



1212 New York Ave. NW  
Suite 900  
Washington, D.C. 20005  
202-525-5717

*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

Testimony from:  
Steven Greenhut, Western Region Director, R Street Institute

In OPPOSITION to SB 45, “An Act raising the minimum age to purchase, sell, exchange, or possess tobacco, a product containing nicotine, or an electronic smoking product; relating to transporting tobacco, a product containing nicotine, or an electronic smoking product; relating to the taxation of electronic smoking products; and providing for an effective date.”

February 2, 2022

Senate Finance Committee

Chairman and members of the committee,

My name is Steven Greenhut. I am the Sacramento-based Western region director for the R Street Institute, a nonprofit, nonpartisan public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government. Tobacco harm reduction is one of our focus areas. This is why Senate Bill 45 is of special interest to us.

SB 45 proposes two key changes to the state’s tobacco policy. The first, which would align Alaska’s policy with federal law by raising the legal age to purchase tobacco products from 19 to 21, is praiseworthy.<sup>1</sup> Since its founding, R Street has supported age-21 purchase rules for all tobacco and vape products. Research shows that the higher age reduces teen access to cigarettes and delays the age of smoking initiation. The earlier one starts smoking, the more likely they are to remain a smoker.<sup>2</sup>

The second change, however, undermines the useful goals of that purchase-age hike. This section of SB 45 would impose a 75 percent tax on electronic smoking products—and would boost taxes on e-cigarettes to well beyond the equivalent rate for combustible cigarettes. It would raise taxes to nearly three times the cigarette rate for some popular vaping products when Anchorage’s existing 55 percent city tax is included in the calculation.<sup>3</sup> Certainly, large tax increases discourage people from buying the taxed products, but discouraging the purchase of vaping products will only encourage people to buy traditional cigarettes instead.

That is a deadly proposition given that vaping products are far safer than combustible tobacco products. The U.S. Centers for Disease Control and Prevention estimate that 480,000 Americans die each year because of smoking and second-hand smoke.<sup>4</sup> Yet over 34 million Americans a year continue to smoke cigarettes<sup>5</sup>. That is why R Street advocates public policies that encourage—rather than punish—people for making potentially life-saving behavioral changes. Although we generally discourage the use of



1212 New York Ave. NW  
Suite 900  
Washington, D.C. 20005  
202-525-5717

*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

tobacco or nicotine products, we advocate a harm reduction policy that encourages safer alternatives to people who are unable or unwilling to quit smoking. We prefer real-world health benefits over an utopian embrace of abstinence. We also question the wisdom of limiting adult smokers' access to adult-only products as a means to discourage their illegal access by teens. Instead, we should toughen enforcement of smoking age limits.

We are not the only organization to view regulated reduced-risk products such as vaping as a harm reduction tool. Britain's top health agency, Public Health England, found e-cigarettes to be 95 percent safer than combustible cigarettes—and encourages British smokers to switch to this less risky alternative.<sup>6</sup> Based on a recent guidance, the National Health Service in the United Kingdom may soon be prescribing medically licensed e-cigarettes to tobacco smokers who want to stop smoking and switch to vaping instead<sup>7</sup>. Even the American Cancer Society (ACS), a long-time opponent of any tobacco use, released a 2018 revised statement noting that, “using current generation e-cigarettes is less harmful than smoking cigarettes, but the health effects of long-term use are not known.”<sup>8</sup> The ACS recommended that, “clinicians support all attempts to quit the use of combustible tobacco and work with smokers to eventually stop using any tobacco product, including e-cigarettes.”<sup>9</sup>

Regarding the taxation issue, R Street's harm reduction research has found, “[e]-cigarette users are much more sensitive to price increases than combustible cigarette users, making them more likely to switch back to combustibles if vapor is highly taxed.”<sup>10</sup> It is true that higher tax rates discourage the use of e-cigarettes, but the relevant question is: What are adult smokers using instead? We are supportive of U.S. Food and Drug Administration-approved tobacco-cessation products such as nicotine gum, patches and pharmaceuticals, although research shows that only a small percentage of smokers choose these products and have found other products such as vapes and snus to be more effective to switch from smoking.<sup>11</sup>

Yet Sen. Gary Stevens (R-Kodiak) argues in his sponsor statement that, “[d]espite claims that e-cigarettes help adults quit smoking, or offer adults a ‘safe’ alternative to smoking, e-cigarettes are under-regulated and have not been found by the Food and Drug Administration (FDA) to be effective in helping smokers actually quit, let alone to be legitimately ‘safe.’ Almost all e-cigarettes contain some amount of nicotine and some contain as much or more nicotine as a pack of cigarettes.”<sup>12</sup>

It's not a “claim” that e-cigarettes help adults quit smoking, it is an established fact backed by peer-reviewed research.<sup>13</sup> E-cigarettes are highly regulated, and no one claims that they are a “safe” alternative to cigarettes. The key word is “safer,” given that tobacco and nicotine products exist on a continuum of risk.<sup>14</sup> The FDA is a bureaucratic federal agency known for its decades-long approval delays.<sup>15</sup> Although we would love to see its approval of e-cigarettes as a cessation device, we would hate to see smokers endanger their health in the meantime. Finally, e-cigarettes mostly contain nicotine.



1212 New York Ave. NW  
Suite 900  
Washington, D.C. 20005  
202-525-5717

*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

That is the point. Nicotine is a highly addictive substance, but it is not what actually causes cancer and disease—“those culprits are the tar and toxic gases that are released from burning tobacco when you smoke.”<sup>16</sup> Smokers who switch from smoking combustible cigarettes to vaping are greatly improving their odds.

We respectfully oppose SB 45 and encourage the passage of a bill that simply raises the smoking and vaping age instead. Thank you.

Best regards,

Steven Greenhut  
Western Region Director  
R Street Institute  
(909) 260-9836  
[sgreenhut@rstreet.org](mailto:sgreenhut@rstreet.org)

---

<sup>1</sup> U.S. Food and Drug Administration, “Tobacco 21,” Department of Health and Human Services, last accessed Feb. 1, 2022. <https://www.fda.gov/tobacco-products/retail-sales-tobacco-products/tobacco-21#:~:text=On%20Dec.,from%2018%20to%2021%20years.>

<sup>2</sup> Carrie Wade, “Tax incentives for modified-risk tobacco products can help smokers make the switch,” *R Street Institute Blog*, April 12, 2019. <https://www.rstreet.org/2019/04/12/tax-incentives-for-modified-risk-tobacco-products-can-help-smokers-make-the-switch.>

<sup>3</sup> Jeffrey Buckley, “Anchorage Vape Tax: 55% Tax on All Vape Products,” *Vaping Daily*, Dec. 3, 2020. <https://vapingdaily.com/news/vape-tax-raise-in-anchorage.>

<sup>4</sup> Centers for Disease Control and Prevention, “Smoking & Tobacco Use: Fast Facts,” Department of Health and Human Services, June 2, 2021. [https://www.cdc.gov/tobacco/data\\_statistics/fact\\_sheets/fast\\_facts/index.htm#:~:text=Cigarette%20smoking%20is%20responsible%20for,or%201%2C300%20deaths%20every%20day.&text=On%20average%2C%20smokers%20die%2010%20years%20earlier%20than%20nonsmokers.](https://www.cdc.gov/tobacco/data_statistics/fact_sheets/fast_facts/index.htm#:~:text=Cigarette%20smoking%20is%20responsible%20for,or%201%2C300%20deaths%20every%20day.&text=On%20average%2C%20smokers%20die%2010%20years%20earlier%20than%20nonsmokers.)

<sup>5</sup> Centers for Disease Control and Prevention, “State Tobacco Activities Tracking and Evaluation (STATE) System: Map of Current Cigarette Use Among Adults,” Department of Health and Human Services, Oct. 22, 2021. <https://www.cdc.gov/statesystem/cigaretteuseadult.html.>

<sup>6</sup> Sarah Boseley, “Public Health England maintains vaping is 95% less harmful than smoking,” *The Guardian*, Dec. 28, 2018. <https://www.theguardian.com/society/2018/dec/28/vaping-is-95-safer-than-smoking-claims-public-health-england.>



1212 New York Ave. NW  
Suite 900  
Washington, D.C. 20005  
202-525-5717

*Free Markets. Real Solutions.*  
[www.rstreet.org](http://www.rstreet.org)

---

<sup>7</sup> Andrew Gregory, Regulator paves way for NHS e-cigarette prescriptions in England, *The Guardian*, Oct. 28, 2021. <https://www.theguardian.com/society/2021/oct/29/regulator-paves-way-for-nhs-e-cigarette-prescriptions-in-england>.

<sup>8</sup> Steven Greenhut and Carrie Wade, "Cancer society's evolving position on vaping refreshing," *The Mercury News*, March 9, 2018. <https://www.mercurynews.com/2018/03/09/opinion-cancer-societys-evolving-position-on-vaping-refreshing>.

<sup>9</sup> Ibid.

<sup>10</sup> Carrie Wade, "Tax incentives for modified-risk tobacco products can help smokers make the switch," *R Street Institute Blog*, April 12, 2019. <https://www.rstreet.org/2019/04/12/tax-incentives-for-modified-risk-tobacco-products-can-help-smokers-make-the-switch>.

<sup>11</sup> Carrie Wade and Eli Lehrer, "Where we stand on tobacco, nicotine and vaping," *R Street Institute Blog*, Oct. 6, 2019. <https://www.rstreet.org/2019/10/06/where-we-stand-on-tobacco-nicotine-and-vaping>; Peter Hajek et al, "A Randomized Trial of E-Cigarettes versus Nicotine-Replacement Therapy," *The New England Journal of Medicine*, 380 (Feb. 14, 2019), pp. 629-637. <https://www.nejm.org/doi/10.1056/NEJMoa1808779>; Janne Scheffels et al., "Contrasting snus and NRT as methods to quit smoking. an observational study," *Harm Reduction Journal*, 9:10 (2012), pp 1-8. <https://harmreductionjournal.biomedcentral.com/articles/10.1186/1477-7517-9-10#:~:text=Consistent%20with%20results%20from%20other, had%20used%20snus%20than%20NRT.>

<sup>12</sup> Sen. Gary Stevens, "Sponsor Statement: Senate Bill 45: Increasing the Minimal Age for Tobacco and E-Cigarettes: 'T-21'," Alaska State Legislature, last accessed Feb. 1, 2022. [http://www.akleg.gov/basis/get\\_documents.asp?session=32&docid=533](http://www.akleg.gov/basis/get_documents.asp?session=32&docid=533).

<sup>13</sup> Máirtín S. McDermott et al., "The effectiveness of using e-cigarettes for quitting smoking compared to other cessation methods among adults in the United Kingdom," *Addiction* 116:10 (March 9, 2021), pp. 2825-2836. <https://onlinelibrary.wiley.com/doi/10.1111/add.15474>.

<sup>14</sup> Sarah Boseley, "Public Health England maintains vaping is 95% less harmful than smoking," (2018). <https://www.theguardian.com/society/2018/dec/28/vaping-is-95-safer-than-smoking-claims-public-health-england>.

<sup>15</sup> "A National Survey of Orthopedic Surgeons Regarding FDA and the Availability of New Therapies," Competitive Enterprise Institute, Jan. 30, 2007. <http://cei.org/studies-issue-analysis/national-survey-orthopedic-surgeons-regarding-food-and-drug-administration-an>.

<sup>16</sup> Sally Satel, "Nicotine Itself Isn't The Real Villain," *Forbes*, June 19, 2015. <https://www.forbes.com/sites/sallysatel/2015/06/19/nicotine-can-save-lives/?sh=6910935b6f43>.