for Disease Control and Prevention. *Surveillance Summaries*, 68(12);1–22
<sup>2</sup> 2017 Hawai'i Youth Risk Rehavior Survey

HB-598 Submitted on: 2/8/2021 5:50:23 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael Zehner	Hawaii Smokers Alliance	Oppose	No

## Comments:

We oppose this unneeded and business harmful bill.



February 8, 2021

To: Hawaii House Committee on Transportation From: Americans for Tax Reform

Dear Representative,

On behalf of Americans for Tax Reform (ATR) and our supporters across Hawaii, I urge you to reject HB 598, misguided legislation which seek to implement taxes upon life-saving reduced risk tobacco alternatives such as electronic cigarettes and other vapor products. If enacted, this antiscience bill would have a disastrous impact upon not only businesses, but public health throughout the state, and lead to an increase in tobacco-related mortality. Even former President Obama remarked when he was in office: "The last thing you want to do is raise taxes in the middle of a recession because that would just suck up, take more demand out of the economy and put businesses in a further hole." Yet HB 598 flies in the face of that sage advice from the 44th President.

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than \$25,000. Seventy-two percent of smokers are from low-income communities, and to increase taxes on people unable to quit as they are dealing with the costs of the COVID-19 pandemic will put unnecessary hardship upon families who are already struggling to make ends meet.

Further, e-cigarette and vapor product tax hikes promote black markets for those products, and consistently result in revenues coming in far lower than projected. Contrary to popular belief that tobacco smuggling is a victimless crime consisting of someone purchasing a few extra cartons across state lines, most tobacco smuggling is run by multi-million-dollar organized crime syndicates. These networks, who engage in human trafficking & money laundering, have also been used to fund terrorist and the US State Department has explicitly called tobacco smuggling a "threat to national security".

Rather than repeating the failed policies of the past and further punishing low-income smokers unable to quit, the Hawaii Legislature should embrace new methods that are proven to help reduce smoking rates, and facilitate smokers quitting through reduced risk tobacco alternatives such as ecigarettes. Through delivering nicotine through water vaper, these mimic the habitual nature of smoking, however, the absence of "smoke" leads to the absence of the carcinogens created through the combustion of tobacco. As a result, these have been overwhelmingly proven to be 95% safer than combustible cigarettes, while at least twice as effective as more traditional nicotine replacement therapies.

It must be stressed that the negative effects of smoking combustible tobacco come not from the nicotine, a relatively benign, yet highly addictive substance much like caffeine, but rather the chemicals produced during the combustion process – "people smoke for the nicotine but die from the tar." Scientific data clearly shows that the blood levels typically achieved by consuming nicotine via harm reduction products "does not result in clinically significant short- or long-term

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harms" which is why smokers have been using nicotine replacement therapies (NRT) for decades without incident. For this reason, over 30 of the world's leading public health organizations have endorsed nicotine vaping as safer than smoking and an effective way to help smokers quit. This list includes Cancer Research UK; the British Medical Association; the British Lung Foundation; the New Zealand Minister of Health; the US National Academies of Sciences, Engineering, and Medicine; the American Association of Public Health Physicians; the Royal Australian College of Physicians; the French National Academy of Pharmacy; and the German Federal Institute for Risk Assessment.

To tax safer products at an equal rate, thereby failing to incentivize people to move away from deadly alternatives, goes against every principle of sound public or health policy. As the price of a product increases, it is likely that its use decreases. In previous instances, levying taxes on vaping products has been proven to increase smoking rates as people shift back to deadly combustible cigarettes. Minnesota is serving as a case study on this already. After the state imposed a tax on vaping products, it was determined that it prevented 32,400 additional adult smokers from quitting smoking.

Extrapolating from a large-scale analysis by the US's leading cancer researchers and coordinated by Georgetown University Medical Centre, if a majority of smokers in the state of Hawaii made the switch to vaping, over 40,000 lives would be saved. In seeking to tax these life-saving products, these bills place these lives in jeopardy. Small increases in projected revenue should never come at the expense of human lives – and make no mistake, if this is enacted, it will cost lives.

For the reasons outlined above, in the interests of public health, preventing a boon in criminal activity, and protecting the most vulnerable in society from financial hardship at a time they can least afford it, we call upon the Committee to accept the science and vote against HB 598. Tens of thousands of lives depend upon it.

Sincerely,

Tim Andrews
Director of Consumer Issues
Americans for Tax Reform



# Testimony to the House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m. State Capitol, Conference Room 423 Via Videoconference

## RE: HOUSE BILL NO.0598, RELATING TO TOBACCO PRODUCTS.

Chair Aquino, Chair Iligan, and Members of the Joint Committee:

The Hawaii Primary Care Association (HPCA) is a 501(c)(3) organization established to advocate for, expand access to, and sustain high quality care through the statewide network of Community Health Centers throughout the State of Hawaii. The HPCA <u>COMMENTS</u> on House Bill No. 0598, RELATING TO TOBACCO PRODUCTS.

The bill, as received by your Committee, would:

- (1) Establish the offense of unlawful shipment of tobacco products;
- (2) Apply the Cigarette Tax and Tobacco Tax Law to e-liquid and electronic smoking devices;
- (3) Establish licensing fees and permit fees for e-liquid and electronic smoking devices, and increase licensing fees and permit fees for cigarettes and tobacco products; and
- (4) Fund health education and prevention programs concerning the risks and dangers of the use of electronic smoking devices for youth.

By way of background, the HPCA represents Hawaii Federally-Qualified Health Centers (FQHCs). FQHCs provide desperately needed medical services at the frontlines in rural and underserved communities. Long considered champions for creating a more sustainable, integrated, and wellness-oriented system of health, FQHCs provide a more efficient, more effective and more comprehensive system of healthcare.

FQHCs have long seen first-hand how tobacco has literally destroyed the lives of our patients and their families. Because of the ubiquity of cigarettes, chewing tobacco, and now electronic smoking devices, the impacts of tobacco affect our citizenry on a generational basis with people experimenting at even earlier ages.

Testimony on House Bill No. 0598 Wednesday, February 10, 2021; 10:00 a.m. Page 2

Pragmatically speaking, tobacco will continue to be consumed regardless of anything done at the Legislature. But, if regulation and a tax increase can serve as a disincentive for consuming these products, then the interests of the general public are served.

And it should be noted that previous tax increases as well as public health media campaigns have been effective in reducing consumption of tobacco in recent years to the point where collections of the Cigarette Tax and Tobacco Tax have steadily diminished.

Proceeds from the Cigarette Tax and Tobacco Tax have served as a dedicated source of revenue for very important public health programs. The one most directly affecting our organization is the Community Health Center Special Fund, which is essential for the operations of most of our member FQHCs. Yet, because collections have decreased each year, there is uncertainty whether outlays for essential programs provided by FQHCs will continue.

While this bill would increase the amount of funds deposited to the CHC Special Fund, among others, we note that the State is facing the worst financial crisis since the Great Depression, and that there is enormous pressure on lawmakers to eliminate special funds and transfer the balances to the General Fund. Numerous bills have been introduced to repeal the CHC Special Fund, among others, and are pending action by other committees.

It is HPCA's position that the continued existence of the CHC Special Fund is essential for the operations of FQHCs in the State. Without it, our member FQHCs, who collectively service more than 160,000 of our residents in the State, would not have a consistent source of revenues to operate at Kalihi-Palama Health Center, Kokua Kalihi Valley Comprehensive Family Services, Koolauloa Health Center, Wahiawa Health, Waianae Coast Comprehensive Health Center, Waikiki Heath, Waimanalo Health Center, Bay Clinic, Hamakua Health Center, West Hawaii Community Health Center, Lanai Community Health Center, Hana Health, Malama I Ke Ola Health Center, Molokai Community Health Center, and Kauai Community Health Center.

While we greatly appreciate the intent of this measure, we recognize that much can happen over the next two months, and the financial outlook could brighten to make a measure like this feasible. But so long as the threat of repeal exists for the CHC Special Fund, our message to lawmakers is this -- please do all that you can to retain this vital financing mechanism.

Thank you for the opportunity to testify. Should you have any questions, please do not hesitate to contact Public Affairs and Policy Director Erik K. Abe at 536-8442, or eabe@hawaiipca.net.



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Garret Sugai Kaiser Permanente

Catherine Taschner, JD McCorriston Miller Mukai MacKinnon LLP Date: February 8, 2021

To: Representative Henry JC Aquino, Chair Representative Greggor Illagan, Vice Chair

Members of the House Transportation Committee

Re: Strong Support for HB598, Relating to Tobacco Products

Hrg: February 10, 2021 at 10:00 AM, Video Conference

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Institute<sup>i</sup> offers testimony in **Strong Support of HB 598**, which (1) imposes a tax on electronic smoking devices (ESDs) and e-liquids; (2) requires wholesalers and retailers to obtain a license and a retail tobacco product; (3) increases the price of the tobacco license and permit; (4) restricts the shipment of tobacco products to anyone other than a licensee; (5) funds health education and prevention programs relating to risks and dangers of ESD youth use; and (6) repeals various statutory provisions relating to ESDs.

# E-cigarette use among youth and young adults has become a public health concern.

In 2019, 1 in 3 (30.6%) public high school students and more than 1 in 6 (18%) public middle school students in Hawai'i reported that they are regularly vaping $^{ii}$ . Because ESDs remain unregulated, e-cigarette companies have aggressively marketed their products by glamorizing their use, using celebrities and young adults as endorsers, and making

false health claims. E-cigarettes often contain nicotine, which is addictive and harmful particularly to adolescents, whose brains are still developing. A 2016 report by the Surgeon General concluded that cigarettes are dangerous and a health threat to youth and young adults<sup>iii</sup>. According to an article published by Dr. Jackler and Dr. Ramamurthi, "JUUL has triggered a widespread rush among aerosol purveyors to market e-liquid in unprecedentedly high nicotine concentrations<sup>iv</sup>."

# Electronic smoking devices (ESDs) are the only tobacco product without a tobacco tax.

In 2016, the FDA deemed e-cigarettes, including its components and parts as tobacco products. In a poll<sup>v</sup> conducted by Ward Research Inc. for the Coalition in October 2020, 91% of registered Hawai'i voters were in

support of taxing e-cigarettes at the same rate as cigarettes or other tobacco products. Because ESDs are not subject to current State tobacco tax laws, they are seen as lower-priced tobacco alternatives with virtually no restrictions that can be appealing to the youth. Raising taxes and increasing the price of tobacco products is a proven strategy to reduce consumption for both adults and youth.

The Coalition supports establishing an ESD tax and appreciates that this measure dedicates a portion of the tax revenue to tobacco prevention and control programs. In the same poll conducted by Ward Research, 95% of registered Hawai'i voters believe it is important to dedicate some of the funding from an ESD tax to tobacco prevention and cessation programs.

## **COVID-19 Risks**

In May 2020, Stanford University published a landmark study<sup>vi</sup> that found teens and young adults that use e-cigarettes had a five to seven times greater chance of being diagnosed with COVID-19 than those that did not use e-cigarettes. Considering the 2019 YRBS results that documented an increase in youth e-cigarette use, this finding is incredibly concerning. To put this into perspective, there are 52,042 high school students enrolled in Hawai'i public schools. Using the most recent YRBS data, that translates to nearly 16,000 Hawai'i high schoolers that used an e-cigarette in the last 30 days, and may be five to seven times more likely to be diagnosed with COVID-19 than their nonsmoking peers. Global pandemic or not, these numbers are unacceptable, and there is an increased urgency for regulatory action in light of the increased risk of COVID-19. With no end in sight for the COVID-19 crisis, it is imperative that Hawai'i passes comprehensive legislation regulating e-cigarettes to curb usage and protect the health of our keiki.

## ESD licensing and permits protect both consumers and merchants.

The Coalition supports requiring ESD sellers and vendors obtain a tobacco permit and/or license which is currently required for any tobacco retailer or wholesaler. This consistency would assist with the communication and enforcement of current tobacco tax and purchase laws. In addition, the Coalition supports the proposed increased fees for the tobacco permit and license.

## This measure strengthens federal regulations on the online sales of e-cigarettes.

The "Preventing Online Sales of E-Cigarettes to Children Act" expands the 2009 Prevent All Cigarette Trafficking (PACT) Act to cover electronic smoking devices, requiring age verification by online retailers and private delivery companies, labeling on packaging to indicate they contain tobacco products, compliance with state and local tobacco taxes, and prohibiting shipments of electronic smoking devices through USPS<sup>vii</sup>. However, private delivery companies like UPS and FedEx to deliver e-cigarettes to consumers. States have the authority to impose stricter regulations, and at least six states have laws that prohibit direct-to-consumer shipments of e-cigarettes. This measure would restrict shipments of ESDs to registered and licensed seller, allowing the State to enforce current tobacco selling and taxation laws. According to the same independent poll conducted by Ward Research, 82% of Hawai'i registered voters support prohibiting on-line sales of ESDs and e-liquid.

With the COVID-19 pandemic, measures to improve health are of increased importance. We need to take action and regulate electronic smoking devices for our kids. The former Surgeon General,

VADM Jerome Adams issued an advisory in December 2018 "emphasizing the importance of protecting our children from a lifetime of nicotine addiction and associated health risks by immediately addressing the epidemic of youth e-cigarette use. The recent surge in e-cigarette use among youth, which has been fueled by new types of e-cigarettes that have recently entered the market, is a cause for great concern. We must take action now to protect the health of our nation's young peopleviii." Hawai'i has made enormous progress on tobacco control and we ask the legislature to take the necessary steps to reverse our youth vaping epidemic in order to save our youth from a lifetime of addiction.

Thank you for the opportunity to testify. We strongly support HB 598 and respectfully ask you to pass this measure as is out of committee.

Mahalo,

Jessica Yamauchi, MA Executive Director

The Hawai'i Public Health Institute is a hub for building healthy communities, providing issue-based advocacy, education, and technical assistance through partnerships with government, academia, foundations, business, and community-based organizations.

<sup>&</sup>lt;sup>i</sup> The Coalition for a Tobacco-Free Hawai'i (Coalition) is a program of the Hawai'i Public Health Institute (HIPHI) that is dedicated to reducing tobacco use through education, policy, and advocacy. With more than two decades of history in Hawai'i, the Coalition has led several campaigns on enacting smoke-free environments, including being the first state in the nation to prohibit the sale of tobacco and electronic smoking devices to purchasers under 21 years of age.

<sup>&</sup>lt;sup>ii</sup> 2019 Youth Risk Behavior Surveillance System (YRBS). Available at: <a href="www.cdc.gov/yrbs">www.cdc.gov/yrbs</a>. [Accessed on 02/03/2021].

iii U.S. Department of Health and Human Services. *E-cigarette Use Among Youth and Young Adults, a Report from the Surgeon General* (2017). From <a href="https://e-cigarettes.surgeongeneral.gov/documents/2016">https://e-cigarettes.surgeongeneral.gov/documents/2016</a> SGR Exec Summ 508.pdf

iv Jackler RK, Ramamurthi D. Tob Control Epub ahead of print: 2.6.19.doi:10.1136/tobaccocontrol-2018-054796. https://tobaccocontrol.bmj.com/content/early/2019/01/31/tobaccocontrol-2018-054796

 $<sup>^{\</sup>rm v}$  This study by Ward Research, Inc. summarizes findings from a phone survey among n=800 Hawaii registered voters (maximum sampling error +/-3.3%), conducted between September 21 – October 16, 2020.

vi Gaiha SM, Cheng J, Halpern-Felsher B. Association Between Youth Smoking, Electronic Cigarette Use, and COVID-19. *J Adolesc Health*. 2020;67(4):519-523. doi:10.1016/j.jadohealth.2020.07.002

vii Public Health Law Center. (2021, January 27). Deliver us from evil: E-cigarettes and the PACT Act. Retrieved from https://www.publichealthlawcenter.org/webinar/deliver-us-evil-e-cigarettes-and-pact-act.

viii Surgeon General Advisory, December 2018, <a href="https://e-cigarettes.surgeongeneral.gov/documents/surgeon-generals-advisory-on-e-cigarette-use-among-youth-2018.pdf">https://e-cigarettes.surgeongeneral.gov/documents/surgeon-generals-advisory-on-e-cigarette-use-among-youth-2018.pdf</a>

Submitted on: 2/8/2021 10:30:22 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	omitted By Organization		Present at Hearing
Beglar Yegiazaryan	Vapor Bar inc.	Oppose	No

## Comments:

Please do the right thing and save jobs in our state, we have been getting hit hard with Covid and this will finish all vape shops and thousands of employees. Don't let big tobacco win the fight. Thank for taking the time and reading my testimony.



American Cancer Society Cancer Action Network 2370 Nu'uanu Avenue Honolulu, Hi 96817 808.432.9139 www.fightcancer.org

House Committee on Transportation Representative Henry J.C. Aquino, Chair Representative Greggor Ilagan, Vice Chair

#### **HB 598 – RELATING TO TOBACCO PRODUCTS**

Cynthia Au, Grassroots Manager – Hawaii Pacific American Cancer Society Cancer Action Network

Thank you for the opportunity to provide testimony in SUPPORT of HB598: RELATING TO TOBACCO PRODUCTS.

The American Cancer Society Cancer Action Network (ACS CAN) is the nonprofit, nonpartisan advocacy affiliate of the American Cancer Society. We support evidence-based policy and legislative solutions designed to eliminate cancer as a major health problem.

Smoking harms nearly every organ in the body and increases the risk for many types of cancer, heart attack, stroke, COPD, emphysema, chronic bronchitis, and other diseases. We must do everything in our power to keep our communities healthy and safe and support prohibiting the use of e-cigarettes wherever smoking is prohibited. People who smoke or who used to smoke are at increased risk for severe illness from COVID-19. Smoking is also a proven risk factor for cancer, chronic obstructive pulmonary disease (COPD) and heart disease, which also put people at increased risk for severe illness from COVID-19. Regardless of any association with COVID-19, the adverse health effects of smoking are well-documented and irrefutable.

Smoking has a monetary cost placed on the State of Hawaii. The annual health care costs in Hawaii directly caused by smoking is \$526 million. Medicaid costs caused by smoking in Hawaii is \$141.7 million annually. Residents' state & federal tax burden from smoking-caused government expenditures is \$835 per household. Smoking-caused productivity losses in Hawaii is \$387.3 million. These amounts do not include health costs caused by exposure to secondhand smoke, smoking-caused fires, smokeless

<sup>&</sup>lt;sup>1</sup> Centers for Disease Control and Prevention (CDC). Health Effects of Cigarette Smoking. Updated April 28, 2020.

tobacco use, or cigar and pipe smoking. Proportion of cancer deaths in Hawaii attributable to smoking is 24.6%.<sup>2</sup>

We recommend that the shipment of tobacco products be shipped directly to in-state licensed tobacco retailers. Any consumer who orders tobacco products online or otherwise should be required to pick-up their order in person at an in state licensed tobacco retailer. Any out of state tobacco retailer delivering products to Hawaii should also be licensed with the state. This will help prevent sales to anyone under the age of 21.

On page 8 section "e," we recommend requiring e-cigarette in and out of state retailers to apply and pay for a license and appear on the authorized licensed list published by the department.

We oppose laws that focus on penalizing youth for the purchase, use, or possession (PUP) of tobacco products. PUP laws are not an effective approach to reducing youth tobacco use and inappropriately shift the blame for underage tobacco use from the tobacco industry and retailers. We support the removal of the youth penalties in section [§245-17] and recommend holding the tobacco industry and tobacco retailers accountable instead of punishing kids who have fallen victim to their predatory marketing tactics.

Thank you for the opportunity to comment on this matter.

<sup>&</sup>lt;sup>2</sup> ACS, State-Specific Smoking-Related Cancer Cases and Deaths, 2017 Updated December 3, 2020 <a href="https://www.fightcancer.org/sites/default/files/State-Specific%20Smoking-Attributable%20Cancer%20Cases%20and%20Deaths%20Factsheet%20FINAL%2012.11.20.pdf">https://www.fightcancer.org/sites/default/files/State-Specific%20Smoking-Attributable%20Cancer%20Cases%20and%20Deaths%20Factsheet%20FINAL%2012.11.20.pdf</a>

Aloha House Committee on Transportation,

Attached is a compilation of testimony for Wednesday, February 10, 2021; 10:00 a.m.; State Capitol, Conference Room 423 in SUPPORT of HB598: RELATING TO TOBACCO PRODUCTS for the following individuals:

Jenny Hausler, Citizen - Pearl City, 96782
Uri Martos, Citizen - Lihue, Kauai 96766
Gerico Demesillo, UH Undergraduate in Public Health Studies
Tyler Kamisato, UH Undergraduate in Public Health Studies - Mililani, 96789
Madeline Bush, UH Nursing Student - Hilo, 96720
LokeLani Chong - Hilo, 96720
Frank V. Guillermo - Waipahu, 96797

# Testimony to House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m State Capitol, Conference Room 423

Dear Chair Henry J.C. Aquino, Vice Chair Greggor Ilagan and Committee Members,

I strongly support HB598: RELATING TO TOBACCO PRODUCTS.

Tobacco killed my husband March two years from smoking. He ended up dying from COPD and had lung cancer. He suffered greatly before he passed away and died an early death.

We have 6 grandchildren that I don't want to have the same fate as their grandfather. Our keiki are a vulnerable group and must be protected. Don't make it easy for electronic smoking devices to get into the hands of our kids from accessibility online and for being cheap to buy.

Please pass HB598 to save our children for the future.

Sincerely,

Jennifer Hausler Pearl City, 96782

# Testimony to Senate Committee on Health & Testimony to House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m State Capitol, Conference Room 423

Dear Chair Henry J.C. Aquino, Vice Chair Greggor Ilagan and Committee Members,

I strongly support HB598: RELATING TO TOBACCO PRODUCTS.

My name is Uri Martos, and I am writing to express my support for HB598: RELATING TO TOBACCO PRODUCTS to help stop our keiki from using tobacco products.

I work right next to Wilcox elementary school and the Boys & Girls Club on Kauai. Everyday I am seeing more and more of Kauai's kids using e-cigarettes/vapes and it worries me terribly. These flavored tobacco products are targeting our children and hooking them on dangerous nicotine often for life. I'm afraid that Hawaii already has a high incidence of lung cancer and being a breast cancer survivor, I know firsthand the pain of dealing with this disease. I don't ever want our keiki to have to go through the hardship of having cancer or any other tobacco related illness. By simply eliminating these flavored tobacco products we will be able to save hundreds of our youth in Hawaii from becoming lifelong tobacco addicts.

I urge you to support HB598. Thank you for the consideration of my testimony.

Mahalo, Uri Martos Lihue, Kauai 96766 Testimony to House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m State Capitol, Conference Room 423

Dear Chair Henry J.C. Aquino, Vice Chair Greggor Ilagan and Committee Members,

I strongly support HB598: RELATING TO TOBACCO PRODUCTS.

As part of the generation that was close to getting rid of underage smoking and was later on exposed to the production of e-cigarettes, I support bill HB598: RELATING TO TOBACCO PRODUCTS. As a former vape user, I can confirm that the initial reasoning of consuming product was because everyone in my immediate surrounding was doing it and the flavor was strawberry. I was skeptical at first, but my peers assured me that it was the dosage that had 0 mg of nicotine in it. I was 17 at the time, and I thought it tasted and smelled good. Prior to the legal age of buying vape products being 21, it was 18. And when I had turned 18, my peers were vapers. We discussed how vaping is safer than smoking, and since they sell the 0 mg nicotine we could just buy than and not be addicted. That was when I was given my own e-cigarette, they were small pen looking devices at the time, and any vape product I bought were mainly just flavors, I purchased fruity flavors for me and dessert flavors for my friend.

I hid this part of my life from my family, and keeping it hidden was the most stressful part. It was one of the key reasons why I stopped, I didn't want to hide things from my family, but my dad found out and he told me to just not do it in front of my mom and my siblings. When it came to thinking about my siblings and how they follow me were also the key reasons for me to stop. That is when I got rid of the pen; I broke it and gave it to my friend since they were still into

vaping. Another reason I stopped was because of the looks, I notice people looking at me as I vaped, and I didn't like how I was being looked at, being judged.

As the age to purchase tobacco products raised to the age of 21, I had been given another vape product. Around this time, the e-cigarettes went from pen-looking, to big boxes that people called mods. The technology for vaping advanced fairly rapidly and these boxes promised larger intake which means

bigger clouds. I was given a tiny version of these mods, and I was tempted to try it. I held onto this mod for almost a year, and then I threw it away, the feelings of guilt came back.

I can also confirm that the use of vape products turned into a gateway for drugs and alcohol. My former peers that kept through the path of vaping, are now out there going to raves and hitting up various of drugs. I see stories on socials of my old high school associates taking acid, doing cocaine, and taking various forms of marijuana products (edibles, smoking, etc.) before or after raves and huge social events. When it came to their day to day activities, it can be seen on their socials that they still use vape products to get them throughout the day. This concerns me because in my studies in personal research and in public health, there are no known long term effects for these products and given that a huge chunk of my generation and younger are consuming this product, I fear it may result in new forms of diseases and complications.

Gerico Demesillo University of Hawaii at Manoa Undergraduate in Public Health Studies Testimony to Senate Committee on Health & Testimony to House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m State Capitol, Conference Room 423

Dear Chair Henry J.C. Aquino, Vice Chair Greggor Ilagan and Committee Members,

I strongly support HB598: RELATING TO TOBACCO PRODUCTS.

Thank you for the opportunity to submit testimony in STRONG SUPPORT of HB598: RELATING TO TOBACCO PRODUCTS. It's important to note the lack of health education geared towards informing our youth about the relative dangers and health harms of using these tobacco products. This bill would allocate a portion of the funds collected from excise taxes on tobacco products to health education and prevention programs, which would be highly beneficial for educating youth. There is a need for school health programs to prevent tobacco use and addiction. Schools are ideal settings in which to provide such programs to all children and adolescents. School-based tobacco prevention education programs that focus on skills training approaches have proven successful in the past by reducing the onset of smoking, according to numerous independent studies. Due to the considerable number of students that begin using tobacco products before the age of 15, it is imperative that school-based programs continue throughout high school.

The use of flavored tobacco products among the youth is now the most commonly used form of nicotine in the U.S. These products have the greatest appeal to the younger generation who are in fact, novice smokers. Tobacco companies are producing and marketing deadly, addictive products that look and taste just like the sweets kids can purchase at a candy shop. The use of these flavoring agents help ease youth into smoking since without it, the tobacco flavor alone could be a deterring factor. I personally see too many of our keiki using these tobacco products with their friends outside of school. Many of them are under the impression that smoking e-cigarettes instead of actual cigarettes is better for their health. They also are unaware that these e-cigarettes contain a high amount of nicotine, which could be detrimental to their health in the future. Hawaii needs to do more if we are to stop this growing epidemic from spreading

to younger and younger generations. This bill is an imperative next step in tobacco control if HB598 were to be enacted into law. I highly encourage the committee to consider passing HB598 for the future of our keiki. Thank you again for the opportunity to testify.

Sincerely, Tyler Kamisato Mililani, 96789

# Testimony to House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m State Capitol, Conference Room 423

Dear Chair Henry J.C. Aquino, Vice Chair Greggor Ilagan and Committee Members,

My name is Madeline Bush and I support HB598: RELATING TO TOBACCO PRODUCTS.

Vaping is an extremely prevalent issue that our country and the world have been facing for over a decade. E-cigarettes were originally created for the purpose of helping people who smoked tobacco cigarettes quit and reduce their exposure to tobacco. However, the companies that created these e-cigarette devices knew if they helped people quit, they would also begin losing money. Their strategy consisted of promoting a form of smoking that was "healthy", little did people know the contents within these products had equally if not more nicotine than regular cigarettes. In a study that was performed over the course of six years (2012-2018), "The lifetime prevalence of cigarette smokers slightly decreased from 60.9% in 2012 to 56.9% in 2018, whereas the proportion of vaping users substantially increased from 32.9% in 2013 to 52.0% in 2018" (Cerrai et al., 2020). People wanted to quit smoking and many began smoking e-cigarettes when all along they were simply part of a larger plan and were just beginning a new journey of addiction.

The trend to vape quickly became popular among adolescents, high schoolers, and even middle schoolers. According to a study performed in 2019, "About 63.9% of students (16.8 million) reported noticing youth use of e-cigarettes in or around the school, with bathroom or locker room as the most common location" (Dai, 2021). The study goes on to explain that the brand JUUL has significantly spiked in popularity among adolescents due to its shape and size. It is a small pod that resembles a USB drive. They are very easy to hide, therefore many kids bring them to school without hesitation. The company JUUL has shown to specifically cater to this younger population and have made it easier and easier for them to vape in secret. Although there is not enough hard data to validate the long-term effects of vaping, we are seeing an upsurge in hospitalized cases (2,758 cases in US) of vaping associated lung injury (VALI). There

have been sixty-four deaths from vaping associated lung injury (VALI) in the United States alone. These products are being promoted as a "healthy alternative" to smoking when in reality it is killing people and ruining lives. This problem is tremendously widespread not only in our world and nation, but a rising problem within our community here in Hawaii County.

In order to protect the teenagers and young adults within our community regulations and bans on these products absolutely need to be put into action. The companies that sell these products have no interest in what their products are doing to the bodies of their customers. On the island of Hawaii, we are seeing an increase in tobacco and vaping products as well as an increase in respiratory disorders and lung cancer. That is not a coincidence.

Sincerely,

Madeline Bush

Hilo, 96720

Testimony to House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m State Capitol, Conference Room 423

Dear Chair Henry J.C. Aquino, Vice Chair Greggor Ilagan and Committee Members,

I strongly support HB598: RELATING TO TOBACCO PRODUCTS.

My father-in-law was severely affected from Tobacco use. He developed stage 4 oral cancer and

almost lost his life. Luckily, he survived but there are many people who are not as lucky.

Tobacco use does not just affect the person who is using it, but their whole family. I do not

want to see my friends and family using tobacco products. Young adults, teenagers, and kids

are easily fooled by these new and fruity flavors. They think that it cannot be bad for you if it

tastes like fruits or candy. I see many underage teenagers selling E-cigarettes that have exotic

flavors and using those products on social media. E-cigarettes and tobacco products need to

have more strict regulations, so they do not fall into our youth's hands.

Please pass HB598 to save many children and adult lives.

Sincerely,

LokeLani Chong Hilo, 96720 Testimony to House Committee on Transportation Wednesday, February 10, 2021; 10:00 a.m

State Capitol, Conference Room 423

Dear Chair Henry J.C. Aquino, Vice Chair Greggor Ilagan and Committee Members,

My name is Frank V. Guillermo and I am in my last semester of my bachelor's program at

University of Hawaii at Hilo School of Nursing. I am writing this letter to strongly support

HB598: RELATING TO TOBACCO PRODUCTS.

My 11<sup>th</sup> grade brother once told me, "I always see students vaping everywhere like in school

bus, hallway, and even in class. It looks so cool and smells so good. I want to try it!" As a future

healthcare provider, I am obligated to educate my brother about the harmful effects of vaping

and discourage him from vaping. My brother's statement and the increasing rate of high-school

e-cigarette/vape users in Hawaii shows a lack of regulations, health education, and prevention

programs of e-cigarettes.

I deeply care about the health of Hawaii people and I urge you to pass HB598. Thank you for

this opportunity to testify.

Sincerely,

Frank V. Guillermo

Waipahu, 96797



February 8, 2020

To: The Honorable Rep. Henry J.C. Aquino, Chair The Honorable Rep. Greggor Ilagan, Vice Chair

From: Scott Rasak, VOLCANO Vape Shops Chief Operating Officer

RE HB598 – oppose.

Thank you for the opportunity to submit testimony.

VOLCANO is the largest independent retailer & wholesaler of vapor products and vaping accessories in the State of Hawaii. We currently own and operate 15 locations statewide and employ over 80 full-time workers to support sales of our products not only here in Hawaii, but to most USA states as well as over 30 International countries. We stand in opposition to HB598 or the following:

- HB598 will deny current combustible tobacco smokers who live in remote areas of Hawaii vital
  products needed to help them quit smoking. Removing their ability to safely purchase vapor
  products will put them at risk of being sent back to combustible tobacco usage as their products
  are no longer obtainable.
- An online sales ban would open up a black market "Do it yourself" market due to the massive adult population who currently use these products in Hawaii. Currently, all products being distributed online are through reputable age verified purchases as required by the FDA currently. The blackmarket conditions which would arise from the passing of this bill would inflict a huge quality void in the market and expose the adult population to greater risks. The unintended consequences of this bill outweigh the hypothetical gain.
- Vapor products and e-liquids contain NO tobacco, sometimes contain NO nicotine, and ultimately emit NO smoke when vaporized; HB598 deceptively refers to vapor products as "Electronic Smoking Devices" to mislead the public and creates a false perception of the nature of these products. This misclassification establishes the idea that vapor products are the same as tobacco products and thus, should be viewed, controlled, and perceived the same way as traditional tobacco products. This is a complete disregard of the fact that vapor products are fundamentally different from tobacco products in every way.
- HB598 states in its justification that the bill and its regulations are needed to curb youth usage. However, it fails to mention the latest available CDC report that shows youth use of all tobacco products, including e-cigarettes are at the lowest levels ever. Furthermore, a study done the following year at the University of Michigan found that the majority of youth who have reported using e-cigarettes are not using e-liquids that contain nicotine further suggesting that youth who do use ecigarettes are doing so to replace the use of traditional tobacco.

  o https://www.cdc.gov/media/releases/2017/p0615-youth-tobacco.html
- The most Recent CDC report has shown e-cigarettes have supplanted all other traditional nicotine replacement therapies and are now the most commonly used product by consumers to quit using traditional tobacco cigarettes



o http://www.journalnow.com/business/business\_news/local/cdc-report-shows-moresmokers-try-to-quit-with-e/article a33383f3-5300-5178-9f14-28b52884c45c.html

- A recent study published by the New England Journal of Medicine concluded that ECigarettes are twice as effective for smoking cessation than traditional nicotine replacement therapy products which are not taxed or controlled the same way this bill proposes to tax and control E-Cigarettes. The state should be creating easier access for these products, not tighter regulations that steers vapers back towards tobacco cigarettes
- o https://www.nejm.org/doi/full/10.1056/NEJMoa1808779
- A recent study by the National Academy of Sciences, Engineering, and Medicine stated: "there is conclusive evidence that completely substituting e-cigarettes for combustible tobacco cigarettes reduces users' exposure to numerous toxicants and carcinogens present in combustible tobacco cigarettes." The findings add to the already weighty body of evidence showing vaping to be far less hazardous than smoking.
- o http://www.washingtonexaminer.com/landmark-e-cigarette-report-explodes-myththat-vaping-is-as-toxic-as-smoking/article/2646804 o http://nationalacademies.org/hmd/reports/2018/public-health-consequences-of-ecigarettes.
- o http://nationalacademies.org/hmd/reports/2018/public-health-consequences-of-ecigarettes aspx?utm\_source=Hootsuite&utm\_medium=Dashboard&utm\_campaign=S entviaHootsuite
- HB598 States in its justification that the use of licensing and permit fees will help "protect consumers, such as requiring retailers of e-liquids to obtain a retail tobacco permit". We fail to see how requiring retailers to obtain a permit will translate to 'protecting the public'. Rather, it will simply burden the 50+ small businesses operating in the vapor products industry with unnecessary fees and bureaucratic hurdles.
- Vapor Products are not the same as tobacco products, and thus, should not be regulated in the same fashion. Vapor products have not been demonstrated to have the same detrimental effects of combustible tobacco products and have otherwise been shown in recent studies to be as much as 95% less toxic than traditional Cigarettes. Creating extraneous regulations that aim to limit access only serves to protect deadly tobacco markets.
- o https://www.gov.uk/government/uploads/system/uploads/attachment\_data/file/4571 02/Ecigarettes\_an\_evidence\_update\_A\_report\_commissioned\_by\_Public\_Health\_E ngland FINAL.pdf

It is our belief that this continuing unjustified classification and requirements are not in the best interests of the State of Hawaii. Thank you for your time and consideration. If you have any questions, please feel free to contact me directly.

Sincerely,

Scott Rasak Chief Operating Officer VOLCANO Vape Shops 197 Sand Island Access Rd. #213 Honolulu, HI 96819 scott@volcanoecigs.com

1200 Ala Kapuna Street + Honolulu, Hawaii 96819 Tel: (808) 833-2711 + Fax: (808) 839-7106 + Web: www.hsta.org



Corey Rosenlee President Osa Tui, Jr. Vice President Logan Okita Secretary-Treasurer

Wilbert Holck Executive Director

### TESTIMONY BEFORE THE HOUSE COMMITTEE ON TRANSPORTATION

RE: HB 598 - RELATING TO TOBACCO PRODUCTS

WEDNESDAY, FEBRUARY 10, 2021

COREY ROSENLEE, PRESIDENT HAWAII STATE TEACHERS ASSOCIATION

Chair Aquino and Members of the Committee:

The Hawaii State Teachers Association <u>supports</u> **HB 598,** relating to tobacco products, **with suggested amendment.** This bill establishes the offense of unlawful shipment of tobacco products. Includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products. Increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products. Allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs concerning the risks and dangers of the use of electronic smoking devices for youth. Repeals certain provisions of the Hawaii Revised Statutes relating to electronic smoking devices. Effective January 1, 2022.

The Hawaii State Teachers Association supports not only taxing vaping products in the same way that other tobacco products are taxed and regulated, but we also support an amendment to ban flavored vaping products as well.

In September 2009, the FDA banned flavored cigarettes. The ban was intended to end the sale of tobacco products with chocolate, vanilla, clove and other flavorings that lure children and teenagers into smoking. According to Dr. Margaret A. Hamburg, commissioner of food and drugs for the FDA from 2009 – 2015 "flavored cigarettes are a gateway for many children and young adults to become regular smokers." Nevertheless, here we are in 2021 with a proliferation of flavored tobacco in the form of e-liquids luring our children into becoming lifelong and habitual nicotine users.

The use of e-smoking products among youth is at epidemic levels. According to data from the Centers for Disease Control and Prevention and the Food and Drug Administration's National Youth Tobacco Survey, the percentage of high schoolage children reporting past 30-day use of e-cigarettes rose by more than 75 percent between 2017 and 2018. Use among middle school-age children also increased nearly 50 percent. Furthermore, 1 in 5 high school students reported using e-cigarettes in the past month according to the Surgeon General. Locally, Hawaii's 2017 Youth Risk Behavior Survey revealed that over 42% of Hawaii high school students have tried using electronic smoking devices and over 25% of Hawaii high school students indicated that they are regular users. Our schools are seeing a rise in cases of e-cig use even in our elementary schools now.

Adolescence is a time of crucial brain development; it has been documented that nicotine exposure during adolescence and young adulthood can cause addiction and harm the developing brain. Additionally, nicotine is not the only harmful ingredient in electronic smoking devices; other harmful and potentially harmful ingredients include ultrafine particles that can be inhaled deep into the lungs, flavorants such as diacetyl, a chemical linked to serious lung disease, volatile organic compounds, and heavy metals such as nickel, tin, and lead.

The electronic cigarette industry has gone largely unregulated for far too long and has therefore been able to market their products both directly and indirectly to our youth. It is time that regulation of the e-cigarette/vaping industry be on par with the regulation of traditional tobacco products. As such, we should align taxation of electronic smoking device products to that of other tobacco products. Because taxation of tobacco products is a proven strategy to reduce usage among youth, this bill would help deter children from not only trying e-cigarettes but also from becoming habitual users of these products.

Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. Licensing and permitting of retailers and wholesalers are critical for education and enforcement of existing laws.

Furthermore, the allocation of a portion of excise tax funds to go towards health education, prevention, and nicotine cessation programs extends protections for our youth and goes hand in hand with the regulations outlined in this bill as well as a portion of the collections going to our state's general fund to shore up our lost revenue as a state.

1200 Ala Kapuna Street \* Honolulu, Hawaii 96819 Tel: (808) 833-2711 \* Fax: (808) 839-7106 \* Web: www.hsta.org



Corey Rosenlee President Osa Tui, Jr. Vice President Logan Okita Secretary-Treasurer

Wilbert Holck Executive Director

We oppose any increase of any fines for youth being added to this bill, as we feel they are the victims in this case. It is the predatory tactics of the vaping industry on our youth that need to be regulated and taxed. So please do NOT add any fines or punishment on our youth who are the victims here.

Because research shows that increasing the cost of tobacco products, through taxes, decreases the amount used by youth. The price point does matter. We respectfully ask you to **support** this bill.



To: The Honorable Representative Henry Aquino, Chair

The Honorable Representative Greggor Ilagan, Chair

Committee on Transportation

From: Trish La Chica, Community and Government Relations Manager, External Affairs

Hrg: February 10, 2021 at 10:00am, Room 423

**RE:** HB598 Relating to Tobacco Products – Support

AlohaCare appreciates the opportunity to provide testimony in **support** of **HB598**, which is a measure to regulate e-cigarettes by closing the online purchasing loopholes, taxing e-cigarettes containing tobacco or nicotine, requiring permitting and licensing, and dedicates funds for tobacco prevention and education programs.

Founded in 1994, AlohaCare is a community-rooted, non-profit health plan serving 73,000 Medicaid and dual-eligible health plan members on all islands. Our mission is to serve individuals and communities in the true spirit of aloha by ensuring and advocating access to quality health care for all. We believe that health is about supporting whole-person care, including access to housing and food security, to build a stronger, healthier Hawaii.

AlohaCare believes that this measure will help to regulate an industry that has contributed to the public health crisis that resulted in an outbreak of 2,807 e-cigarette or vaping product use-associated lung injury (EVALI) cases or deaths. <u>A 2020 Stanford study</u> has found that young adults who vape were five to seven times more likely to get the COVID-19 virus.

AlohaCare applauds this measure's approach to regulating electronic smoking devices by creating policy parity on taxation and the online shipment of tobacco products to improve the health of Hawaii's keiki and protect them from becoming the next generation addicted to nicotine. Comprehensive regulation on electronic smoking devices is long overdue and would bring substantial public health benefits. Tobacco consumption results in health problems that creates hundreds of millions in added health care costs for the State and contributes to health disparities and poor health outcomes.

Hawaii has been experiencing a youth vaping epidemic and we appreciate the Legislature's actions to protect our young people's health from the vaping and tobacco industry's efforts to get them addicted to life-threating habits.

Mahalo for this opportunity to testify in **support of HB598**.



# American Heart Association testimony in SUPPORT of HB 598, "Relating to Tobacco Products"

The American Heart Association supports HB 598.

Cigarette smoking is responsible for more than 480,000 deaths per year in the United States, including more than 41,000 deaths resulting from secondhand smoke exposure. This is about one in five deaths annually, or 1,300 deaths every day. Total economic cost of smoking in the U.S. is more than \$300 billion a year, including nearly \$170 billion in direct medical care for adults. More than \$156 billion in lost productivity due to premature death and exposure to secondhand smoke. In Hawaii alone, it annually claims 1,100 lives each year and \$526 million in healthcare costs are directly attributed to smoking in our state.

Hawaii is in the midst of a youth epidemic concerning the use of electronic smoking devices. Hawaii has the highest rate of middle school-aged student use of those products in the nation, and the second highest high school student usage rate. The American Heart Association is working to combat this problem the same way we have battled health problems for nearly a century: We're relying on the science.

Even though there is more work needed to fully understand all the dangers of ecigarettes, there's plenty of evidence they're harmful for growing minds and bodies.

Here's a look at the latest science about vaping and nicotine, as well what science hasn't uncovered yet.

## Safety of vaping vs. cigarettes

One of the most basic things people want to know is whether vaping is better for you than cigarettes. It's easy to jump to the conclusion that vaping is better. After all, there is no mystery about smoking: It can kill you.

The problem is, no one knows if vaping is safe in the long run because e-cigarettes haven't been around long enough to be studied deeply. Some diseases can take years and even decades to develop, including cancer and atherosclerosis (artery blockages that can cause heart attacks and strokes).

Another reason it's difficult to study vaping is that people switch back and forth between smoking, vaping and not using either. We can see short-term effects in animals exposed to one or another, but understanding long-term effects requires long-term studies.

In addition to a lack of sufficient research, some contents of e-cigarettes remain unknown. The Food and Drug Administration – responsible for judging the safety of things Americans put into their bodies – has not yet evaluated these products for safety.

Chairman of the Board Glen Kaneshige

**President**Michael Lui, MD

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#### **Our Mission:**

"To be a relentless force for a world of longer, healthier lives."

For more information on the AHA's educational or research programs, visit <a href="www.heart.org">www.heart.org</a> or contact your nearest AHA office.

We do know that the lines between the vaping industry and Big Tobacco have blurred. Altria, the maker of Marlboro and Skoal, has invested more than \$12 billion into Juul, which makes e-cigarettes that are extremely popular with young people. The investment was 35% of Juul's value at the time of the purchase.

Big Tobacco has a history of misrepresenting facts about nicotine and smoking. So vaping-safety claims from industry or research supported by industry should be met with skepticism. For example, there's the claim that vaping produces only water "vapor" or aerosols – which sound far healthier than cigarette smoke. But there is a lot more than water in that aerosol.

The aerosols in some e-cigarettes have been found to contain multiple chemicals known to be toxic. Some aerosols contain heavy metals and other toxic ingredients (like the volatile organic compounds you try to avoid in some house paint).

Some of the flavors designed to make e-cigarettes more attractive to children have been shown to harm lung tissue, heart muscle cells, the lining cells of blood vessels, and the cells we need for blood clotting after injury.

These studies have been done in cells from human volunteers, and in some cases, the functions of these cells have been studied in volunteers after they vape.

Even the chemicals used to deliver the aerosol (like propylene glycol or glycerol) can be toxic, as can the heavy metals often produced by these delivery systems themselves. And remember, aerosols are inhaled deep into the lungs, where their effects may be long-lasting.

The idea that vaping is a better way to quit cigarettes than reliable methods using FDA-approved nicotine replacement products isn't backed up by the weight of science.

Of the small number of studies about this, most show no advantage for e-cigarettes over the temporary use of FDA-approved products such as gum, lozenges and patches. The latter products have been proven helpful as part of an overall program for quitting, which should also include counselling and can include medications to reduce cravings.

One study frequently cited by industry and its supporters did show e-cigarettes to be effective in stopping smoking. However, as is often the case with science, that part of the study's results doesn't tell the whole story.

The study, published in The New England Journal of Medicine, was conducted in England. That's significant because the e-cigarettes in England are far different from those in the U.S. English products have much lower levels of nicotine, and physicians there actually encourage their use to quit smoking.

Two reports from Public Health England are often referenced for stating "e-cigarettes are less harmful than combustible cigarettes." But those studies did not

compare e-cigarette use to zero-nicotine exposure. And, those reports rely on small studies or reviews sponsored by organizations supported by Big Tobacco.

Some U.S. smokers have used e-cigarettes to quit, but a growing body of studies shows that approach doesn't work for many people. They cut back, but they still smoke while vaping and they remain addicted. That's called "dual use" in public health literature. The dangers of cigarettes remain, with the added dangers of vaping.

Unfortunately, dual use is a major problem among young people. Dual use also is something the American Heart Association is working to address through our massive new initiative combatting youth vaping called #QuitLying. Research shows some kids who had never smoked but began their exposure to nicotine by vaping later switched to smoking or did both.

The Association advises anyone quitting smoking to get off nicotine products altogether, using FDA-approved tools proven to be effective. We also don't want anyone to ever start any nicotine-containing product.

When discussing the dangers of e-cigarettes, many people think about the tragic outbreak of vaping-related deaths across the country. As an organization we are extremely concerned about this problem, which is still being investigated and has been linked to vaping THC well as using "off-brand" e-cigarette products.

But nicotine remains a major concern about e-cigarettes. They can contain unusually high levels of nicotine. One e-cigarette refill pod can contain as much nicotine as an entire pack of cigarettes and kids are sometimes vaping 2-4 pods a day. And open pod e-cigarette products popular among Hawaii youths can contain even much more nicotine.

That's especially troubling because many studies in animals show nicotine is a neurotoxin (a poison affecting the nervous system). It can affect brain development from early fetal life through adolescence, permanently changing the ability to think or reason.

The National Academies of Science, Engineering and Medicine and the World Health Organization believe nicotine delivery via e-cigarettes during pregnancy can adversely affect the development of the fetus and can affect immune system and lung function.

E-cigarettes are now the most popularly used tobacco product among Hawaii's youth. According to recent Department of Health data, over 40 percent of Hawaii's youths have tried e-cigarettes, and 30 percent are now regular users. On neighbor island, regular use of e-cigarettes by youths tops 30 percent.

The American Heart Association of Hawaii urges you to support HB 598 as a way to create parity between e-cigarette and traditional tobacco product regulations and taxes, and to help reduce Hawaii youth vaping epidemic.

Respectfully submitted,

Donald B. Weisman

Donald B. Weisman

Government Relations/Communications Director





# TESTIMONY OF TINA YAMAKI, PRESIDENT RETAIL MERCHANTS OF HAWAII February 10, 2021

Re: HB 598 Relating to Tobacco Products

Good morning Aquino and members of the House Committee on Transportation. I am Tina Yamaki, President of the Retail Merchants of Hawaii and I appreciate this opportunity to testify.

The Retail Merchants of Hawaii was founded in 1901, RMH is a statewide, not for profit trade organization committed to the growth and development of the retail industry in Hawaii. Our membership includes small mom & pop stores, large box stores, resellers, luxury retail, department stores, shopping malls, local, national, and international retailers, chains, and everyone in between.

We are in STRONG OPPOSITION to HB 598 Relating to Tobacco Products. This measure establishes the offense of unlawful shipment of tobacco products; includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law. Increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products; increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products; allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs concerning the risks and dangers of the use of electronic smoking devices for youth. Repeals certain provisions of the Hawaii Revised Statutes relating to electronic smoking devices; and is effective January 1, 2022.

Many retailers statewide are already operating on a thin margin and face stiff competition. Retail is one of the hardest hit industries during this pandemic. We see almost daily stores closing around our neighborhoods due to the affects this pandemic is having on our economy.

It is not fair to categorize vapor products and e-liquids as a tobacco product. They are not the same. Many E-cigarettes contains NO tobacco, and NO smoke is emitted when vaporized. The New England Journal of Medicine published an article last year that found that e-cigarettes were nearly twice as effective as conventional nicotine replacement products, like patches and gum, for quitting smoking. The study was conducted in Britain and funded by the National Institute for Health Research and Cancer Research UK.

Retail has changed over the years in how products are purchased. We are seeing a surge in online sales for all types of merchandise. It almost impossible for anyone under the age of 21 to purchase vape products from reputable law abiding local online or at a brick-and-mortar retail store. The online verifications vetting process is intense to ensure those purchasing is 21 or older.

Raising the tobacco tax and permit fee will truly hurt locally owned businesses, especially the small locally owned businesses' and may potentially force some of them to close. This would mean many small local businesses like the convenient corner store and locally owned vape stores would be gone and leaving our friends, family, and neighbors out of work.

Retailers like many businesses are struggling to survive and keep their employees employed. Many cannot afford an increase in doing business. We hope that you will hold this bill.

Mahalo again for this opportunity to testify.

HB-598 Submitted on: 2/5/2021 6:28:18 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Submitted By Organization		Present at Hearing	
Nicholas Winters	Individual	Oppose	No	

Comments:

Opposed.

HB-598 Submitted on: 2/5/2021 6:39:30 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Jeff Stevens	Individual	Oppose	No	

Comments:

No more taxes or regs.

Date: February 6, 2021

To: The Honorable Henry J.C. Aquino, Chair The Honorable Greggor Ilagan, Vice Chair

Members of the House Committee on Transportation

Re: **Strong Support for HB598**, Relating to Tobacco Products

Hrg: February 10, 2021 at 10:00 AM via Videoconference in Conference Room 423

Aloha House Committee on Transportation,

As a parent, community member and healthcare professional I am writing in **strong support of HB598**, which establishes the offense of unlawful shipment of tobacco products; includes e-liquid and electronic smoking devices within the definition of "tobacco products", as used in the cigarette tax and tobacco tax law; increases the license fee for persons engaged as a wholesaler or dealer of cigarettes and tobacco products; increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products; allocates a portion of funds collected from excise taxes on tobacco products to health education and prevention programs concerning the risks and dangers of the use of electronic smoking devices for youth; repeals certain provisions of the Hawai'i Revised Statutes relating to electronic smoking devices.

**Hawai'i is in the midst of a youth vaping epidemic**. Approximately 31% of Hawai'i high school students and 18% of Hawai'i middle schoolers are current e-cigarette users. For Native Hawaiian and Pacific Island youth these numbers climb to 40% for high school and 30% for middle school students.

Hawai'i has been a national leader in reducing cigarette use to record lows through **policy**, **prevention**, **education**, and **cessation** programs. By implementing the same tactics, we can reverse the trends in youth e-cigarette use.

HB598 brings e-cigarettes under regulation on par with conventional cigarettes, including:

- (1) Includes e-liquid and electronic smoking devices within the definition of "tobacco products".
- (2) Allows only in-person sale of tobacco products, making it harder for youth to obtain these products.
- (3) Taxes e-cigarettes on par with conventional cigarettes– e-cigs are the only type of tobacco product without a tax. Dedicating some of this revenue to fund tobacco prevention and control programs complements and strengthens the effect of tobacco policies in reducing smoking rates.
- (4) Regulates the sale of e-cigarettes and e-liquids uniformly with conventional tobacco products, including licensing and permitting for tobacco retailers and wholesalers

In addition, I respectfully ask that this bill be amended to end the sale of *all* flavored tobacco products, including the flavor menthol – these flavors entice youth, while the nicotine hinders critical brain development and keeps them hooked for life.

It is time for all of us to come together to effectively address and reverse the youth vaping epidemic in Hawai'i using all of the <u>evidence-based</u> tools available.

I **strongly support HB598** and respectfully ask you to amend and pass this bill out of committee.

Many thanks for your consideration,

Forrest Batz, PharmD Kea'au, HI

Submitted on: 2/7/2021 9:10:40 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Vin Kim	Individual	Oppose	No

## Comments:

Vaping is not the same as tobacco cigarettes. Taxing them like one will not help the overall cause. There are many studies that provide evidence that vaping is a lot safer than smoking cigarettes. These added taxes will also increase the burden on people who choose to switch to a healthier alternative. It will also hurt or even close a lot of small businesses, especially during these times. Please oppose this bill.

Submitted on: 2/7/2021 10:33:35 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
VALENTINO MIRANDA-KEPA	Individual	Oppose	No

Comments:

Aloha,

Please Oppose bill HB598. We do not need a Tax Increase for Vaping I feel if the State put forward a Strict Possession Law for Under Age for Tobacco or Vape products that will hinder under age use. Do not punish law abiding Adults for an under age epidemic.

**Thanks** 

Valentino Miranda-kepa

Submitted on: 2/7/2021 11:27:12 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Kingdon	Individual	Support	No

#### Comments:

As public health made incredible gains in smoking cessation, leading to markedly reduced morbidity and mortality from related diseases and injuries in the United States, affected corporations made insidious but frankly ingenious changes in their marketing.

Companies that profit from nicotine addiction shifted their tobacco marketing overseas, where now related rates of illness, injury, disability and death are soaring. Simultaneously, these companies and their spin-offs evaded regulations by shifting U.S. focus to electronic cigarettes, vaping, and similar products. Honestly, public health authorities and local, state, and federal governments were either unaware or initially unresponsive, and were instantly behind the curve again.

It is imperative that Hawai'i be agressive in closing regulatory loopholes, preventing others that may crop up, and promoting the health and safety of our residents and visitors.

Thank you for your consideration.

-- David Kingdon, MPH, Paramedic

<u>HB-598</u> Submitted on: 2/7/2021 12:10:01 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By Organization		Testifier Position	Present at Hearing	
Teddy Kim	Individual	Oppose	No	

Comments:

I oppose this bill.

HB-598 Submitted on: 2/7/2021 12:49:10 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Submitted By Organization		Present at Hearing
Jessica Chang	Individual	Oppose	No

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Submitted on: 2/7/2021 1:03:54 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jessica Rampton	Individual	Support	No

## Comments:

E-cigarettes have rapidly gained popularity among Hawaii's youth, hurting their health and even <u>putting them at a greater risk for COVID-19</u>. **Tobacco taxes and restricting online sales will make it harder for youth to access these dangerous products.** Allocating a portion of the revenue from tobacco taxes to prevention and control programs will further reduce tobacco use.

We care about our keiki.

<u>HB-598</u> Submitted on: 2/7/2021 1:29:41 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Stephanie Austin	Individual	Support	No	Ī

# Comments:

Please support this important bill: furthers the health of young (and old!)

<u>HB-598</u> Submitted on: 2/7/2021 1:37:23 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
ASHLEY MATTOS	Individual	Oppose	No	

# Comments:

I do not agree with this bill. I oppose!

Submitted on: 2/7/2021 1:57:37 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mikhaila Millikan	Individual	Oppose	No

## Comments:

Prohibition on shipping of tobacco product would only hinder our communities access to these products. It could have a detrimental impact on those trying to quit traditional cigarettes, as it seems that is going to become the only available product with all of these bills in session. People have worked so hard to quit, this is not fair to them.

Submitted on: 2/7/2021 2:19:08 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
dillon rellez	Individual	Oppose	No

## Comments:

You cannot put blame on wholesalers and retailers for supplying the youth if it is not them supplying the youth. Legal wholesalers and retailers have strict rules and regulations for keeping these products out of minors hands. I believe if you made harsher consequences for minors and guardians of minors who commit the offenses then there wouldn't be a need to raise prices.

<u>HB-598</u> Submitted on: 2/7/2021 2:25:55 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hoku	Individual	Oppose	No

Comments:

I Oppose This Bill.

<u>HB-598</u> Submitted on: 2/7/2021 2:37:22 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Naomi Muronaka	Individual	Oppose	No

Comments:

I oppose

Submitted on: 2/7/2021 2:53:01 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
candice costales	Individual	Oppose	No

## Comments:

I oppose to this bill because if prices rise for wholesalers and other related retail sellers, they would have to rise the costs to their products to stay in business. Businesses are already having hard time due to Covid-19 along with the people. This shouldn't be happening during a pandemic.

<u>HB-598</u> Submitted on: 2/7/2021 3:06:00 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Alex Abe	Individual	Oppose	No	

# Comments:

I'm Alex and I oppose this bill!

HB-598 Submitted on: 2/7/2021 3:18:53 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michael deYcaza	Individual	Support	No

# Comments:

Anything to cut down tobacco use.

Submitted on: 2/7/2021 3:52:29 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Michelle K.	Individual	Support	No

## Comments:

Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. Please pass this bill to decrease e-cigarette usage. Mahalo!

HB-598 Submitted on: 2/7/2021 4:04:19 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ke Nguyen	Individual	Oppose	No

# Comments:

No good for business. HB-598 is just foolish.

HB-598 Submitted on: 2/7/2021 4:12:53 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rafael Montero	Individual	Oppose	No

Comments:

Strongly Oppose.

HB-598 Submitted on: 2/7/2021 4:20:40 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Anthony Orozco	Individual	Oppose	No

# Comments:

The bill will cause more hardship for business.

Submitted on: 2/7/2021 4:58:18 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathleen Koga	Individual	Support	No

### Comments:

I am in strong support of the proposed e-cigarette regulations that will prevent initiation of vaping by young people. Hawaii has one of the highest rates of vaping in the nation among our teens. E-cigarettes are not only dangerous to their health but also extremely addictive. It is especially important during the Covid pandemic to protect the health of our youth and prevent harm to their lungs. Please take action to tax e-cigarettes as a tobacco product, license e-cigarette sellers and restrict youth access through on-line sales to deter youth from obtaining these dangerous products.

Submitted on: 2/7/2021 5:10:31 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tomoe Contorelli	Individual	Support	No

### Comments:

I am a mother of a 15-year-old boy, who already has access to e-cigarettes for selling, buying and vaping. He is not the first one to get into this route. His friends including a younger one has started showing him how to do it years ago. I have taken him for counseling and making every single effort you could think of in order for him to stay away from e-cigarettes. I am a special education teacher with over 30 years of experiences teaching yongesters with special needs, applying behavior modifications and providing parent training. Yet this past year of my son getting into e-cigarettes is destroying our relationship, his mental and physical health. E-cigarettes is one of the most dangerous substances no human beings should be exposed to. It is addictive, destroying physical and mental health of any humans at any ages, and the damage can not be undone, yet so easy to obtain and use. Even starting at middle school age, the keiki buy visa or master prepaid card at grocery store, go on line and get e-cigarettes delivered to their doors easily if their parents are not closely monitoring them. There are kids who can do this easily became distributors and sell to other teens. Everyone has ecigarettes in their pocket even at high school and middle school. Since it is so small, easy to use, no fire required, no smell, the teens are using it EVERYWHERE ANYTIME. It should be completely banned, but if not, it should not be easy to obtain for the teens. To them, it is a sweet treat with succulent flavored pacifier. They were glued to it, attracted to it and addicted to it without being aware of life time negative consequences. It is not like tobacco we played with as teen 40 years ago. Tobacco then tasted horrible, smelled bad and was not handy like e-cigarettes now. It is unlawful for teens to sell, buy and vape, but they can obtain them without any obstacles at this point. Therefore, majority of them are regularly vaping everyday everywhere. This needs to be changed. It has to be even harder to obtain than tobacco since the damage is greater.

Submitted on: 2/7/2021 6:16:58 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Erin R.	Individual	Oppose	No	

### Comments:

Aloha and thank you for listening,

I strongly oppose HB598. It is a principle of good policy that new measures remain as neutral as possible. That means these new measures should neither encourage nor discourage personal or business decisions. Legislators should pass regulations rather than adopt bans to achieve regulatory goals. Furthermore, they should make sure that current regulations are enforced. This is currently not the case for most states.

There is some debate over the societal health benefits of vaping, but generally, it is believed beneficial for society every time a smoker becomes a vaper. Public Health England, an agency of the English Ministry for Health, recommends smokers switch to vaping, and the American Cancer Society concludes that, based on current available information, vaping is less harmful than smoking. In other words, vapor products could be a key tool in the fight against tobacco-related morbidity and mortality.

As a contributing leader of Hawaii's society, I strongly ask the legislature to reconsider this bill until more research is done on how such a measure would impact Hawaii's economy and small business owners. Due to COVID-19, there already has been such a huge blow to the small business community and imposing additional taxes will only exacerbate the situation.

Mahalo for your time and consideration,

a concerned citizen.

Submitted on: 2/7/2021 7:49:02 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Bryan Mih	Individual	Support	No	Ī

### Comments:

## Dear Representatives:

As a pediatrician and medical director of the Kapi'olani Smokefree Families Program, I strongly support this bill, which improves regulations on electronic smoking devices.

Electronic smoking devices are used in a similar manner as cigarettes, yet are not taxed as such. The American Academy of Pediatrics strongly supports regulation and taxation of electronic smoking devices to prevent initiation of use, especially by young people.

Hawaii has one of the highest rates of middle schoolers (18%) and high schoolers (31%) currently using e-cigarettes. For Native Hawaiian and Pacific Island youth the rates are even higher: 30% for middle schoolers and 40% for high schoolers.

Nicotine is a highly addictive drug that impacts the adolescent brain, reducing impulse control and affecting mood. Those who use e-cigarettes are four times more likely to smoke regular cigarettes later on. The e-cigarette industry claims these are cessation devices, but a recent study has shown that even if one adult can quit with these devices, the trade-off is 81 young people who will start the habit in their place. This is completely unacceptable.

Once young people are addicted to nicotine, it is extremely difficult to quit. Appropriately regulating and taxing these electronic nicotine devices just brings these products in line with laws regarding other tobacco products. This is a common sense solution that is long overdue and which will improve the health of many, especially our keiki and young people.

Mahalo for your consideration and support of this important measure.

Sincerely,

Bryan Mih, MD, MPH, FAAP

# Pediatrician

Submitted on: 2/7/2021 9:51:42 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
P Kuromoto	Individual	Oppose	No

### Comments:

A decade after ecigarettes entered the consumer market, no significant widespread harm has been found to occur from their use. It is abundantly clear: ecigarettes are the best tobacco harm-reduction technology ever invented and only pose a tiny fraction of the risk that smoking tobacco poses.

This technology, which INCLUDES NON-TOBACCO FLAVORS that are used by the vast majority of adult users, should be supported and not subjected to continuous attempts to tax and and regulate it out of existence.

Hundreds of thousands of lives are lost every year to smoking-related disease. Ecigarettes and vaping **solve that problem**. **VAPING IS NOT SMOKING**. Trying to ban it in any way is insanity.

<u>HB-598</u> Submitted on: 2/8/2021 7:13:46 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Pili	Individual	Oppose	No

Comments:

I oppose this bill.

Submitted on: 2/8/2021 8:47:24 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Megan Hiles	Individual	Support	No

## Comments:

Hello. Please support SB1147. As a physician in our community, I personally see the effects of e-cigarettes on our population. I see the cost both to individuals and to our healthcare system. Allocating tax revenue to support prevention and control programs will further reduce tobacco use. It will lead to a healthier community both physically, financially, and emotionally.

Thank you,

Megan Hiles MD, FACP

Submitted on: 2/8/2021 9:28:01 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cory Daley	Individual	Support	No

### Comments:

SB 598 would regulate e- cigarettes, and put them in the same category as other tobacco products. The goal here is to help make it more difficult for our youth to obtain these products. E-cigarettes have grown greaterly in popularity among the younger generation. This is putting their health at greater risk. It also puts them at a higher risks for COVID-19 complications. Seeing aportions of these taxes go towards prevention programs can have a big impact on the youth. As a pediatric dental resident who cares greatly about the oral health of these youth, I am strongly in favor of SB 598.

Submitted on: 2/8/2021 9:29:10 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
HANALEI BENN	Individual	Oppose	No

## Comments:

This bill should be opposed made differently.

doesn't feel right to penalize those who are of age to smoke and make out on choices on the products.

I definitely agree with giving the youth information on not smoking it but maybe we should make things like giving citations 1 ounce smoking in public just like drinking in public especially for under age just a thought i feel would be more beneficiary.

HB-598 Submitted on: 2/8/2021 9:37:18 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Katelyn Kapua	Individual	Oppose	No

Comments:

Oppose

To whom it may concern,

I am opposing the current bill (HB598) that will destroy the vaping industry here in Hawaii and put hundreds of people out of employment. Our goal for public health is to have people quit smoking traditional tobacco cigarette which is the #1 cause of cancer here in America.

Yet our own Government demonize this new technology which has helped millions of Americans make the switch and drastically improving their health. If this bill were to pass, the industry will be dead, business will go out and people will go back to smoking traditional tobacco cigarettes.

The government already have strict guidelines vape shops must follow, or heavy fine will be applied or even jail time. Yet we are somehow made the enemy of public health. Meanwhile alcohol / flavored alcohol can be advertised online/TV Commercials/Super Bowl and sold in supermarkets.

I implore you to take your time and review these bills that could possibly destroy something that in my opinion, a PUBLIC HEALTH MIRACLE. Especially at a time when the PANDEMIC is still killing thousands of people and putting thousands of others out of a job.

Vinh Tran,

Resident of Honolulu, Hawaii.

Submitted on: 2/8/2021 9:54:01 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jostin A Iriarte	Individual	Oppose	No

### Comments:

I strongly oppose Hlouse Bill HB598 I find it unfair to businesses who already has been compliant and following all state & federal protocols, the issues I see is that so many bills & regulations are being put forward yet enforcement on all these rules aren't being done. Many vapes shops who are in compliant isn't the ones to fault for underage vaping there needs to be more enforcement & stringent laws to fine those illegally in possession of vaping products, why tackle the industry itself rather truly enforcing the rules, the rules on possession of vape products & illegal sale of products should be at the very lease causing fear, yet its a slap on the wrist. If your going to tax any product in the vape industry tax the nicotine itself or if taxing e-liquids per milliliter please do not have such a ridiculous tax fee as products are already expensive 10 cents per milliliter on a 30ml bottle is \$3 additional on a 60ml is \$6 additional & 100ml will be \$10. At those price increase you are going to push consumer to resort back to traditional cigarettes & or cause businesses to close or create an illegal Black Market On E-liquids which many wouldn't even follow proper guidelines to manufacture. The vape industry is already heavily engaged in the rules & regulation's set forth by the FDA. Hawaii doesn't need rules to regulate the Industry we rule to enforce what's happening illegal sales & possession. Thank You Senate For Your Time

Submitted on: 2/8/2021 10:11:16 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jinna Kim	Individual	Oppose	No

## Comments:

Hello,

I would like to oppose this Bill. Due to the current Epidemic small businesses are already struggling to survive and Employees will loose there jobs. This will create more people to go on unemployeement and move out of Hawaii. This will also create people to look for products in the Black Market which is far more dangerous.

HB-598 Submitted on: 2/8/2021 11:29:33 AM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Jennifer Milholen	Individual	Support	No	

# Comments:

Mahalo for supporting this measure in the interest of public health and safety.

HB-598 Submitted on: 2/8/2021 2:40:56 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Sean Anderson	Individual	Oppose	No	

Comments:

Please stop.

Submitted on: 2/8/2021 2:48:25 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nadiene Wu	Individual	Support	No

### Comments:

Committee on Commerce and consumer Protection Senator Donovan M. Dela Cruz Representative Val Okimoto

Aloha Senator Dela Cruz, Representative Okimoto, and Members of the committee

I am in support of SB598, relating to electronic smoking devices, to regulate e-cigarettes as a tobacco product by ending the sale of flavored tobacco and e-liquids, taxing e-cigarettes, halting online purchasing to minors, and directing a portion of the funds from taxes to much needed prevention and cessation programs.

With Hawaii in the midst of a youth vaping epidemic, 1:3 high school students and 1:5 middle school students reported use of e-cigarettes in 2019. As lawmakers, it is imperative to reverse this trend of nicotine addiction by ending the sale of all flavored tobacco products as these flavors are directed to be attractive to our youth. Retailers should be restricted to face-to-face purchases as online sales make it easier for minors to buy these products illegally. Taxes on e-cigarettes should also be taxed to aid in funding tobacco prevention and control programs to help reduce smoking rates as well as licensing and permitting for these tobacco retailers and wholesalers.

According to the American Cancer Society, it is vital to note that aerosol from an ecigarette can contain nicotine and other harmful substances that are addictive and can cause lung disease, heart disease, cancer, and now a higher risk associated with COVID-19. I urge you to protect Hawaii's youth and future generation from these consequences of using these harmful, unregulated, and addictive products with your support of SB598 and other related use of tobacco products.

Respectfully, Dr. Nadiene Wu

Submitted on: 2/8/2021 3:11:49 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Stephanie Mock	Individual	Support	No	

## Comments:

I support HB598. This legislation will require licensing and permitting for e-cigarette wholesalers and retailers, something that is paramount in regulating the industry. All of our other industries currently require licensing/permitting (restaurants, retailers, professional services, etc) and e-cigarettes should not be exempt from this regulatory oversight.

Please consider supporting HB598 to be equal in protecting our community's health.

Mahalo.

Submitted on: 2/8/2021 5:00:55 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Joseph	Individual	Oppose	No

### Comments:

Increasing the fee of licenses will only further discourage small business owners to think about opening any vape related store on any of the islands. Small businesses should be supported and backed by the community and government. Something to consider would be how many members of the community in which you're trying to raise fees on have been positively impacted by making the switch from traditional combustible tobacco cigarettes to a much healthier lifestyle of vaping. Take a minute to think, have you personally ever visited a vape shop? Have you known a member of your family that has been diagnosed with cancer due to smoking combustible tobacco cigarettes? If yes, would you have given that same member of your family the opportunity to get away from the cancer sticks or let them slowly dig a hole. Please consider those of us who have been in my words "saved" from the Big Tobacco Industry!

<u>HB-598</u> Submitted on: 2/8/2021 5:33:39 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Robert Anderson	Individual	Oppose	No

Comments:

Please NO MORE TAXES

Submitted on: 2/8/2021 9:09:50 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing	
Theresa Ng	Individual	Support	No	Ī

### Comments:

Dear Chair Aquino, Vice-Chair Ilagan, and members of the Transportation Committee,

My name is Theresa Ng, a junior at UH Manoa. Having lived on Oahu all my life, I have seen many of my peers fall prey to Big Tobacco companies. When I was in high school, e-cigarette use was beginning to blow up. I knew many people who bought their e-cigarette products in shady stores (who rarely check ids). Banning unlawful shipments of these tobacco products (which often make their way into these stores) is critical in preventing more youth from starting or fueling their addiction to tobacco.

Additionally, abundant work of research is available that proves Big Tobacco companies specifically target youth. Everyone, regardless of age, is susceptible to aggressive marketing. Youth and adults struggling with addiction must have resources available to quit successfully. This bill would drastically increase the number and quality of cessation and education programs around tobacco; it will only help better our youth and communities' overall health.

All in all, I have no doubt the targeted HB598 bill will help reverse the trend of increased tobacco use in Hawaii's youth, which I see firsthand. I strongly urge you to vote in favor of HB598.

Thank you, Theresa Ng

Submitted on: 2/8/2021 10:15:58 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Cory Chun	Individual	Support	No

## Comments:

Aloha Chair Aquino and committee members,

I wanted to lend my support for this measure to regulate electronic smoking devices. Thank you for taking the time to hear this measure that can have a positive impact on public health in our state. Mahalo.

Date: February 9, 2021

Re: Support for HB 598

Hello! My name is Rojelle Bohol and I am a university student. I am writing in support of HB 598.

I see many people in my community smoke and use e-cigarette products. I am very concerned because I noticed more younger people are using these products. Some of my friends who did not smoke in high school do today because of the increasing popularity of e-cigarettes and flavors. Also, I have a younger brother who is in high school and I am afraid he will start smoking or begin to use e-cigarettes since many people his age are beginning to or already use them. Everyone should be concerned because e-cigarettes contain harmful chemicals that lead to negative health outcomes. This topic is especially important today because studies show that teens and young adults who used e-cigarettes were five times more likely to be diagnosed with COVID-19 than non-users. Despite the adverse effects, people continue to use these products for various reasons. There needs to be something done!

We should be focusing our efforts on preventing smoking and e-cigarette use, especially among youths, so fewer are addicted and/or stop using it in the future. We can prevent this by implementing stricter regulations on the sale of tobacco and e-cigarette products, including e-liquids, and apply a tobacco tax on e-cigarettes so underaged people will have a more difficult time obtaining these products. Revenue from the tax can be used in prevention strategies such as health education about the dangers of e-cigarette use. This can also ensure licensed retailers are selling these products rather than allowing anyone to buy these products online and sell them to youth.

This issue is a concern for all people regardless of age. Many are being affected by these products and it's time to stop it. To prevent tobacco and e-cigarette related disparities from affecting people in Hawai'i, we need to do something now! I strongly support HB 598 because I want my community and all communities in Hawai'i to become healthier. The implementation of this bill will bring us a step closer to doing that. Please support HB 598 for this to become a reality!

Mahalo, Rojelle Bohol

Kaimuki, HI

Submitted on: 2/9/2021 5:25:13 PM

Testimony for TRN on 2/10/2021 10:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sheldon Miyakado	Individual	Oppose	No

Comments:

I STRONGLY OPPOSE THIS BILL!!!!

Registered Voter