

March 11, 2020

Speaker of the House Bryce Edgmon
State of Alaska
House of Representatives

Senate President Cathy Giessel
State of Alaska
Senate

Re: Support for taxing electronic smoking products at other tobacco products
current rate (SB182; HB94)

Chairman Edgmon, President Giessel and Esteemed Members of the Alaska
Legislature;

Alaska has made great progress in reducing cigarette smoking prevalence, especially among youth. We achieved a 70% reduction in youth use between 1995 and 2013 by following best practices to prevent and reduce tobacco use. These include comprehensive tobacco prevention and control programs with a strong public media component and quit smoking services, smokefree workplace laws, and increased tobacco taxes. Now, e-cigarettes are addicting a new generation of youth threatening all that progress.

The tobacco industry has long targeted Alaska's youth, hoping to replace the current smokers who are dying from their products. In fact, Big Tobacco spends roughly \$17 million each year in Alaska to market their deadly products, while smoking costs our state \$438 million in annual health care costs, \$93 million of which are Medicaid dollars.

We support SB182 and HB94 adding electronic smoking products to the definition of Other Tobacco Products so that they are taxed fairly along with all other tobacco products. E-cigarettes and vapes are in fact tobacco products, despite what you may hear from vapor industry representatives that they are different, safer, or better than combustible cigarettes. Their products are derived from the tobacco plant and are under the jurisdiction of the U.S. Food and Drug Administration as tobacco products, not pharmaceuticals and need to be treated as such under the law.

Increasing taxes on cigarettes and other tobacco products has been proven over and over to be a win-win-win proposition. Significantly increasing tobacco taxes results in fewer kids starting to smoke, and in more adults quitting while at the same time providing revenue to the state. Tobacco taxes also have strong public support.

Youth tend to be more price sensitive than adults, which is why tobacco taxes help to deter kids from starting. For adults, most of them want to quit, particularly pregnant women, and price increases serve as another incentive or nudge to do so. In Alaska 67% of adult smokers want to quit.

We sometimes get questions about whether e-cigarettes can help smokers quit their nicotine addiction, as the e-cigarette industry has long claimed that to be the case. You've no doubt heard anecdotal stories from vapers that e-cigarettes saved their lives in getting them off combustible cigarettes. Unfortunately, statistically what is more likely to happen is that smokers end up using both e-cigarettes and cigarettes, which we refer to as dual use, sustaining and potentially worsening nicotine addiction.

It's important to note that the FDA has not found any e-cigarette products to be safe and effective in helping smokers quit. On the pharmaceutical side of FDA's regulatory structure, they have approved 7 proven pharmaceutical therapies for effective cessation support.

In Alaska, e-cigarette taxes have already been enacted in Juneau, Ketchikan, Petersburg, and the Mat-Su Borough, and twenty-two other states are already taxing e-cigarette products.

A 2019 statewide poll by Hellenthal and Associates for American Lung Association reported 73% of Alaskans responding that they support taxing e-cigarettes and vape products at the same rate as cigarettes.

These bills should simply add electronic smoking products to the definition of other tobacco products which are currently taxed at 75% of wholesale price, which is considered in parity with or consistent with the current \$2.00 per pack tax on cigarettes.

The State of Alaska's 2019 Youth Risk Behavior Survey results are expected out in April, and we fully expect to see another increase in Alaskan youth prevalence of e-cigarette and vape use reflective of the national increase in youth vaping of 78% between 2017 and 2018. Our state needs to act now and taxing e-cigarettes at the same rate as other tobacco products will result in reduced use and nicotine addiction among our kids.

American Lung Association, the State of Alaska, and our many health partners across the state are working with school districts to update their policies and programs to respond to this surge in youth vaping, as well as educating youth and adults about the dangers of vaping and nicotine addiction but we need you to do the policy part. We urge you to move this bill forward swiftly through the legislative process to update Alaska statute this year to help protect Alaskan kids from a lifetime of nicotine addiction.

Yours in Lung Health,



Marge Stoneking
Executive Director