

ON THE FOLLOWING MEASURE: S.B. NO. 1147, RELATING TO TOBACCO PRODUCTS.

BEFORE THE:

SENATE COMMITTEES ON HEALTH AND ON COMMERCE AND CONSUMER PROTECTION

DATE:	Tuesday, February 9, 2021	TIME: 9:00 a.m.
LOCATION:	State Capitol, Via Videoconference,	Room 229
TESTIFIER(S): Clare E. Connors, Attorney Ge Delanie Prescott-Tate, Deputy	•

Chairs Keohokalole and Baker and Members of the Committees:

The Department of the Attorney General (Department) strongly supports this bill and provides the following comments.

The bill would allow the regulation of electronic smoking devices and e-liquids to be combined with the retail tobacco permitting process, a function already within the purview of the Department of Taxation, and would render the Electronic Smoking Device Retailer Registration Unit, created by section 28-163, Hawaii Revised Statutes (HRS), within the Department, unnecessary. The Department also strongly supports the repeal of part XII of chapter 28, HRS, based upon this bill's goal of subjecting electronic smoking devices and e-liquids to taxation and regulation under chapter 245, HRS. 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.

We respectfully ask the Committees to pass this bill.

DAVID Y. IGE GOVERNOR OF HAWAII



ELIZABETH A. CHAR, M.D. DIRECTOR OF HEALTH

STATE OF HAWAII DEPARTMENT OF HEALTH P.O. Box 3378 Honolulu, HI 96801-3378 doh.testimony@doh.hawaii.gov

Testimony in SUPPORT of S.B. 1147 RELATING TO TOBACCO PRODUCTS

SENATOR JARRETT KEOHOKALOLE, CHAIR SENATE COMMITTEE ON HEALTH

SENATOR ROSALYN H. BAKER, CHAIR SENATE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

Hearing Date: 2/9/2021

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.

Department Testimony: The DOH supports Senate Bill 1147 (S.B. 1147) as a comprehensive public health measure to address Hawaii's youth vaping epidemic. This measure establishes the offense of unlawful shipment of tobacco products, includes e-liquid and electronic smoking devices (ESDs) 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, and increases the retail tobacco permit fee for retailers engaged in the retail sale of cigarettes and tobacco products.

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%).¹

¹ National Youth Risk Behavior Survey, Hawaii and the United States (2019)

Hawaii does not regulate ESDs through licensing, permitting, nor taxation. ESDs are not 1 taxed like other tobacco products and often can be purchased at lower prices than cigarettes. 2 According to the U.S. Surgeon General, increasing the price of tobacco products is the single 3 most effective way to reduce consumption.² According to an economic study by the University 4 of Illinois, increasing the price of ESDs by 10% has been shown to lead to a 10% to 18% 5 6 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 7 youth, who are particularly price sensitive.³ Further, the imposition of an excise tax equal to 8 70% of the wholesale price of each e-liquid and ESD will be consistent with the tax on other 9 10 tobacco products.

The DOH supports the restriction of shipping tobacco products to anyone other than a 11 licensed wholesaler. Unregulated shipping (or importing) of tobacco products, particularly, 12 ESDs ordered online, has created a dangerous loophole, by providing an appealing option for 13 underage smokers. In the current unregulated online market, youth easily, and often, 14 circumvent the age verification process for purchasing tobacco. Minors were successful in 15 buying ESDs online 93% of the time despite age restrictions according to the Internet Tobacco 16 Vendors Study (ITV), supported by the National Cancer Institute and the U.S. Food and Drug 17 18 Administration (FDA). Another study found that ESDs were often shipped from internet vendors without instructions or health warnings. Due to the easy access for minors through 19 online marketing, public health researchers recommend more vigorous policies to prohibit sales 20 to minors.^{4,5} 21

22

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

² 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].

³ 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)

⁴ Williams RS, Derrick J, Ribisl KM. Electronic Cigarette Sales to Minors via the Internet. *JAMA Pediatric*. 2015;169(3): e1563. doi:10.1001/jamapediatrics.2015.63.

⁵ Kong AY, Derrick JC, Abrantes AS, Williams RS. *What is included with your online e-cigarette order? An analysis of e-cigarette shipping, product and packaging features. Tobacco Control.* [Epub ahead of print] June 29, 2016. doi:10.1136/tobaccocontrol-2016-053061.

1	e-liquid vendors in alignment with the traditional tobacco retailers and would provide accurate
2	data for compliance surveillance. As of 2020, 31 states, the District of Columbia, the Northern
3	Mariana Islands, and the U.S. Virgin Islands required retailers to have a license to sell ESDs. ⁶
4	Tobacco licensing is an effective tool for limiting the negative public health consequences of
5	tobacco use by ensuring that wholesalers and retailers comply with responsible sales practices.
6	Increasing the licensure and permitting fees, which have remained unchanged since 1995, despite
7	high tobacco taxes and ever-increasing tobacco industry expenditures in marketing and
8	advertising, would be a further positive move.
9	The DOH supports S.B. 1147 as a comprehensive legislative action to address the youth
10	vaping epidemic and protect the health of Hawaii's youth.
11	Offered Amendments: None
12	Thank you for the opportunity to testify on this measure.

⁶ U.S. Department of Health and Human Services, Centers for Disease Control and Prevention, STATE System Licensure Fact Sheet, <u>https://www.cdc.gov/statesystem/ecigarette.html</u>

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 Jarrett Keohokalole, Chair; The Honorable Rosalyn H. Baker, Vice Chair; and Members of the Senate Committee on Health
The Honorable Rosalyn H. Baker, Chair; The Honorable Stanley Chang, Vice Chair; and Members of the Senate Committee on Commerce and Consumer Protection
From: Isaac W. Choy, Director Department of Taxation

Date:February 9, 2021Time:9:00 A.M.Place:Via Videoconference, Hawaii State Capitol

Re: S.B. 1147, Relating to Tobacco Products

The Department of Taxation (Department) <u>supports</u> S.B. 1147, an Administration measure, and offers the following comments for your consideration.

S.B. 1147 makes multiple amendments to chapter 245, Hawaii Revised Statutes (HRS). These amendments will enable improved regulation of the sale of electronic smoking products. S.B. 1147 is effective January 1, 2022.

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.

The Department prefers this measure over the 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. The Department is able to administer this bill as currently written and with its current effective date.

Thank you for the opportunity to provide comments.

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: SB 1147; HB 993

INTRODUCED BY: SB by KOUCHI by request; HB by SAIKI by request

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. 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 "e-liquid" as 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 under 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), HRS.

Defines "electronic smoking device" as any electronic product, or part thereof, that can be used by a person to simulate smoking in the delivery of nicotine or any other substance, intended for human consumption, through inhalation of vapor or aerosol from the product. "Electronic smoking device" includes but is not limited to an electronic cigarette, electronic cigar, electronic cigarillo, electronic pipe, electronic hookah, vape pen or related product, and any cartridge or other component part of the device or product. Electronic smoking devices are also included within the definition of tobacco products.

Defines "smoke" or "smoking" as inhaling, exhaling, burning, carrying, or possessing any lighted or heated tobacco product, or similar substance intended for human consumption, including the use of an electronic smoking device that creates an aerosol or vapor, in any manner or in any form.

Amends the definition of "tobacco products" to be tobacco in any form, other than cigarettes or little cigars; that is intended for human consumption, or is likely to be consumed whether smoked, heated, chewed, absorbed, dissolved, inhaled, or ingested by other means; e-liquid; or electronic smoking device. Tobacco products includes but is not limited to large cigars and any substitutes thereof other than cigarettes that bear the semblance thereof, pipe tobacco, chewing or smokeless tobacco, snuff, snus, e—liquid, electronic smoking device, any cartridge or other component part of the device or product, and related products.

Re: SB 1147 Page 2

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

Amends section 245-2.5, HRS, to raise the annual fee for a retail tobacco permit from \$20.00 to \$50.00.

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: This is an Administration bill sponsored by the Department of Health and identified as HTH-11 (21).

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

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.

Do we really need an elaborate study to tell ourselves that fiscal reliance on funds from a sin tax is inadvisable or outright dangerous? If the goal is to affect social behavior, use of the tax law is not the most effective way to do so.

Re: SB 1147 Page 4

Digested 2/5/2021



February 6, 2021

Honorable Chairs Senators Roz Baker and Jarrett Keohokalole Honorable Vice-Chair Senators Stanley Chang and Roz Baker Members of the Committees of Commerce and Consumer Protection, and Health

RE: Strong Support of SB1147, Regulating E-Cigarettes as Tobacco Products

Dear Senators Baker, Keohokalole and Chang, and members of the Committees on Commerce and Consumer Protection, and Health,

This measure is extremely critical to the health of the children of our state and our entire state as well. Please vote in favor of SB1147, which will include electronic smoking devices in the definition of tobacco products and appropriately tax it, as well as restricting delivery sales to licensed tobacco sellers.

I am Executive Director of the Hawaii COPD Coalition and serve over 45,000 Hawaii adults diagnosed with COPD in Hawaii (with an estimated equal number still undiagnosed). Chronic Obstructive Pulmonary Disease or COPD is an umbrella of diseases which include emphysema, chronic bronchitis and chronic asthma. Since 2007, I have worked in Hawaii, nationally and internationally with countless people who have had their lungs and lives horribly affected by tobacco and nicotine. Many of these people have become disabled and unable to perform jobs and hobbies they enjoyed, spending a lot more time and resources with healthcare providers than they or any of us would like.

We are grateful that this legislature has been the first in the nation to pass legislation banning the sale of tobacco and electronic smoking devices to people under 21 in Hawaii. Unfortunately, that doesn't stem the growing epidemic of young people and adults in our state who are smoking electronic smoking devices, commonly referred to as ESDs, e-cigs, or vaping, with one in three of the youth in Hawaii using such devices. This is extremely concerning since nicotine is known to be a HIGHLY addictive drug and impacts the developing brain. Pediatricians have reported the brain continues to develop and grow until the young adult is 26 years old!

Please help protect the lungs and lives of our children from these very harmful products that are spreading virally in our schools, from elementary through high school and beyond. We urge you to please vote in favor of SB1147 and pass it out of committee so it can become law. The Hawaii COPD Coalition thanks you very much for your careful consideration of this most important and timely bill.

Very truly yours,

Valerie Chang

Valerie Chang Executive Director



COMMITTEE ON HEALTH Senator Jarrett Keohokalole, Chair Senator Rosalyn H. Baker, Vice Chair

COMMITTEE ON COMMERCE AND CONSUMER PROTECTION Senator Rosalyn H. Baker, Chair Senator Stanley Chang, Vice Chair

Tuesday, February 9, 2021, 9:00 A.M., Conference Room 229

TESTIMONY IN SUPPORT OF SENATE BILL SB1147 RELATING TO TOBACCO PRODUCTS

The American Lung Association is the leading organization working to save lives by improving lung health and preventing lung disease, through research, education, and advocacy. The work of the American Lung Association in Hawaii and across the nation is focused on four strategic imperatives: to defeat lung cancer; to improve the air we breathe; to reduce the burden of lung disease on individuals and their families; and to eliminate tobacco use and tobacco-related diseases.

The American Lung Association in Hawaii strongly supports Senate Bill 1147, which brings tax parity for all tobacco products, including electronic smoking devices and e-liquids.

Regulatory action on tobacco products in Hawaii is necessary to reduce tobacco-related health disparities and end the youth vaping epidemic and the need for Hawaii to protect youth from tobacco is more urgent than ever. According to the Centers for Disease Control, in 2019 nearly every 1 in 3 high schoolers in Hawaii vape regularly. This is an over 70% increase in youth vaping rates since 2017. Native Hawaiians and Pacific Islanders have even higher vaping rates than the youth state average.¹

There is currently no state tobacco tax attached to e-liquid, even though electronic smoking devices are now regulated by the federal government as tobacco products. Furthermore, tobacco products other than cigarettes are currently taxed at a lower rate than cigarettes, even though their use carries health risks. Research has shown that increasing cigarette prices, such as through cigarette taxes, can reduce the rate youth tobacco use. This bill will help in ending the vaping epidemic by creating a tax on e-liquids and ecigarettes, and taxing these products as other tobacco products is the most equitable way to do so.

Despite what e-cigarette companies want us to believe, switching to vaping (e-cigarettes) is not quitting tobacco. **E-cigarettes are tobacco products, and the FDA has not approved any e-cigarette as a quit smoking device**. In fact, the FDA must crack down on the unproven health claims made by the e-cigarette industry because it's confusing people who want to quit smoking. E-cigarettes still produce a number of dangerous chemicals including acetaldehyde, acrolein, and formaldehyde. As we've seen on the news, the inhalation of harmful chemicals can cause irreversible lung damage, lung diseases—and even death.

The American Lung Association in Hawaii urges legislators to continue to support and advocate for policies to protect youth from tobacco use through tax parity. We urge passage of Senate Bill 1147.

¹American Lung Association (2021, January). State of tobacco control - Hawaii.



Pedro Haro

Executive Director American Lung Association in Hawaii pedro.haro@lung.org



1050 Bishop St. PMB 235 | Honolulu, HI 96813 P: 808-533-1292 | e: info@hawaiifood.com

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* 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 Health and Committee on Commerce and Consumer Protection Senator Jarrett Keohokalole and Senator Rosalyn H. Baker, Chairs Senator Rosalyn H. Baker and Senator Stanley Chang, Vice Chairs

FROM: HAWAII FOOD INDUSTRY ASSOCIATION Lauren Zirbel, Executive Director

- DATE:February 9, 2021TIME:9amPLACE:Via Videoconference
- RE: SB1147 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. During the October 17, 2029 informational briefing on vaping that this Committee held jointly with the Senate Committee on Commerce Consumer Protection and Health experts discussed the fact that almost 90% of underage people who use electronic smoking devises buy them online or get them from their friends. Very few purchase them in stores where they are already subject to age restrictions. 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.

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.



SB1147 Tobacco Shipping and Taxes

COMMITTEE ON HEALTH,

• Sen. Jarrett Keohokalole, Chair; Sen. Rosalyn Baker, Vice Chair COMMITTEE ON HUMAN SERVICES:

- Sen. Joy San Buenaventura, Chair; Sen. Les Ihara, Vice Chair
- Tuesday, Feb. 9[,] 2021: 9:00 am: Videoconference

HSAC Supports SB1147:

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.

- Raising the tax can help Hawai'i recovery our economy.
- Taxes and the continuing increase in taxes has proven to help people quit or sustain cessation.
- Helps to discourage youth from starting.

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 9, 2021

RE: SB 1147 / HB 993, creating a new excise tax on vaping products

Chairs Keohokalole and Baker and members of the Committees on Health and Commerce & Consumer Protection:

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 Senate Bill 1147. SB 1147 seeks to impose an excise tax of 70% of wholesale on all vaping products sold in Hawaii.

In recent years, dozens of respected health organizations worldwide have released policy statements or published papers on the scientific evidence demonstrating that vaping products are far less hazardous than cigarette smoking (see attached). This includes groundbreaking reports from Public Health England and the Royal College of Physicians estimating vaping to be at least 95% less hazardous than smoking. The evidence that vaping products help adult smokers quit also continues to grow, with the Cochrane organization recently releasing a positive literature review on the subject.

We share the goal of decreasing youth vaping, but policies that show little regard for adult smokers and vapers will have a predictable result. 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.¹ 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.

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 in the middle of a pandemic are not warranted.

Again, we urge the committee to reject this bill.

Sincerely,

Gregory Conley

Gregory Conley, J.D., M.B.A. President, American Vaping Association

¹ <u>"Smoking's Long Decline Is Over."</u> Wall Street Journal. January 28, 2021.

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:



REGIONAL OFFICE FOR Europe

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

International Agency for Research on Cancer

World Health Organization

International Agency for Research on Cancer: "<u>The use of e-cigarettes is expected to have a lower risk</u> 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

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 ecigarettes 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

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."

NICE National Institute for Health and Care Excellence

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

BMA

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: "<u>The evidence so far shows that e-cigarettes have significantly</u> 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: "<u>RSPH has welcomed a new comprehensive evidence review on e-</u> cigarettes 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: "<u>Current evidence shows that the risk to health posed by e-cigarettes in the</u> 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 <u>Amy</u> <u>Fairchild, dean of The Ohio State University</u> <u>College of Public Health.</u>

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 <u>Cheryl G. Healton</u>, <u>dean of New York University's College of Global Public Health</u>.

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 James Curran, dean of the Rollins School of Public Health at Emory University.

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

Other authors of the paper were <u>Ronald Bayer of Columbia University</u> and <u>David</u> <u>Abrams of NYU</u>.

"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." This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit https://www.direnrints.com.

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 <u>Jennifer Maloney</u> Updated Jan. 28, 2021 10:58 am ET

Listen to this article 7 minutes

<u>The decadeslong decline in U.S. cigarette sales</u> 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 <u>alternatives like e-cigarettes</u>. 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 <u>Altria Group</u> 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.



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 <u>refined its recommendations</u> 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 <u>took some sweet and mint-flavored e-cigarette refill</u> <u>cartridges off the market</u>.

Those measures appear to have worked. In a federal

survey conducted between January and March of 2020, 19.6% of highschool 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?



Copyright © 2021 Dow Jones & Company, Inc. All Rights Reserved

This copy is for your personal, non-commercial use only. To order presentation-ready copies for distribution to your colleagues, clients or customers visit https://www.djreprints.com.



То:	The Honorable Senator Jarrett Keohokalole, Chair The Honorable Senator Rosalyn H. Baker, Chair Committee on Health
From:	Trish La Chica, Community and Government Relations Manager, External Affairs
Hrg:	February 9, 2021 at 9:00am, Room 229
RE:	SB1147 Relating to Tobacco Products – Support

AlohaCare appreciates the opportunity to provide testimony in **strong support** of **SB1147**, which will create policy parity for electronic smoking devices through taxation and licensing and permitting for retailers and wholesalers. It will also close the loophole of online purchasing.

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.

The vaping industry has been largely left unregulated and is the only tobacco product without a tobacco tax in the State. This measure would tax electronic smoking devices and their parts in the same way as other tobacco products at 70% of the wholesale price of electronic smoking devices, sending a strong public health message to eliminate lower-priced alternatives.

SB1147 would also require retailers and wholesalers to be licensed and permitted in order to sell ecigarettes and liquids. This action helps to create a more comprehensive database for the state to communicate with retailers who sell these products and to provide better oversight and communication with the industry on the enforcement and compliance of our Tobacco 21 law. AlohaCare appreciates the legislature's action to increase the cost for a tobacco wholesale license from the mere \$2.50 annually to \$250 annually and the cost of a retail permit from \$20 to \$50 annually. This is a common-sense approach to an industry that spends millions of dollars marketing in Hawaii.

Finally, AlohaCare supports all efforts prevent youth access to tobacco products. This measure will protect youth through prohibiting the online sales or shipment of electronic smoking devices.

Mahalo for this opportunity to testify in strong support of SB1147.

<u>SB-1147</u> Submitted on: 2/8/2021 6:24:10 AM Testimony for HTH on 2/9/2021 9:00:00 AM

Submitt	ed By	Organization	Testifier Position	Present at Hearing
Travis	s H	Testifying for ARC	Oppose	No

Comments:

Hello,

My name is Travis Hostutler. We own and operate a company inside of the Vaper space. For more than 6 years we have offered a less harmful solution to traditinal tobacco products converting millions of smokers to vapers along the way. We are proud of the work we do and the extension of time given to indivudulas to spend with their loved ones. The banning of flavored vapor products will only help big tobacco addict the next generation to nicotine. We are a small business with one focus: rid the world of traditional tobacco products.

We employe more than 10 indidviduals and families and have had upwards of 30 employees in the past. With the over regulations we have been forced to lay off employees. Bills like this one and others acrossed the US will without a doubt continue the layoff trend not only with my business but thousands of small business. Please vote no on shutting down business and passing the torch to Big Tobacco once more. They have proven who they care about.



February 7, 2021

To: Chair Keohokalole Vice Chair Baker Senate Committee on Health Chair Baker Vice Chair Chang Senate Committee on Commerce and Consumer Affairs

RE: STRONG SUPPORT for SB1147

Thank you for this opportunity to testify in **SUPPORT** of **SB1147**. 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.

SB1147 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), and allow online shipments of ESD only to licensed retailers.

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.¹ Locally, 27% of middle school students and 42% of public high school students acknowledged trying electronic smoking devices in 2017.²

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 e-cigarettes may be more likely to smoke cigarettes in the future."³

Given the many public health concerns tied with ESD use among youth, we urge you to pass SB1147.

Thank you for this opportunity to testify in **strong support** of **SB1147**.

Sincerely,

Colby Takeda, MPH, MBA Senior Manager

³ 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.



An Independent Licensee of the Blue Cross and Blue Shield Association

 ¹ 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
² 2017 Hawai'i Youth Risk Behavior Survey.
³ 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



Testimony to the Senate Joint Committee on Health, and Commerce and Consumer Protection Tuesday, February 9, 2021; 9:00 a.m. Via Videoconference

RE: SENATE BILL NO. 1147, RELATING TO TOBACCO PRODUCTS.

Chair Keohokalole, Chair Baker, 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 Senate Bill No. 1147, RELATING TO TOBACCO PRODUCTS.

The bill, as received by your Committee, is part of the Administration's Package and would:

- (1) Establish unlawful shipment of tobacco products;
- (2) Apply the Cigarette Tax and Tobacco Tax to e-liquid and electronic smoking devices;
- (3) Establish license fees and a retail permit fee; and
- (4) Make technical, nonsubstantive amendments to statute controlling the distribution of Cigarette Tax and Tobacco Tax collections.

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.

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.

Testimony on Senate Bill No. 0063 Tuesday, February 9, 2021; 9:00 a.m. Page 2

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 serve 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. <u>But so long</u> 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.

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. <u>We sell tobacco products in our store</u>, 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



February 7, 2021

Committee Members

Annaleah Atkinson 808 652-7743

Regina Floyd 702 292-2372

Doug Haigh 808 635-1120

Eve Hands 808 346-7799

Jonathan Lee 530 208-9738

Larry Lindsay 808 634-4559

Scott McCubbins 816 781-5883

Graeme Merrin 808 651-7211

Lelan Nishek 808 245-7747

Tommy Noyes 808 639-1018

Valerie Woods 808 822-2420

Elle Vitt 808 635-5221

Ron Wiley 808 245-9527

Health & Commerce and Consumer Protection Committees

Hawaii State Senate via e-mail

STRONG SUPPORT FOR SB1147 RELATING TO TOBACCO PRODUCTS

Aloha Senator Baker, Senator Keohokalole, and Committee Members,

This testimony is submitted on behalf of the Friends of Kamalani and Lydgate Park committee, registering our strong support for SB1147.

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 Senate Bill 1147 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



Testimony of the Hawai'i Appleseed Center for Law and Economic Justice In Support of SB 1147 – Relating to Tobacco Products Senate Committees on Health and Commerce & Consumer Protection Tuesday, February 9, 2021, at 9:00 AM in conference room 229

Dear Chair Keohokalole, Chair Baker, and members of the Committees:

Thank you for the opportunity to provide testimony in **SUPPORT of SB 1147**, which would do the following:

- Require licensing and permitting for e-cigarette wholesalers and retailers.
- Apply a tobacco tax of 70% on the wholesale price of electronic smoking devices.
- Allow online shipments of electronic smoking devices only to licensed retailers.

The tobacco tax does not currently apply to e-cigarettes. There is no reason it should be treated differently. Taxing tobacco products and cigarettes is a proven strategy to reduce youth initiation and encourage those who smoke or use tobacco products to quit. Not only will this bill help to promote public health, it will help to raise revenue at a time where our state budget and economy is hurting and needs it most.

Thank you for your consideration of this bill.



Date: February 8, 2021

To:

Re:

Kilikina Mahi, MBA Chair KM Consulting LLC

HIPHI Board

Michael Robinson, MBA, MA Immediate Past Chair Hawai'i Pacific Health

JoAnn Tsark, MPH Secretary John A. Burns School of Medicine, Native Hawaiian Research Office

Debbie Erskine Treasurer Kamehameha Schools

Keshia Adolpho, LCSW Molokai Community Health Center

Keawe'aimoku Kaholokula, PhD John A. Burns School of Medicine, Department of Native Hawaiian Health

Mark Levin, JD William S. Richardson School of Law

Rachel Novotny, PhD, RDN, LD University of Hawai'i at Mānoa, College of Tropical Agriculture and Human Resources

May Okihiro, MD, MS John A. Burns School of Medicine, Department of Pediatrics

Misty Pacheco, DrPH University of Hawai'i at Hilo, Department of Kinesiology and Exercise Sciences

Garret Sugai Kaiser Permanente

Catherine Taschner, JD McCorriston Miller Mukai MacKinnon LLP

Senator Jarrett Keohokalole, Chair
Senator Rosalyn H. Baker, Vice Chair
Members of the Health Committee

Senator Rosalyn H. Baker, Chair Senator Stanley Chang, Vice Chair Members of the Commerce and Consumer Protection Strong Support for SB 1147, Relating to Tobacco Products

Hrg: February 9, 2020 at 9:00 AM, Video Conference

The Coalition for a Tobacco-Free Hawai'i, a program of the Hawai'i Public Health Instituteⁱ offers testimony in **Strong Support on SB 1147**, which imposes a tax electronic smoking devices (ESDs) and e-liquids, requires wholesalers and retailers to obtain a license and a retail tobacco permit, and restricts the shipment of tobacco products to anyone other than a licensee.

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 vapingⁱⁱ. 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 adultsⁱⁱⁱ. 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^{iv}."

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^v 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, and 95% feel that it is important for the State to dedicate part of its revenue to tobacco prevention and cessation programs. 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.

In May 2020, Stanford University published a landmark study^{vi} 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^{vii}. 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 ecigarettes. 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 people^{viii}." 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 SB 1147 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.

ⁱⁱ 2019 Youth Risk Behavior Surveillance System (YRBS). Available at: <u>www.cdc.gov/yrbs</u>. [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 <u>https://e-cigarettes.surgeongeneral.gov/documents/2016_SGR_Exec_Summ_508.pdf</u>

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

^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, <u>https://e-cigarettes.surgeongeneral.gov/documents/surgeon-generals-advisory-on-e-cigarette-use-among-youth-2018.pdf</u>

ⁱ 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.

<u>SB-1147</u> Submitted on: 2/8/2021 5:50:01 AM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

We oppose this unneeded and business harmful bill.


Testimony before the Hawaii Senate Committees on Health and Consumer Protection and Commerce Regarding Regulating Electronic Cigarettes and Vapor Products Lindsey Stroud, Policy Analyst Taxpayers Protection Alliance February 9, 2021

Members of the Committee,

Thank you for your time today to discuss the issue of regulating electronic cigarettes and vapor products. My name is Lindsey Stroud and I am a Policy Analyst with the Taxpayers Protection Alliance (TPA). TPA is a non-profit, non-partisan organization dedicated to educating the public through the research, analysis and dissemination of information on the government's effects on the economy.

As lawmakers attempt to address youth use of age-restricted products, many policymakers are seeking to prohibit the sale of flavored e-cigarettes, as well as restrict online shipments. Although, addressing youth use is laudable, flavor bans are not effective in reducing youth e-cigarette use. Further such policies harm adults that rely on vapor products to quit smoking and remain smoke-free.

E-Cigarettes and Tobacco Harm Reduction

The evidence of harm associated with combustible cigarettes has been understood since the 1964 U.S. Surgeon General's Report that smoking causes cancer. Research overwhelmingly shows the smoke created by the burning of tobacco, rather than the nicotine, produces the harmful chemicals found in combustible cigarettes.¹ There are an estimated 600 ingredients in each tobacco cigarette, and "when burned, [they] create more than 7,000 chemicals."² As a result of these chemicals, cigarette smoking is directly linked to cardiovascular and respiratory diseases, numerous types of cancer, and increases in other health risks among the smoking population.³

For decades, policymakers and public health officials looking to reduce smoking rates have relied on strategies such as emphasizing the possibility of death related to tobacco use and implementing tobacco-related restrictions and taxes to motivate smokers to quit using cigarettes. However, there are much more effective ways to reduce tobacco use than relying on government mandates and "quit or die" appeals.

During the past 30 years, the tobacco harm reduction (THR) approach has successfully helped millions of smokers transition to less-harmful alternatives. THRs include effective nicotine delivery systems, such as smokeless tobacco, snus, electronic cigarettes (e-cigarettes), and vaping. E-cigarettes and vaping devices have emerged as especially powerful THR tools, helping nearly three million U.S. adults quit smoking from 2007 to 2015.



Indeed, an estimated 10.8 million American adults were using electronic cigarettes and vapor products in 2016.⁴ Of the 10.8 million, only 15 percent, or 1.6 million adults, were never-smokers, indicating that e-cigarettes are overwhelmingly used by current and/or former smokers.

E-cigarettes were first introduced in the United States in 2007 by Ruyan, a Chinese manufacturer.⁵ Soon after their introduction, Ruyan and other brands began to offer the first generation of e-cigarettes, called "cigalikes." These devices provide users with an experience that simulates smoking traditional tobacco cigarettes. Cig-alikes are typically composed of three parts: a cartridge that contains an e-liquid, with or without nicotine; an atomizer to heat the e-liquid to vapor; and a battery.

In later years, manufacturers added second-generation tank systems to e-cigarette products, followed by larger third-generation personal vaporizers, which vape users commonly call "mods."⁶ These devices can either be closed or open systems.

Closed systems, often referred to as "pod systems," contain a disposable cartridge that is discarded after consumption. Open systems contain a tank that users can refill with e-liquid. Both closed and open systems utilize the same three primary parts included in cigalikes—a liquid, an atomizer with a heating element, and a battery— as well as other electronic parts. Unlike cigalikes, "mods" allow users to manage flavorings and the amount of vapor produced by controlling the temperature that heats the e-liquid.

Mods also permit consumers to control nicotine levels. Current nicotine levels in e-liquids range from zero to greater than 50 milligrams per milliliter (mL).⁷ Many users have reported reducing their nicotine concentration levels after using vaping devices for a prolonged period, indicating nicotine is not the only reason people choose to vape.

Health Effects of Electronic Cigarettes and Vapor Products

Despite recent media reports, e-cigarettes are significantly less harmful than combustible cigarettes. Public health statements on the harms of e-cigarettes include:

Public Health England: In 2015, Public Health England, a leading health agency in the United Kingdom and similar to the FDA found "that using [e-cigarettes are] around 95% safer than smoking," and that their use "could help reducing smoking related disease, death and health inequalities."⁸ In 2018, the agency reiterated their findings, finding vaping to be "at least 95% less harmful than smoking."⁹

The Royal College of Physicians: In 2016, the Royal College of Physicians found the use of e-cigarettes and vaping devices "unlikely to exceed 5% of the risk of harm from smoking tobacco."¹⁰ The Royal College of Physicians (RCP) is another United Kingdombased public health organization, and the same public group the United States relied on for its 1964 Surgeon General's report on smoking and health.

The National Academies of Sciences, Engineering, and Medicine: In January 2018, the academy noted "using current generation e-cigarettes is less harmful than smoking."¹¹

A 2017 study in *BMJ*'s peer-reviewed journal *Tobacco Control* examined health outcomes using "a strategy of switching cigarette smokers to e-cigarette use ... in the USA to accelerate tobacco control progress."¹² The authors concluded that replacing e-cigarettes "for tobacco cigarettes would result in an estimated 6.6 million fewer deaths and more than 86 million fewer life-years lost."

An October 2020 review in the *Cochrane Library Database of Systematic Reviews* analyzed 50 completed studies which had been published up until January 2020 and represented over 12,4000 participants.

The authors found that there was "moderate-certainty evidence, limited by imprecision, that quit rates were higher in people randomized to nicotine [e-cigarettes] than in those randomized to nicotine replacement therapy." The authors found that e-cigarette use translated "to an additional four successful quitters per 100." The authors also found higher quit rates in participants that had used e-cigarettes containing nicotine, compared to the participants that had not used nicotine.

Notably, the authors found that for "every 100 people using nicotine e-cigarettes to stop smoking, 10 might successfully stop, compared with only six of 100 people using nicotine replacement therapy or nicotine-free e-cigarettes."

Tobacco Economics 101: Hawaii

In 2019, 12.3 percent of adults in Hawaii smoked tobacco cigarettes, amounting to 137,232 smokers in 2019.¹³ When figuring a pack-per-day, more than one billion cigarettes were smoked in 2019 by Hawaiians, or about 2.7 million per day.¹⁴

In 2019, Hawaii imposed a \$3.20 excise tax on a pack of cigarettes.¹⁵ In 2019, Hawaii collected \$185.3 million in cigarette excise taxes, when figuring for a pack-a-day habit. This amounts to \$1,168 per smoker per year.

Hawaii spent \$4.5 million on tobacco control programs in 2019, or \$32.79 per smoker per year. This is only two percent of what the state received in excise taxes in 2019 from Hawaii adult smokers, based off a pack-a-day habit. When figuring amount spent on youth in the state, Hawaii spent \$15.01 per year on each resident under 18 years of age.

Vapor Economics 101: Hawaii

Electronic cigarettes and vapor products are not only a harm reduction tool for hundreds of thousands of smokers in the Aloha State, they're also an economic boon.

According to the Vapor Technology Association, in 2018, the industry created 451 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Hawaii, which generated \$18



million in wages alone.¹⁶ Moreover, the industry has created hundreds of secondary jobs in the Aloha State, bringing the total economic impact in 2018 to \$100,745,600. In the same year, Hawaii received more than \$9 million in state taxes attributable to the vaping industry. These figures do not include sales in convenience stores, which sell vapor products including disposables and prefilled cartridges. In 2016, average national sales of these products eclipsed \$11 million.¹⁷

Switching from combustible cigarettes to electronic cigarettes and vapor products will also reduce smoking-related health issues and save persons and states money. WalletHub estimated the "true cost of smoking" including "…cost of a cigarette pack per day, health care expenditures, income losses and other costs."¹⁸ WalletHub estimated the true cost for smoker in Hawaii to be \$61,139 per-smoker per-year.

In 1995, 17.8 percent¹⁹ of Hawaii adults smoked combustible cigarettes, amounting to approximately 157,802 adults.²⁰ Among all adults in 1995, 15.1 percent (133,866 adults) reported smoking every day. In 2019, 12.3 percent of adults in the Aloha State were current smokers, amounting to 137,268 smokers. Further, 8.1 percent of Hawaii adults (90,396 adults) were daily smokers in 2019.

Among Hawaiian adults, current smoking decreased by 54.5 percent between 1995 and 2019. Moreover, there are an estimated 20,534 fewer smokers in 2019, compared to 1995, and 43,470 fewer daily smokers. Using the WalletHub figures, this reduction represents an estimated \$1.26 billion in yearly savings.

The substitution of e-cigarettes for combustible cigarettes could also save the state in health care costs.

It is well known that Medicaid recipients smoke at rates of twice the average of privately insured persons, according to the Centers for Disease Control and Prevention (CDC). In 2013, "smoking-related diseases cost Medicaid programs an average of \$833 million per state."²¹

A 2015 policy analysis by State Budget Solutions examined electronic cigarettes' effect on Medicaid spending. The author estimated Medicaid savings could have amounted to \$48 billion in 2012 if e-cigarettes had been adopted in place of combustible tobacco cigarettes by all Medicaid recipients who currently consume these products.²²

A 2017 study by R Street Institute examined the financial impact to Medicaid costs that would occur should a large number of current Medicaid recipients switch from combustible cigarettes to e-cigarettes or vaping devices. The author used a sample size of "1% of smokers [within] demographic groups permanently" switching. In this analysis, the author estimates Medicaid savings "will be approximately \$2.8 billion per 1 percent of enrollees," over the next 25 years.²³

Hawaiian Youth Are Not Overwhelmingly Using Vapor Products Because of Flavors, Nor Using Internet to Purchase E-Cigarettes



Despite lawmakers' intentions, many Hawaiian youth are not using e-cigarettes because of flavors. According to the 2017 Hawai'i Youth Tobacco Survey (HYTS), in 2017, 39.4 percent of Hawaiian high school students reported having ever used an e-cigarette or vapor product and 20.9 percent reported having used an e-cigarette in the past 30 days.²⁴

When asked for reasons why to use e-cigarettes, 26.4 percent of high school students responded "flavors, such as mint, candy, fruit or chocolate." Conversely, 38 percent cited "other" and 12.7 percent responded that they used vapor products because "they are less harmful than other forms of tobacco, such as cigarettes."

In regards to where youth purchased their vapor products, among e-cigarette users only 7.8 percent reported purchasing an e-cigarette on the internet. Alternatively, 10.8 percent of high school students reported purchasing e-cigarettes at a "vape shop or store that sells only e-cigarettes," and whopping 60 percent reported purchasing vapor products from friends.

Flavors Are Not Main Driver of Youth E-Cigarette Use

Despite media alarmism, many American high school students are not overwhelmingly using vapor products due to flavors. Indeed, in analyses of state youth tobacco use surveys, other factors including social sources are most often cited among youth for reasons to use e-cigarettes and vapor products.

Connecticut

For example, in 2017, of Connecticut high school students that had ever used an ecigarette, 23.9 percent reported "flavors" as a reason for use. Conversely, 41.6 percent reported using vapor products because a "friend or family member used them," and 33 percent cited "some other reason."²⁵ In 2019, among all Connecticut high school students, 5.2 percent reported using e-cigarettes because of "flavors," 18.2 percent cited "other," and 12.9 percent reported using e-cigarettes because of friends and/or family.²⁶

Maryland

According to results from the 2018 YRBS, Maryland high school students reported using flavored vapor products, but flavors weren't overwhelmingly cited by e-cigarette users as a reason for use.²⁷ When asked about the "main reason" Maryland high school users used flavors only 3.2 percent responded "flavors." Conversely, 13 percent reported because "friend/family used them," 11.7 percent reported "other," and 3.8 percent reported using e-cigarettes because they were less harmful than other tobacco products.

Montana

In 2019, among all Montana high school students, only 7 percent reported using vapor products because of flavors, compared to 13.5 percent that reported using e-cigarettes because of "friend or family member used them."²⁸ Further, 25.9 percent of Montana high school students reported using vapor products for "some other reason."

Rhode Island

In 2019, among all students, only 4.5 percent of Rhode Island high school students claimed to have used e-cigarettes because they were available in flavors, while 12.5 cited the influence of a friend and/or family member who used them and 15.9 percent reported using e-cigarettes "for some other reason."²⁹

Vermont

In 2017, among current e-cigarette users, only 17 percent of Vermont high school students reported flavors as a reason to use e-cigarettes. Comparatively, 35 percent cited friends and/or family members and 33 percent cited "other."³⁰

In 2019, among high school students that were current e-cigarette users, only 10 percent of Vermont youth that used e-cigarettes cited flavors as a primary reason for using e-cigarettes, while 17 percent of Vermont high school students reported using e-cigarettes because their family and/or friends used them.³¹

Virginia

Lastly, in 2017, among all Virginia high school students, only 6.2 percent reported using e-cigarettes because of flavors, while 11.3 percent used them because a friend and/or family member used them.³² In 2019, among all Virginia high school students, only 3.9 percent reported using e-cigarettes because of flavors, 12.1 used for some other reason, and 9.6 used them because of friends and/or family members.³³

Effects of Flavor Bans

Flavor bans have had little effect on reducing youth e-cigarette use and may lead to increased combustible cigarette rates, as evidenced in San Francisco, California.³⁴

In April 2018, a ban on the sale of flavored e-cigarettes and vapor products went into effect in San Francisco and in January, 2020, the city implemented a full ban on any electronic vapor product. Unfortunately, these measures have failed to lower youth tobacco and vapor product use.

Data from an analysis of the 2019 Youth Risk Behavior Survey show that 16 percent of San Francisco high school students had used a vapor product on at least one occasion in 2019 - a 125 percent increase from 2017 when 7.1 percent of San Francisco high school students reported using an e-cigarette.³⁵ Daily use more than doubled, from 0.7 percent of high school students in 2017, to 1.9 percent of San Francisco high school students reporting using an e-cigarette or vapor product every day in 2019.

Worse, despite nearly a decade of significant declines, youth use of combustible cigarettes seems to be on the rise in Frisco. In 2009, 35.6 percent of San Francisco high school students reported ever trying combustible cigarettes. This figure continued to decline to 16.7 percent in 2017. In 2019, the declining trend reversed and 18.6 percent of high school students reported ever trying a



combustible cigarette. Similarly, current cigarette use increased from 4.7 percent of San Francisco high school students in 2017 to 6.5 percent in 2019.

An April 2020 study in *Addictive Behavior Reports* examined the impact of San Francisco's flavor ban on young adults by surveying a sample of San Francisco residents aged 18 to 34 years.³⁶ Although the ban did have an effect in decreasing vaping rates, the authors noted "a significant increase in cigarette smoking" among participants aged 18 to 24 years old.

Other municipal flavor bans have also had no effect on youth e-cigarette use.³⁷ For example, Santa Clara County, California, banned flavored tobacco products to age-restricted stores in 2014. Despite this, youth e-cigarette use *increased*. In the 2015-16 California Youth Tobacco Survey (CYTS), 7.5 percent of Santa Clara high school students reported current use of e-cigarettes. In the 2017-18 CYTS, this *increased* to 10.7 percent.

Youths Are Not Relying On Internet for E-Cigarette Products

Despite many claims, most youth are not purchasing tobacco and vapor products online. Indeed, in analysis of state Youth Risk Behavior Surveys, youth are relying on social sources – including friends and family members – to obtain vapor products.

Arkansas

In 2019, among all Arkansas high school students, only 1.1 percent of reported using the internet to get their own vapor product.³⁸ Alternatively, 7.3 percent of Arkansas high school students reported borrowing them and 5.1 percent reported that someone else bought them.

Maryland

In 2018, among all Maryland high school students, only 1.3 percent reported using the internet to get their own electronic cigarette or vapor product.³⁹ Further, 9.7 percent of Maryland high school students reported borrowing vapor products, and 4.3 percent reported that someone else bought them.

Montana

In 2019, among all Montana high school students, 0.7 percent reported using the internet to get their own electronic cigarette or vapor product.⁴⁰ Moreover, 10.6 precent of Montana high school students reported borrowing vapor products and 6.9 percent reported giving "someone else money to buy them for me."

New Hampshire

In 2019, among all New Hampshire high school student, 0.5 percent reported using the internet to get their own electronic cigarette or vapor product.⁴¹ Further, 13.9 percent of New Hampshire high school students reported borrowing vapor products, and 5.8 percent reported that someone else bought them.

Vermont

In 2019, among Vermont high school students that reported current e-cigarette use and were under the age of 18, only 3 percent reported using the internet to get obtain vapor products. Further, 52 percent of Vermont high school students that were current e-cigarette users reported borrowing them and 26 percent reported giving "someone else money to buy them."⁴²

Menthol Bans Have Little Effect on Smoking Rates, Lead to Black Markets, Lost Revenue and Will Create Racial Tension

Beyond e-cigarettes, policymakers' fears about the role of menthol and flavorings in cigarettes and cigars are overblown and banning these products will likely lead to black markets.

Data from the National Health Interview Survey (NHIS) finds nearly a third of all American adult smokers smoke menthol cigarettes. In a 2015 NHIS survey, "of the 36.5 million American adult smokers, about 10.7 million reported that they smoked menthol cigarettes," and white menthol smokers "far outnumbered" the black and African American menthol smokers.⁴³

Although lawmakers believe banning menthol cigarettes will deter persons from smoking those, such a ban will likely lead to black markets. A 2012 study featured in the journal *Addiction* found a quarter of menthol smokers surveyed indicated they would find a way to purchase, even illegally, menthol cigarettes should a menthol ban go into place.⁴⁴ Further, there is little evidence that smokers would actually quit under a menthol ban. A 2015 study in *Nicotine & Tobacco Research* found only 28 percent of menthol smokers would give up cigarettes if menthol cigarettes were banned.⁴⁵

Moreover, there is no evidence to suggest that menthol cigarettes lead to youth tobacco use. Analysts at the Reason Foundation examined youth tobacco rates and menthol cigarette sales.⁴⁶ The authors of the 2020 report found that states "with more menthol cigarette consumption relative to all cigarettes have *lower* rates of child smoking." Indeed, the only "predictive relationship" is between child and adult smoking rates, finding that "states with higher rates of adult use cause higher rates of youth use."

Lawmakers should take note that menthol sales bans will strain minority communities. Although white Americans smoke more menthol cigarettes than black or African Americans, "black smokers [are] 10-11 times more likely to smoke" menthol cigarettes than white smokers.⁴⁷

Given African Americans' preference for menthol cigarettes, a ban on menthol cigarettes would force police to further scrutinize African Americans and likely lead to unintended consequences.

A 2015 analysis from the National Research Council examined characteristics in the illicit tobacco market.⁴⁸ The researchers found that although lower income persons were less likely to travel to purchase lower-taxed cigarettes, "having a higher share of non-white households was

TAXPAYERS PROTECTION ALLIANCE

associated with a lower probability of finding a local tax stamp" and "neighborhoods with higher proportions of minorities are more likely to have formal or informal networks that allow circumvention of the cigarette taxes."

Lawmakers in New Hampshire should reexamine the case of Eric Garner, a man killed in 2014 while being arrested for selling single cigarettes in the city. In a 2019 letter to the New York City council, Garner's mother, as well as Trayvon Martin's mother, implored officials to "pay very close attention to the unintended consequences of a ban on menthol cigarettes and what it would mean for communities of color."⁴⁹ Both mothers noted that a menthol ban would "create a whole new market for loosies and re-introduce another version of stop and frisk in black, financially challenged communities."

Conclusion & Policy Recommendations:

It is disingenuous that lawmakers would purport to protect public health yet restrict access to safer products. Rather than restricting access to tobacco harm reduction products and flavored vapor products, lawmakers should encourage the use of e-cigarettes and work towards earmarking adequate funding for smoking education and prevention programs.

- To address youth use of age-restricted products, as well as adult use of deadly combustible cigarettes, Hawaii must allocate additional funding from revenue generated from existing excise taxes and settlement payments.
- Hawaii's education and health departments must work with tobacco and vapor product retailers to ensure there are no sales of age-restricted products to minors. Any solution to address such strategies must include all actors not only proponents of draconian prohibitionist policies.
- Lawmakers' must face the reality of a larger illicit market in the wake of a ban on flavored tobacco and vapor products prohibition does not automatically translate into reduced use, just different markets.



¹ Brad Rodu, For Smokers Only: How Smokeless Tobacco Can Save Your Life, Sumner Books, 1995, p. 103. ² American Lung Foundation, "What's In a Cigarette?," February 20, 2019, <u>https://www.lung.org/stop-smoking/smoking-facts/whats-in-a-cigarette.html</u>.

⁴ Mohammadhassan Mirbolouk, MD et *al.*, "Prevalence and Distribution of E-Cigarette Use Among U.S. Adults: Behavioral Risk Factor Surveillance System, 2016," *Annals of Internal Medicine*, October 2, 2018, https://www.acpjournals.org/doi/10.7326/M17-3440.

⁵ Consumer Advocates for Smoke-Free Alternatives Association, "A Historical Timeline of Electronic Cigarettes," n.d., <u>http://casaa.org/historicaltimeline-of-electronic-cigarettes</u>.

⁶ WHO Framework Convention on Tobacco Control, "Electronic Nicotine Delivery Systems and Electronic Non-Nicotine Delivery Systems (ANDS/ ENNDS)," August 2016, http://www.who.int/fctc/cop/cop7/FCTC_ COP_7_11_EN.pdf.

⁷ Vaping 360, "Nicotine Strengths: How to Choose What's Right for You," February 26, 2019, <u>https://vaping360.com/best-e-liquids/nicotine-strengthspercentages</u>.

⁸ A. McNeill *et al.*, "E-cigarettes: an evidence update," Public Health England, August,

2015, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachm.

⁹ A. McNeill *et al.*, "Evidence review of e-cigarettes and heated tobacco products 2018," Public Health England, February

2018, <u>https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684963/Evi_dence_review_of_e-cigarettes_and_heated_tobacco_products_2018.pdf.</u>

¹⁰ Royal College of Physicians, *Nicotine without Smoke: Tobacco Harm Reduction*, April,

2016, https://www.rcplondon.ac.uk/projects/outputs/nicotine-without-smoke-tobacco-harm-reduction-0.

¹¹ Committee on the Review of the Health Effects of Electronic Nicotine Delivery Systems, "Public Health Consequences of E-Cigarettes," The National Academies of Science, Engineering, and Medicine, 2018, <u>https://www.nap.edu/catalog/24952/public-health-consequences-of-e-cigarettes</u>.

¹² David T. Levy *et al.*, "Potential deaths averted in USA by replacing cigarettes with e-cigarettes," *Tobacco Control*, October 2, 2017, <u>http://tobaccocontrol.bmj.com/content/early/2017/08/30/tobaccocontrol-2017-053759.info</u>.

¹³ "BRFSS Prevalence & Trends Data," Centers for Disease Control and Prevention, 2019, https://www.cdc.gov/brfss/brfssprevalence/.

¹⁴ "Quick Facts," United States Census Bureau, 2020, <u>https://www.census.gov/quickfacts/ND</u>.

¹⁵ North Dakota, Tobacco Harm Reduction 101, <u>https://www.thr101.org/north-dakota</u>.

¹⁶ Vapor Technology Association, "The Economic Impact of the Vapor Industry HAWAII," 2019,

https://vta.guerrillaeconomics.net/reports/9aa96bb8-b7c8-4100-9611-f0acc6612e31?

¹⁷ Teresa W. Wang et al., "National and State-Specific Unit Sales and Prices for Electronic Cigarettes, United States, 2012-2016," Preventing Chronic Disease, Centers for Disease Control and Prevention, August 2, 2018, https://www.cdc.gov/pcd/issues/2018/17_0555.htm.

¹⁸ Adam McCann, "The Real Cost of Smoking by State," *WalletHub*, January 15, 2020, https://wallethub.com/edu/the-financial-cost-of-smoking-by-state/9520.

¹⁹ Centers for Disease Control and Prevention, "BRFSS Prevalence & Trends Data," 2019, https://www.cdc.gov/brfss/brfssprevalence/.

²⁰ Kids Count Data Center, "Total population by child and adult populations in the United States," *The Annie E. Casey Foundation*, September 2020, <u>https://datacenter.kidscount.org/data/tables/99-total-population-by-child-and-adult-populations#detailed/1/any/false/1729,37,871,870,573,869,36,868,867,133/39,40,41/416,417.</u>

²¹ American Lung Foundation, "Approaches to Promoting Medicaid Tobacco Cessation Coverage: Promising Practices and Lessons Learned," June 9,

2016, <u>https://web.archive.org/web/20170623183710/https://www.lung.org/assets/documents/advocacy-archive/promoting-medicaid-tobacco-cessation.pdf</u>. Accessed June 23, 2017.

³ Centers for Disease Control and Prevention, "Health Effects of Cigarette Smoking," January 17, 2018, https://www.cdc.gov/tobacco/data statistics/ fact sheets/health effects/effects cig smoking/index.htm.



²² J. Scott Moody, "E-Cigarettes Poised to Save Medicaid Billions," State Budget Solutions, March 31, 2015, <u>https://www.heartland.org/_template-</u>

assets/documents/publications/20150331_sbsmediciadecigarettes033115.pdf.

²³ Edward Anselm, "Tobacco Harm Reduction Potential for 'Heat Not Burn," R Street Institute, February 2017, <u>https://www.rstreet.org/wp-content/uploads/2017/02/85</u>.

²⁴ Lance Ching, Ph.D., et al., "Data Highlights from the 2017 Hawai'i Youth Tobacco Survey," Hawai'i State Department of Health, June 29, 2018,

http://www.hawaiihealthmatters.org/content/sites/hawaii/YTS_2017_Report.pdf.

²⁵ Connecticut Department of Public Health, "Connecticut Youth Tobacco Survey Results 2017 Surveillance Report," 2017, <u>https://portal.ct.gov/-/media/Departments-and-Agencies/DPH/dph/hems/tobacco/PDF/2017-CT-Youth-Tobacco-Survey-Results.pdf?la=en.</u>

²⁶ Connecticut Department of Public Health, "Connecticut High School Survey Codebook," 2019 Youth Risk Behavior Survey Results, 2019, https://portal.ct.gov/-/media/Departments-and-Agencies/DPH/CSHS/2019CT Codebook.pdf.

²⁷ Maryland Department of Public Health, "Maryland High School Survey Detail Tables – Weighted Data," 2018 Youth Risk Behavior Survey, 2018,

https://phpa.health.maryland.gov/ccdpc/Reports/Documents/2018%20YRBS%20YTS%20Reports/Maryland/2018M DH%20Detail%20Tables.pdf.

²⁸ Montana Office of Public Instruction, "2019 Montana Youth Risk Behavior Survey High School Results," 2019, <u>http://opi.mt.gov/Portals/182/Page%20Files/YRBS/2019YRBS/2019_MT_YRBS_FullReport.pdf?ver=2019-08-23-083248-820</u>.

²⁹ State of Rhode Island Department of Health, "Rhode Island High School Survey Detail Tables – Weighted Data," 2019 Youth Risk Behavior Survey Results, 2019,

https://health.ri.gov/materialbyothers/yrbs/2019HighSchoolDetailTables.pdf.

³⁰ Vermont Department of Health, "2017 Vermont Youth Risk Behavior Survey Report Winooski SD Report," 2018, <u>https://www.healthvermont.gov/sites/default/files/documents/pdf/WINOOSKI_SD_%28SU017%29.pdf</u>.

³¹ Vermont Department of Health, "2019 Vermont Youth Risk Behavior Survey Statewide Results," March, 2020, https://www.healthvermont.gov/sites/default/files/documents/pdf/CHS_YRBS_statewide_report.pdf.

³² Virginia Department of Health, "Virginia High School Survey Detail Tables – Weighted Data," 2017 Youth Risk Behavior Survey, 2017, <u>https://www.vdh.virginia.gov/content/uploads/sites/69/2018/04/2017VAH-Detail-</u>Tables.pdf.

³³ Virginia Department of Health, "Virginia High School Survey Detail Tables – Weighted Data," 2019 Youth Risk Behavior Survey Results, 2019, <u>https://www.vdh.virginia.gov/content/uploads/sites/69/2020/06/2019VAH-Detail-Tables.pdf</u>.

³⁴ Lindsey Stroud, "Vaping Up, Smoking Increasing Among Teens in San Francisco – Despite Bans," *Tobacco Harm Reduction 101*, July 28, 2020, <u>https://www.thr101.org/research/2020/vaping-up-smoking-increasing-among-teens-in-san-francisco-despite-bans</u>.

³⁵ Centers for Disease Control and Prevention, "San Francisco, CA 2017 Results," *High School Youth Risk Behavior Survey*, 2017, <u>https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=SF</u>.

³⁶ Yong Yang et *al.*, "The Impact of a Comprehensive Tobacco Product Flavor Ban in San Francisco Among Young Adults," *Addictive Behavior Reports*, April 1, 2020,

https://www.ncbi.nlm.nih.gov/pmc/articles/PMC7186365/#!po=0.961538.

³⁷ Lindsey Stroud, "Flavor Bans Do Not Reduce Youth E-Cigarette Use," *Tobacco Harm Reduction 101*, 2019, https://www.thr101.org/research/2019/flavor-bans-do-not-reduce-youth-e-cigarette-use.

³⁸ Arkansas High School Survey, "2019 Youth Risk Behavior Survey Results," 2019,

http://dese.ade.arkansas.gov/public/userfiles/Learning_Services/School_Health_Services/YRBS/2019/2019ARH_De_tail_Tables.pdf.

³⁹ Maryland High School Survey, "2018 Youth Risk Behavior Survey Results," 2018, <u>https://phpa.health.maryland.gov/ccdpc/Reports/Documents/2018%20YRBS%20YTS%20Reports/Maryland/2018M</u> DH%20Detail%20Tables.pdf.



⁴⁰ Montana Office of Public Instruction, "2019 Montana Youth Risk Behavior Survey High School Results," 2019, <u>http://opi.mt.gov/Portals/182/Page%20Files/YRBS/2019YRBS/2019_MT_YRBS_FullReport.pdf?ver=2019-08-23-083248-820</u>.

⁴¹ New Hampshire High School Survey, "2019 Youth Risk Behavior Survey Results," 2019,

https://www.education.nh.gov/sites/g/files/ehbemt326/files/files/inline-documents/2019nhhdetailtables.pdf. ⁴² Vermont Department of Health, "2019 Vermont Youth Risk Behavior Survey Statewide Results," March, 2020,

https://www.healthvermont.gov/sites/default/files/documents/pdf/CHS_YRBS_statewide_report.pdf.

⁴³ Brad Rodu, "Who Smokes Menthol Cigarettes?" *Tobacco Truth*, December 4, 2018,

https://rodutobaccotruth.blogspot.com/2018/12/who-smokes-menthol-cigarettes.html.

⁴⁴ RJ O'Connor *et al.*, "What would menthol smokers do if menthol in cigarettes were banned?" *Addiction*, April 4, 2012, <u>https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3370153/</u>.

⁴⁵ Olivia A. Wackowski, PhD, MPH, *et al.*, "Switching to E-Cigarettes in the Event of a Menthol Cigarette Ban," *Nicotine & Tobacco Research*, January 29, 2015,

https://www.researchgate.net/publication/271592485_Switching_to_E-

Cigarettes in the Event of a Menthol Cigarette Ban.

⁴⁶ Guy Bentley and J.J. Rich, "Does Menthol Cigarette Distribution Affect Child or Adult Cigarette Use?" Policy Study, Reason Foundation, January 30, 2020, <u>https://reason.org/policy-study/does-menthol-cigarette-distribution-affect-child-or-adult-cigarette-use/</u>.

⁴⁷ D. Lawrence et *al.*, "National patterns and correlates of mentholated cigarette use in the United States," *Addiction*, December, 2010, <u>https://www.ncbi.nlm.nih.gov/pubmed/21059133</u>.

⁴⁸ National Research Council, "Understanding the U.S. Illicit Tobacco Market: Characteristics, Policy Context and Lessons from International Experiences," *The National Academies Press*, 2015, https://www.nap.edu/download/19016.

⁴⁹ Carl Campanile, "Menthol cig ban will lead to more stop-and-frisk: Moms of Garner, Martin," *New York Post*, October 16, 2019, <u>https://nypost.com/2019/10/16/menthol-cig-ban-will-lead-to-more-stop-and-frisk-moms-of-garner-martin/</u>.

TOBACCO & ... VAPING 101: HAWAII

TAXPAYERS PROTECTION ALLIANCE

BY: LINDSEY STROUD

Combustible cigarette use among American youth and adults have reached all-time lows, but many policymakers are concerned with the increased use of electronic cigarettes and vapor products, especially among youth and young adults.

This paper examines smoking rates among adults in the Aloha State, youth use of tobacco and vapor products, and the effectiveness of tobacco settlement payments, taxes, and vapor products on reducing combustible cigarette use. ALLIANCE TABLE OF CONTENTS Adult Smoking Rates • P. 2 Youth Tobacco and Vapor Rates • P. 2 Cigarette Tax Revenue • P. 3 Master Settlement Agreement • P. 3 Tobacco Control Funding • P. 4 E-Cigarettes' Effectiveness in Hawaii • P. 4 Policy Implications • P. 5

References • P. 7

ADULT SMOKING RATES

In 1995, 17.8 percent[1] of Hawaii adults smoked combustible cigarettes, amounting to approximately 157,802 adults.[2] Among all adults, in 1995, 15.1 percent (133,866 adults) reported smoking every day.

In 2019, 12.3 percent of adults in the Aloha State were current smokers, amounting to 137,268 smokers. Further, 8.1 percent of Hawaii adults (90,396 adults) were daily smokers in 2019.

Among Hawaiian adults, current smoking decreased by 54.5 percent between 1995 and 2019. Moreover, there are an estimated 20,534 fewer smokers in 2019, compared to 1995, and 43,470 fewer daily smokers.



AMONG HAWAII ADULTS, CURRENT SMOKING DECREASED BY 54.5 PERCENT BETWEEN 1995 AND 2019.



YOUTH COMBUSTIBLE CIGARETTE USE HAS DECREASED 83.6 PERCENT SINCE 1995.

YOUTH TOBACCO AND VAPING RATES

The most recent data on youth tobacco and vapor product use in Hawaii comes from the 2019 Youth Risk Behavior Survey.[3] In 2019, 48.3 percent of Hawaiian high school students reported ever-trying e-cigarettes, 30.6 percent reported past 30-day use, and 7.9 percent reported using vapor products daily.

Youth combustible cigarette use is at an alltime low. In 2019, only 17.8 percent of Hawaiian high school students reported ever using cigarettes, this a 74.1 percent decrease from 1995, when 68.8 percent of Hawaiian high school students reported having tried cigarettes. Further current use has declined by 83.6 percent, from 32.4 percent of Hawaiian high school students reporting having used a cigarette in the past 30 days, to only 5.3 percent in 2019.



BETWEEN 2000 AND 2020, HAWAII COLLECTED AN ESTIMATED \$2.175 BILLION IN TOBACCO TAXES.

CIGARETTE TAX REVENUE

Between 2000 and 2020, Hawaii collected an estimated \$2.175 billion in tobacco taxes and licensing fees.[4] During the same 20-year time period, the Aloha State increased the cigarette excise tax rate nine times between 2002 and 2011. The excise tax on cigarettes has increased by 220 percent, from \$1.00 per pack before July 1, 2020 to \$3.20 per pack, effective July 1, 2011.

In 2020, Hawaii collected an estimated \$112 million in tobacco taxes and licensing fees, this is a 164.8 percent increase from \$42.3 million collected in 2000, but a 19.3 percent decrease from the \$138.8 million in taxes collected in 2011. Indeed, annual cigarette tax revenues has declined on average 2.6 percent since 2011.

MASTER SETTLEMENT AGREEMENT

In the mid-1990s, Hawaii sued tobacco companies to reimburse Medicaid for the costs of treating smoking-related health issues. And, in 1998 with 45 other states, Maryland reached "the largest civil litigation settlement in U.S. history" through the Master Settlement Agreement (MSA).[5]

Under the MSA, states receive annual payments – in perpetuity – from the tobacco companies, while relinquishing future claims against the participating companies. Between 1998 and 2020, Hawaii collected \$988 million in MSA payments.[6]



BETWEEN 1998 AND 2020, HAWAII RECEIVED AN ESTIMATED \$988 MILLION IN MSA PAYMENTS.

VERY LITTLE TOBACCO CONTROL FUNDING

Tobacco taxes and tobacco settlement payments are justified to help offset the costs of smoking, as well as prevent youth initiation. Like most states, Hawaii spends very little of existing tobacco moneys on tobacco control programs – including education and prevention.

Between 2000 and 2020, Maryland allocated only \$168.9 million towards tobacco control programs.[7] This is only seven percent of what Maryland collected in cigarette taxes in the same 20-year time span and only 17.6 percent of MSA payments. To put it in further perspective, in 20 years, Hawaii allocated only five percent of tobacco settlement payments and taxes on programs to prevent tobacco use. IN 20 YEARS, HAWAII ALLOCATED ONLY SEVEN PERCENT OF TOBACCO SETTLEMENT PAYMENTS AND TAXES ON PROGRAMS TO PREVENT TOBACCO USE.

VAPOR PRODUCT EMERGENCE CORRELATES WITH LOWER YOUNG ADULT SMOKING

Electronic cigarettes and vapor products were first introduced to the U.S. in 2007 "and between 2009 and 2012, retail sales of ecigarettes expanded to all major markets in the United States."[8] Examining data from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance Survey finds that e-cigarettes' market emergence has been more effective than MSA payments in reducing smoking rates among young adults in Hawaii.

In 1998, among current adult smokers in Hawaii, 24 percent were 18 to 24 years old. In 2008, this had decreased by 22.1 percent, to 18.7

10 YEARS AFTER E-CIGARETTES' MARKET EMERGENCE IN 2009, SMOKING RATES AMONG CURRENT SMOKERS AGED 18 TO 24 YEARS OLD DECREASED BY 32 PERCENT. percent of adult smokers in Hawaii being between 18 to 24 years old. And, 10 years after e-cigarette's market emergence in 2009, smoking rates among current smokers aged 18 to 24 years old decreased by 32 percent. Indeed, in 2009, among current smokers in Hawaii, 15.3 percent were between 18 to 24 years old. In 2019, only 10.4 percent of current smokers were 18 to 24 years old.

Further e-cigarettes' market emergence was associated with a larger decline in average annual percent decreases among all current smokers. Between 1998 and 2008, the percentage of current smokers decreased on average 1.64 percent each year. Between 2009 and 2019, annual percentage declines average at 19 percent.

POLICY IMPLICATIONS:

- In 2019, 12.3 percent of Hawaii adults smoked combustible cigarettes, this is a 54.5 percent decrease from 1995. Further, youth combustible cigarette use has decreased by 83.6 percent, from 32.4 percent of high school students reporting current combustible cigarette use in 1995, to 5.3 percent in 2019.
- Hawaii spends very little on tobacco control programs, including prevention and education. In 20 years, the Aloha State allocated only \$168.9 million toward tobacco control programs. This is only five percent of what the state received in tobacco settlement payments and tobacco taxes in the same 20-year time period.
- E-cigarettes appear more effective than MSA payments in reducing smoking rates among young adults in Hawaii.
- 10 years after the MSA, smoking rates decreased among 18- to 24-year-olds by 22.1 percent. 10 years after e-cigarettes market emergence, smoking rates among 18 to 24 years old decreased by 32 percent.

SUPPLEMENTAL GRAPHS



Sources: Campaign for Tobacco-Free Kids, Hawaii Department of Taxation For more information, contact Lindsey Stroud at lindsey@protectingtaxpayers.org

REFERENCES:

[1] Centers for Disease Control and Prevention, "BRFSS Prevalence & Trends Data," 2019, <u>https://www.cdc.gov/brfss/brfssprevalence/.</u>

[2] Kids Count Data Center, "Total population by child and adult populations in the United States," The Annie E. Casey Foundation, September 2020, <u>https://datacenter.kidscount.org/data/tables/99-total-population-by-child-and-adult-populations#detailed/1/any/false/1729,37,871,870,573,869,36,868,867,133/39,40,41/416,417.</u>

[3] Centers for Disease Control and Prevention, "High School YRBS 2019 Results," 2019, <u>https://nccd.cdc.gov/Youthonline/App/Default.aspx.</u>

[4] Department of Taxation, "Department of Taxation Annual Report," State of Hawaii, December 10, 2020, <u>https://tax.hawaii.gov/stats/a5_lannual/a5_ltax_annuals/.</u>

[5] Tobacco Control Legal Consortium, "The Master Settlement Agreement: An Overview," August 2015, p. 1, <u>http://publichealthlawcenter.org/sites/default/files/resources/tclc-</u> <u>fs-msa-overview-2015.pdf.</u>

[6] Campaign for Tobacco-Free Kids, "Actual Annual Tobacco Settlement Payments Received by the States, 1998 – 2000," August 13, 2020, <u>https://www.tobaccofreekids.org/assets/factsheets/0365.pdf.</u>

[7 Campaign for Tobacco-Free Kids, "Appendix A: History of Spending for State Tobacco Prevention Programs," 2021, <u>https://www.tobaccofreekids.org/assets/factsheets/0209.pdf.</u>

[8] National Center for Chronic Disease Prevention and Health Promotion, "E-Cigarette Use Among Youth and Young Adults: A Report of the Surgeon General," 2016, <u>https://www.ncbi.nlm.nih.gov/books/NBK538679/.</u>



ABOUT

The Taxpayers Protection Alliance (TPA) is a rapid response taxpayer and consumer group dedicated to analyzing and researching the consequences of government intervention in the economy. TPA examines public policy proposals through a non-partisan focus, identifying how government waste and overreach impacts taxpayers and consumers regardless of the political party responsible. TPA holds government officials in the United States (and around the world) accountable through issue briefs, editorials, statements, coalition letters, public interest comments, and radio and television interviews. TPA recognizes the importance of reaching out to concerned citizens through traditional and new media, and utilizes blogs, videos, and social media to connect with taxpayers and government officials. While TPA regularly publishes exposés and criticisms of politicians of all political stripes, TPA also provides constructive criticism and reform proposals based on market principles and a federalist philosophy. TPA empowers taxpayers and consumers to make their opinions known to their elected and non-elected officials and embraces bold solutions to hold an ever-growing government in check.

Lindsey Stroud (lindsey@protectingtaxpayers.org) is a policy analyst at TPA. In her role, Stroud focuses on the effects of the policies and regulations on tobacco and vapor products. Prior, Stroud was a state government relations manager at The Heartland Institute, and authored *Tobacco Harm Reduction 101: A Guidebook for Policymakers*. Prior to Heartland, Stroud worked as a staffer for a few state lawmakers. In addition to her role at TPA, Stroud is the creator and manager of Tobacco Harm Reduction 101 (thr101.org) and an acting board secretary for the Smoke-Free Alternatives Trade Association. Stroud received her Bachelor's of Arts in Government from the College of William and Mary.



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 SENATE COMMITTEE ON HEALTH and THE COMMITTEE ON COMMERCE AND CONSUMER PROTECTION

RE: SB 1147 - RELATING TO TOBACCO PRODUCTS

TUESDAY, FEBRUARY 9, 2021

COREY ROSENLEE, PRESIDENT HAWAII STATE TEACHERS ASSOCIATION

Chair Keohokalole, Chair Baker, and Members of the Committees:

The Hawaii State Teachers Association <u>supports</u> SB 1147, 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. 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." <u>Nevertheless, here we are in 2021 with a</u> 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.



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

Wilbert Holck Executive Director

We oppose the 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.

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.



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

Senate Committee on Health Senator Jarrett Keohokalole, Chair Senator Rosalyn H. Baker, Vice Chair

Senate Committee on Commerce and Consumer Protection Senator Rosalyn H. Baker, Vice Chair Senator Stanley Chang, Vice Chair

SB 1147 - 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 SB 1147: Relating to Tobacco Products with recommendations.

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. At this critical moment with focus on protecting respiratory health, we must do everything in our power to keep our communities healthy and safe.

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.¹ 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

¹ Centers for Disease Control and Prevention (CDC). Health Effects of Cigarette Smoking. Updated April 28, 2020.

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

We recommend that the definition of "tobacco products" should be broadened to capture new and emerging products including all electronic smoking devices. This definition is limited to products made of tobacco but should include products that contain nicotine but not tobacco. For example, products that claim not to contain tobacco but do contain nicotine and come in flavors.

ACS CAN recommends the following tobacco products definition to ensure that all products are taxed and regulated in the same manner: "Tobacco Products" means any product that is made from or derived from tobacco, or that contains nicotine, other than cigarettes or little cigars, 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 large cigar, pipe tobacco, chewing tobacco, snuff, or snus. "Tobacco product" 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 product" 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 the Federal Food, Drug and Cosmetic Act.

Further, we do not recommend defining e-liquid separately from electronic smoking devices, and would recommend the following definition for electronic smoking device: *"Electronic smoking device" means 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 a 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 the Federal Food, Drug and Cosmetic Act.*

ACS CAN supports tax parity for all tobacco products, including e-cigarettes, and applauds this bill for taxing e-cigarettes at 70% of their wholesale price in line with many other tobacco products in Hawaii. Increasing tobacco taxes is one of the best ways to reduce tobacco use. It is important that tax increases apply to all tobacco products at an equivalent rate to encourage people to quit rather than switch to a cheaper product as well as to prevent youth from starting to use any tobacco product. If all tobacco products are not taxed at an equivalent rate, Hawaii can expect to see diminished positive outcomes for both revenue and public health. To prevent consumers from switching to lower-taxed, lower-cost products, we recommend to increase the tax on cigarettes by at least \$1 per pack and tax all OTP including e-cigarettes at a rate parallel to the new cigarette tax. Right now in Hawaii e-cigarettes are not included in tobacco excise taxes and large cigars are taxed at a lower rate than cigarettes, making them an appealing alternative for price-sensitive consumers including youth.

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

Youth purchase, use, or possession (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 accountable instead of punishing kids who have fallen victim to their predatory marketing tactics.

We support the licensing all tobacco retailers including those that sell e-cigarettes and urge you to vote "yes" on this life-saving legislation and consider adding our recommendations to the bill. Thank you for the opportunity to comment on this matter.

Aloha Senate Committee on Health and Senate Committee on Commerce and Consumer Protection,

Attached is a compilation of testimony for Tuesday, February 9, 2020; 9:00 a.m.; State Capitol, Conference Room 229 in SUPPORT of SB1147: 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

Dear Chair Jarrett Keohokalole, Chair Rosalyn H. Baker, Vice Chair Stanley Chang and Joint Committee Members,

I strongly support SB1147: RELATING TO TOBACCO PRODUCTS.

Tobacco killed my husband last March 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 SB1147 to save our children for the future.

Sincerely,

Jennifer Hausler Pearl City, 96782

SB1147: RELATING TO TOBACCO PRODUCTS.

Dear Chair Jarrett Keohokalole, Chair Rosalyn H. Baker, Vice Chair Stanley Chang and Joint Committee Members,

My name is Uri Martos, and I am writing to express my support for SB1147: 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 SB1147. Thank you for the consideration of my testimony.

Mahalo, Uri Martos Lihue, Kauai 96766

SB1147: RELATING TO TOBACCO PRODUCTS.

Dear Chair Jarrett Keohokalole, Chair Rosalyn H. Baker, Vice Chair Stanley Chang and Joint Committee Members,

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 SB1147: 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

SB1147: RELATING TO TOBACCO PRODUCTS.

Dear Chair Jarrett Keohokalole, Chair Rosalyn H. Baker, Vice Chair Stanley Chang and Joint Committee Members,

Thank you for the opportunity to submit testimony in STRONG SUPPORT of SB1147: 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 SB1147 were to be enacted into law. I highly encourage the committee to consider passing SB1147 for the future of our keiki. Thank you again for the opportunity to testify.

Sincerely, Tyler Kamisato Mililani, 96789

SB1147: RELATING TO TOBACCO PRODUCTS.

Dear Chair Jarrett Keohokalole, Chair Rosalyn H. Baker, Vice Chair Stanley Chang and Joint Committee Members,

My name is Madeline Bush and I support SB1147: 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 ecigarettes 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

Dear Chair Jarrett Keohokalole, Chair Rosalyn H. Baker, Vice Chair Stanley Chang and Joint Committee Members,

I support SB1147: 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 SB1147 to save many children and adult lives.

Sincerely,

LokeLani Chong Hilo, 96720

Dear Chair Jarrett Keohokalole, Chair Rosalyn H. Baker, Vice Chair Stanley Chang and Joint 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 SB1147: RELATING TO TOBACCO PRODUCTS.

My 11th 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 SB1147. Thank you for this opportunity to testify.

Sincerely,

Frank V. Guillermo Waipahu, 96797


722 12th Street N.W.

Fourth Floor

Washington, D.C.

20005

T: (202)785-0266

F:(202)785-0261

www.atr.org

AMERICANS

February 9, 2021

To: Hawaii Senate Committee on Health From Americans for Tax Reform

Dear Senator,

On behalf of Americans for Tax Reform (ATR) and our supporters across Maryland, I urge you to reject SB 63 & 1147, which seek to impose onerous taxes upon and restrict access to life-saving reduced risk tobacco alternatives such as electronic cigarettes. If enacted, these bills would have a disastrous impact upon not only businesses, but public health throughout the State, and lead to a clear increase in tobacco-related mortality. SB 63 also institutes a ban on all flavored conventional tobacco products, such as menthol cigarettes, which would have a disastrous impact on the Hawaii economy and state finances, lead to a boom in illicit smuggling operations, and cause significant harm to minority populations. Given the significant overlap between these two bills, this testimony will address these bills in tandem.

The smoking of traditional combustible tobacco products remains one of the leading preventable causes of death in the State of Hawaii. It is noted, however, that the negative health 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". For this reason, nicotine replacement therapies such as nicotine patches and gums have been used to help smokers quit for decades.

In more recent years, technology has developed to allow for the creation of more effective alternative nicotine delivery systems, colloquially known as e-cigarettes or personal vaporizers. 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. 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.

It is further noted that studies have repeatedly shown that flavors, which these bill seek to ban, are critical to helping adult smokers make the switch to vaping, and that adults who used flavored e-cigarette products have been found to be more than twice as likely to quit smoking combustible cigarettes than adults using non-flavored vaping products. Multiple studies have shown that banning all flavors in e-cigarettes (except tobacco flavor) would result in a decline in the use of e-cigarettes and an increase in the smoking of deadly combustible cigarettes. This deadly shift would occur because flavors "contribute to both perceived pleasure and the effort to reduce cigarette consumption or quit smoking." One such study found a simple ban on all flavors but tobacco in e-cigarettes would increase smoking by 8.3%. In addition, Public Health England canvassed a number of vaper surveys and found that "banning flavored liquids would deter them [vapers] from using vaping products to help them quit or reduce their smoking. It could also push current vapers towards illicit products." Public Health England therefore concluded that, "a ban



on flavored liquids could have adverse effects and unintended consequences for smokers using vaping products to quit." Concerningly, one nationwide British survey from 2019 found that if a vaping flavor ban were enacted, then 25% of vapers would still try to get flavors through the black market. Nearly 10% who use flavored liquids said they would stop vaping, and 20% said that they would either smoke more tobacco or return to smoking tobacco entirely.

While flavors in vaping products are critical in helping adults quit smoking, the evidence also demonstrates that they play no role in youth uptake of vaping. A 2015 survey of nonsmoking teens aged 13-17 found interest levels in flavored e-cigarettes at 0.4 out of a possible score of 10. Additionally, fewer than a third of high school students self-report to care about flavors. Academic studies have found that teenage non-smokers' "willingness to try plain versus flavored varieties did not differ" and a mere 5% of vapers aged 14-23 reported it was the different flavors that attracted them to e-cigarettes. It is also worth noting that, despite media reports to the contrary, data from the National Youth Tobacco Surveys demonstrates that youth dependence on nicotine in US high school students has *not* increased since the introduction of these products to the market.

In n fact, available evidence demonstrates that banning flavored vapor products has a significantly *worse* impact upon the health of high school students. In San Francisco, a city-wide ban on flavored e-cigarettes and vapor products, as proposed in SB 63 had no effect on usage among youths. To the contrary, after nearly a decade of steady decline in youth use of combustible cigarettes, there has been an <u>increase in cigarette usage</u> among youths in San Francisco since the flavor ban was enacted. In cities that have maintained looser regulations regarding reduced harm tobacco products, youth combustible cigarette use has continued to decline.

If implemented, SB 63 would levy a 70% tax on all electronic vaping products, significantly higher than the current tax rate on cigarettes, cigars, and smokeless tobacco. To tax safer products a higher rate, thereby driving people to more 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, which 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 <u>32,400 additional adult</u> smokers from quitting smoking.

We would also like to draw the committee's attention to the fact that other aspects of SB 63 & 1147, such as the prohibition on online or remote sales, would significantly reduce access to persons in rural and remote areas of the state. Were these restrictions enacted, these persons, often in lower socioeconomic demographics and at the highest risk of smoking related mortality, would not have access to these reduced risk products, and would have no choice but to continue smoking combustible tobacco.

Extrapolating from a large-scale analysis by the US's leading cancer researchers and coordinated by Georgetown University Medical Centre, if a majority of Hawaii smokers made the switch to vaping, close to <u>40,000 lives would be saved</u>. In seeking to reduce access to these life-saving products, these bills place these lives in jeopardy.

In addition to the flavor bans imposed by SB 63 on reduced risk tobacco alternatives, this bill also extends flavor prohibition to menthol cigarettes and other conventional tobacco products. Like bans on flavors in reduced risk tobacco alternatives, these would also come with significant negative consequences for the state, with no evidence whatsoever that they have any effect in



reducing smoking rates. When products such as menthol cigarettes are outlawed, evidence has shown that criminal syndicates emerge to provide these tobacco products on the black market. Contrary to popular belief that tobacco smuggling is a victimless crime consisting of someone purchasing a few extra cartons across state lines, in reality most tobacco smuggling is run by multimillion dollar organized crime syndicates. **These networks, who also 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"**.

It is also worth noting that paradoxically these bans may therefore increase youth smoking in Hawaii. By definition, criminals and smugglers are unlikely to obey laws and would not follow rigorous age-verification requirements mandated at reputable outlets.

Policy must be implemented based on evidence, not anecdote. The evidence overwhelmingly demonstrates that SB 63 & 1147. would be devastating to both public health and the Hawaiian economy, while leading to a boom for criminal syndicates. We call upon the Committee to accept the science and vote against SB 63 & 1147.

Sincerely,

Tim Andrews Director of Consumer Issues Americans for Tax Reform



То:	The Honorable Senator Jarrett Keohokalole, Chair The Honorable Senator Rosalyn H. Baker, Chair Committee on Health
From:	Trish La Chica, Community and Government Relations Manager, External Affairs
Hrg:	February 9, 2021 at 9:00am, Room 229
RE:	SB1147 Relating to Tobacco Products – Support

AlohaCare appreciates the opportunity to provide testimony in **strong support** of **SB1147**, which will create policy parity for electronic smoking devices through taxation and licensing and permitting for retailers and wholesalers. It will also close the loophole of online purchasing.

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.

The vaping industry has been largely left unregulated and is the only tobacco product without a tobacco tax in the State. This measure would tax electronic smoking devices and their parts in the same way as other tobacco products at 70% of the wholesale price of electronic smoking devices, sending a strong public health message to eliminate lower-priced alternatives.

SB1147 would also require retailers and wholesalers to be licensed and permitted in order to sell ecigarettes and liquids. This action helps to create a more comprehensive database for the state to communicate with retailers who sell these products and to provide better oversight and communication with the industry on the enforcement and compliance of our Tobacco 21 law. AlohaCare appreciates the legislature's action to increase the cost for a tobacco wholesale license from the mere \$2.50 annually to \$250 annually and the cost of a retail permit from \$20 to \$50 annually. This is a common-sense approach to an industry that spends millions of dollars marketing in Hawaii.

Finally, AlohaCare supports all efforts prevent youth access to tobacco products. This measure will protect youth through prohibiting the online sales or shipment of electronic smoking devices.

Mahalo for this opportunity to testify in strong support of SB1147.

<u>SB-1147</u> Submitted on: 2/5/2021 6:40:03 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

No more taxes or regs.

<u>SB-1147</u> Submitted on: 2/5/2021 6:27:44 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Unfair and needless bill.

Date: February 6, 2021

To: The Honorable Jarrett Keohokalole, Chair The Honorable Rosalyn H. Baker, Vice Chair Members of the Senate Committee on Health

> The Honorable Rosalyn H. Baker, Chair The Honorable Stanley Chang, Vice Chair Members of the Senate Committee on Commerce and Consumer Protection

Re: Strong Support for SB1147, Relating to Tobacco Products

Hrg: February 9, 2021 at 9:00 AM in Conference Room 229

Aloha Senate Committees on Health and Commerce and Consumer Protection,

As a parent, community member and healthcare professional I am writing in **strong support of SB1147**, 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; 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 strategies 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 as tobacco products – e-cigs are currently 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 SB1147** and respectfully ask you to amend and pass this bill out of committee.

Many thanks for your consideration,

Forrest Batz, PharmD Kea'au, HI

<u>SB-1147</u>

Submitted on: 2/7/2021 8:52:25 AM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I oppose this bill because e-liquid products have helped me Stop smoking cigarettes and live a better life style. It's nice having choices that can help me. I smoke less because of it and it would be a shame we would no longer have those choices. its already hard enough I don't understand why it needs to get hard for us adults that are aloud to purchase. I'm totally against underage smoking but that should have to effect us.

<u>SB-1147</u> Submitted on: 2/7/2021 9:09:22 AM Testimony for HTH on 2/9/2021 9:00:00 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.

<u>SB-1147</u>

Submitted on: 2/7/2021 10:31:24 AM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Aloha,

Please Oppose bill SB1147. 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

<u>SB-1147</u> Submitted on: 2/7/2021 11:26:37 AM Testimony for HTH on 2/9/2021 9:00:00 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>SB-1147</u> Submitted on: 2/7/2021 11:57:55 AM Testimony for HTH on 2/9/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kathryn Braun	Individual	Support	No

Comments:

I am a professor of Public Health, testifying as an individual. My husband has Chronic Obstructive Pulmonary Disease, caused by smoking cigarettes from age 14 to age 34. When he started at age 14, he had no idea that he was causing damage to his lungs. Now, he is a high utilizer of our healthcare system and a likely candidate to die from COVID-19 should he contract it.

E-cigarettes have evaded many of the tobacco regulations, and retailers are selling these products for as little as \$1. This is getting our children hooked on tobacco. As a result, Hawaii's youth are paying the price, with one of the highest e-cigarette use rates in the nation.

These products are cheap and accessible because they are not regulated. Yet they lead to tobacco dependence and, later in life, severe illness, which undercuts adult productivity and burdens our healthcare system. Please vote to support this bill.

<u>SB-1147</u> Submitted on: 2/7/2021 12:09:32 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I oppose this bill.

<u>SB-1147</u> Submitted on: 2/7/2021 12:38:55 PM Testimony for HTH on 2/9/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Colleen Inouye	Individual	Support	No

Comments:

Chair Baker, Chair Keohokalole, and members of the Committee on Commerce and Consumer Protection and Health,

I am testifying in support of SB1147. Having many adolescent patients in my practice I see the widespread practice of vaping. Vaping does prey on our most vulnerable communities and increases health disparities. We need to decrease the ease of developing a vaping habit by requiring licensing and permits for e-cigarette wholesalers and retailers, apply a tobacco tax, and limit online shipments of electronic smoking devices to licensed retailers.

Thank you for this opportunity to testify. I urge you to support SB1147.

Colleen F Inouye MD MS-PopH MMM FACOG

<u>SB-1147</u> Submitted on: 2/7/2021 12:48:55 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

•

<u>SB-1147</u> Submitted on: 2/7/2021 1:01:32 PM Testimony for HTH on 2/9/2021 9:00:00 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 for our keiki!

<u>SB-1147</u> Submitted on: 2/7/2021 1:13:32 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Hi All,

I STRONGLY APPOSE this Bill. You need stiffer penalties for violators instead of trying to tax the sales higher.

You need stronger laws for Drugs not ecigs or tobacco products.

The problem that needs to be addressed starts with Drug abuse, look at all the homeless news articles stating homelessness and drug abuse. Spend the time addressing those issuse because its now compounding 5 fold with not solution insight.

This bill should follow the same penalties as selling alcohol to minors. I do support tougher laws/ penalties for those who break the laws as it punishes the guilty party. As with the other Bills that try to limit the usage or tax a product that doesn't always contain nicotine only puts a burden or punishes the law abiding citizen. There have been recent studies that show that e-cigarettes have helped people quit smoking regular cigarettes (reducing second hand smoke) and contrary to popular belief it doesn't cause lung disease or other illness as stated by the CDC.

"CDC DROPS its warning against vaping nicotine for adults as officials say it's blackmarket THC ecigarettes that are 'driving' the outbreak of almost 3,000 lung illnesses"

https://www.dailymail.co.uk/health/article-7900803/CDC-drops-warning-againstvaping-nicotineadults.html?fbclid=lwAR1n_hqDYRZ07tF5oMc8K_e0wLvVvh8lk4NUz5Xgjhp3w6B Cuh7MU66Ye9l

Here is another articles that references ecigs from the CDC.

https://reason.org/commentary/cdc-survey-shows-flavors-arent-driving-youthvaping/?fbclid=IwAR051bwZRSZB4hhH2J_Id_Hqr_9SQafJRaBGrwjWND852H6Uva znRBBfKKY

The problem is the illegal use of ecigs which needs to be addressed with tougher laws or punishments. Punish those who are breaking the laws and not the law abiding citizen who chooses to smoke ecigs.

Best Regards

Sheldon Miyakado

Register voter.

<u>SB-1147</u> Submitted on: 2/7/2021 1:28:23 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Please support this important bill for the health of all Hawaii residents!

<u>SB-1147</u> Submitted on: 2/7/2021 1:30:01 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I oppose this bill.

<u>SB-1147</u> Submitted on: 2/7/2021 1:55:35 PM Testimony for HTH on 2/9/2021 9:00:00 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.

<u>SB-1147</u> Submitted on: 2/7/2021 2:09:00 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

There is no possible way that e-cigarettes can be in the same category as a tobacco product. E-cigarettes are used to stop smoking completely. They help by dropping your nicotine intake and even times that you smoke. They've helped me quit smoking totally and I greatly appreciate that. I do not agree on making these amazing products become taxed so heavily. It is downright unethical to do so.

<u>SB-1147</u> Submitted on: 2/7/2021 2:25:13 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I Oppose This Bill.

<u>SB-1147</u> Submitted on: 2/7/2021 2:36:57 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I oppose

<u>SB-1147</u> Submitted on: 2/7/2021 2:40:31 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I oppose to this bill because there is no reason for electronic tobacco products to rise in costs, all of a sudden. It feels like an unnecessary discrimination.

<u>SB-1147</u> Submitted on: 2/7/2021 2:59:45 PM Testimony for HTH on 2/9/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Julieta Rajlevsky	Individual	Support	No

Comments:

A much needed bill to protect our teenagers from all tobacco products.

<u>SB-1147</u> Submitted on: 2/7/2021 3:05:40 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I'm Alex and I oppose this bill!

<u>SB-1147</u> Submitted on: 2/7/2021 3:17:23 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Anything to cut down tobacco use.

<u>SB-1147</u> Submitted on: 2/7/2021 3:52:01 PM Testimony for HTH on 2/9/2021 9:00:00 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!

<u>SB-1147</u> Submitted on: 2/7/2021 4:12:26 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Strongly Oppose.

<u>SB-1147</u> Submitted on: 2/7/2021 4:21:20 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

The bill will cause even more hardship for small business.

<u>SB-1147</u> Submitted on: 2/7/2021 4:42:20 PM Testimony for HTH on 2/9/2021 9:00:00 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 deadly products.

<u>SB-1147</u> Submitted on: 2/7/2021 5:09:21 PM Testimony for HTH on 2/9/2021 9:00:00 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.

<u>SB-1147</u> Submitted on: 2/7/2021 5:50:32 PM Testimony for HTH on 2/9/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Elizabeth Winternitz	Individual	Support	No

Comments:

Please support this bill to better protect the health of our keiki.

<u>SB-1147</u> Submitted on: 2/7/2021 6:14:59 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Aloha and thank you for listening,

I understand the cause of concern of vaping products especially in trying to reduce the underage use of a product designed for adults. I would like to open with a question, Is increasing fees to punitive levels the best way to achieve this honorable target? These types of fees and rules limit the availability of vapor products to adults, who are trying to quit smoking.

It is a principle of good policy that taxes remain as neutral as possible. That means new measures should neither encourage nor discourage personal or business decisions. Legislators should pass regulations rather than adopt fees 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.
<u>SB-1147</u> Submitted on: 2/7/2021 7:48:09 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Dear Senators:

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

<u>SB-1147</u> Submitted on: 2/7/2021 9:31:29 PM Testimony for HTH on 2/9/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Lauren Simpson- Gomez	Individual	Support	No

Comments:

I, Lauren Simpson-Gomez, support SB1147. I think requiring a license and permit for eciggarette wholesalers and retailers is smart and responsible. It will help lower the youth vaping epidemic that Hawai'i is currently facing. The 70% tax on the price of electronic smoking devices can be used to fund the continuation of regulations and restrictions of such sales. It also restricts the online shipments of electronic smoking devices to only licensed retailers. Reducing accesability.

<u>SB-1147</u> Submitted on: 2/7/2021 9:50:08 PM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

A decade after ecigarettes entered consumer use, 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>SB-1147</u> Submitted on: 2/8/2021 7:12:43 AM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Do not favor.

<u>SB-1147</u> Submitted on: 2/8/2021 8:45:09 AM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

SB1147 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 a portion 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 SB1147.

<u>SB-1147</u> Submitted on: 2/8/2021 8:46:36 AM Testimony for HTH on 2/9/2021 9:00:00 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



Chairman of the Board Glen Kaneshige

President Michael Lui, MD

Board Members

Rick Bruno, MD, FACEP Jackie De Luz Brandt Farias Jason Fujita Mimi Harris Zia Khan, MD Brandon Kurisu Arnold Martines Michael Rembis, FACHE Andrew S. Rosen Timothy Slottow Jennifer Walker

Serving Hawaii since 1948

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 <u>www.heart.org</u> or contact your nearest AHA office.

American Heart Association testimony in SUPPORT of SB 1147, "Relating to Tobacco Products"

The American Heart Association supports SB 1147.

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. 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 "ecigarettes 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 SB 63.

Respectfully submitted, Donald B. Wersman

Donald B. Weisman Government Relations/Communications Director



<u>SB-1147</u> Submitted on: 2/8/2021 10:36:17 PM Testimony for HTH on 2/9/2021 9:00:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Beglar Yegiazaryan	Testifying for 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.



<u>SB-1147</u> Submitted on: 2/8/2021 9:10:03 AM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

I oppose Senate Bill SB1147 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 yeat enforcement on all these rules arent being done.



<u>SB-1147</u> Submitted on: 2/8/2021 9:36:30 AM Testimony for HTH on 2/9/2021 9:00:00 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 (SB1147) 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 super markets.

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 jobs.

Vinh Tran,

Resident of Honolulu, Hawaii.



<u>SB-1147</u> Submitted on: 2/8/2021 10:06:34 AM Testimony for HTH on 2/9/2021 9:00:00 AM

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

Comments:

Hello,

I would like to oppse this Bill. If we stop shipping items it will put Small busniness out of business and more people will be on unemployeement. We are already struggling due to the current Epidemic and this will make it worse for us to survive in Hawaii. Also, this will make people buy items in the Black Market which is far more harmful because you don't know what is in the product. It will cause more issues in the future.

<u>SB-1147</u> Submitted on: 2/8/2021 11:29:08 AM Testimony for HTH on 2/9/2021 9:00:00 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.

Date: February 9, 2021



Re: Support for SB 1147

Hello! My name is Rojelle Bohol and I am a university student. I am writing in support of SB 1147.

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 could 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 SB 1147 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 SB 1147 for this to become a reality!

Mahalo, Rojelle Bohol

Kaimuki, HI