Feb 22, 2025

Chair Bjorkman, and Members of the Senate Labor and Commerce Committee:

I am writing in opposition to HB49. As a co-owner of 3 adult only vapors stores in Alaska since 2013, we have seen a dramatic change in the number of adults who have switched to a safer alternative to combustible cigarettes.

In the almost 12 years we have been in open for business, we have helped thousands of Alaskans to rid themselves of a deadly habit. This is evidenced in the lowest smoking prevalence in adults since detailed records have been kept. As of 2023, which was the latest data from the Tobacco Facts Update shows that just under 17% of adult Alaskan smoke with is down almost 25% from 2012. We should expect the next update to show continued trending downward, which mimics the trend for the whole United States.

The 2023 Alaska Youth Risk Behavior Survey shows that since 2019, the youth smoking rate is dropped almost 15% to a record low of 6.5% (Based on one use within the last 30 days). While the youth vaping rate has dropped almost 35% down to 17.3% (Based on one use within the last 30 days).

For the record, the usage rate for marijuana for youth in Alaska is a 17.8% (Based on one use in the last 30 days), which is higher than nicotine vaping usage. Additionally, youth use of alcohol is at 16.8% (Based on one use in the last 30 days).

I would also like to make note in the sponsors statement on the bill, they are using 2019 data, which shows the youth vaping rate to be just as high as in 2015. This is quite a misleading way to present a case to support this bill, when your own Department of Health has data goes all the way through 2023, with an update scheduled this year. Additionally, the presentation represents products that have not been on the market, or priced as the presentation asserts for well over 5 years. One other item to note is that the purchasing of online tobacco and nicotine products has been prohibited by the PACT Act since 2019, of which all shipping companies (USPS, FEDEX and UPS) will not deliver tobacco products ordered online for personal consumption. The only exception is for intrastate delivery in Alaska due to the inability for the remote towns and villages to have physical store locations.

Regarding the 25% excise tax that is being proposed, considering the users of nicotine products are generally from the lower socioeconomic groups and are the least likely to withstand a significant tax. Plus, you must consider the local taxes that are imposed. For example, we have a 55% tax on nicotine e-liquid in Wasilla, a 55% wholesale tax on everything we sell in Anchorage and a 40% wholesale tax in Fairbanks (20% City of Fairbanks, and 20% Borough

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Tax). By adding significant additional taxes, you are making cigarettes more attractive due to price, which will have the unintended consequence of increasing the adult smoking rate. The effects of traditional cigarette and e-cigarette tax rates on adult tobacco product use - PMC

Surely, you did not intend to keep adults away from utilizing a safer alternative to the known dangerous combustible cigarettes.

I urge you to vote no on HB49.

Regards,

Shaun D'Sylva

Fatboy Vapors Alaska, LLC