

Members of the Labor and Commerce Committee,

My name is Alex McDonald and I own Ice Fog Vapor in Fairbanks, AK. I am writing today to oppose SB45. This bill is highly flawed and will lead to increased costs to the state, leaving less money for communities, while increasing smoking rates as well. Vapor products help Alaskans across the state quit smoking. I smoked for 19 years and tried a variety of approved traditional methods to quit, with vapor products being the only thing that worked for me. My whole family has been smoke free for 8 years now. Please see the attached study published in the New England Journal of Medicine 2/14/19 that clearly shows these products have been found to be twice as effective as traditional cessation products.

This bill would cost the state money we do not have. If you look at the attached State Budget Solutions publication in table 4 page 6, it shows that in 2012 the State of Alaska brought in \$67 million in tobacco taxes and \$30 million in tobacco settlement payments. The cost to the state for Medicaid for smoking related illness was \$202 million or 108% of what the state received. Keep in mind these figures are before Medicaid was expanded so the savings to the state now would likely be far greater than the 2012 figure. Less people smoking means more savings to the state budget for years to come, leaving more in the budget for communities like ours.

In the attached study from the National Bureau of Economic Research, they stated that “Our study suggests that, as intended, e-cigarette taxes raise e-cigarette prices and reduce e-cigarette sales. However, an unintended effect is an increase in cigarette sales.” They also state that “Therefore, a national e-cigarette tax will increase traditional cigarettes purchased by 6.2 extra packs for every one standard e-cigarette pod of 0.7 ml no longer purchased.” The study also points out that “traditional cigarettes continue to kill nearly 480,000 Americans each year (Centers for Disease Control and Prevention 2019a), and several reviews support the conclusion that e-cigarettes contain fewer toxicants (National Academies of Sciences Engineering and Medicine 2018, Royal College of Physicians 2019) and are safer for non-pregnant adults (Royal College of Physicians 2019) than traditional cigarettes.” Policies like the ones contained in SB45 have been shown to increase smoking rates instead of decreasing the smoking rates. Smoking is the number one cause of preventable death in this country. We should be putting policies in place that help lower preventable deaths in our state instead of increasing that number.

The American Consumer Institute Center for Citizen Research published a report titled “Are E-Cigarette Regulations Jeopardizing Public Health?” They bring up some very good points and dispel many of the myths regarding vapor products. As far as the products safety they report that “In 2015, Public Health England conducted a systematic review of the evidence and concluded that e-cigarettes are at least 95 percent less harmful than conventional cigarettes. Other health organizations, including the Royal College of Physicians, National Academies of Science, Engineering, and Medicine, and American Cancer Society, have also acknowledged that vaping is a safer alternative for adult cigarette smokers. One 2018 study written by a team of authors from the Georgetown University Medical Center estimated that 6.6 million lives could be saved in the U.S. over the next 10 years.” They also point out the need for changes to the Premarket Tobacco Application that will need to be made by or these products will be possibly pulled from the market. “companies will still need to submit a “Premarket Tobacco Application” (PMTA) to the FDA... or else be forced to close shop, no easy task as suggested by the first company to

submit the application.” This application costs around \$1million per flavor of liquid, with no standard of approval, and no small business can afford that cost.

The report also addresses youth use and the myth that it is leading to hooking a new generation. They state, “Indeed, among teens who use e-cigarettes regularly, almost all are (or were) smokers, suggesting that vaping may be an effective substitute for smoking among adolescents. The 2015 National Youth Tobacco Survey, for example, revealed that only 0.3 percent of non-smoking adolescents regularly vaped. A paper in the American Journal of Preventive Medicine found that non-smoking high school students are highly unlikely to use e-cigarettes; only six percent of 12th graders who had never smoked had used e-cigarettes in the past 30 days, and less than one percent used e-cigarettes regularly.” Everyone I know does the best they can to keep products intended to help adults out of the hand of our youth. Brick and mortar stores are the first line of defense to card and ensure these products are sold to adults of age.

The report also finds taxing vapor products counter to public health interests and states, “More than a dozen states have implemented special taxes on e-cigarettes, typically in order to bring them in line with taxes on combustible tobacco products. But while tax parity might seem fair, proposals to jack up prices on e-cigarettes threaten to undermine policymakers’ broader goals of improving public health.” They also report “Imposing similar taxes on e-cigarettes runs counter to this logic, since the aggregate public health impact of e-cigarettes, compared to smoking, is positive. For example, a recent study found that, even under pessimistic assumptions, e-cigarettes will deliver significant public health benefits over the next half-century, extending the aggregate longevity of the U.S. population by 580,000 years.”

The issue of taxation of vapor products was brought up during the Walker Administration and rejected as bad policy. The legislature found it to be a highly regressive tax hitting lower income Alaskans the hardest. The attached Vaping, e-cigarettes and public policy toward alternatives illustrates this in their finding that “2010 to 2011, smokers earning less than \$30,000 per year spent 14.2 percent of their household income on cigarettes, compared to 4.3 percent for smokers earning between \$30,000 and \$59,999 and 2 percent for smokers earning more than \$60,000.” The legislature also stated that the money would be better left for families to spend on their kids while others simply saw it as a money grab that would push people back to smoking.

It was also found to be a job killer and would close small businesses across the state. The issue was recently brought up for the City of Fairbanks and the Fairbanks North Star Borough and was rejected as well. Kodiak also voted against a similar tax measure as shops could not survive the added costs. Steam Trunk in Kodiak closed last fall and Arctic Vapor in Fairbanks closed its doors last spring as well even without burdensome taxes in place. This tax would close small businesses and restrict consumer choice of safer alternatives to smoking traditional cigarettes further increasing the smoking rates for the state.

Thank you for your consideration of this matter. I hope we can all work together to make Alaska, and our community a better healthier place.

Alex McDonald



American Vaping Association | www.vaping.org

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March 1, 2021

RE: SB 45, creating a tax on vaping products

Chairman Bishop, Vice Chair Stevens, and members of the Senate Labor & Commerce Committee:

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 SB 45. With nearly 100,000 adults still smoking combustible cigarettes in Alaska, a 75 percent wholesale tax will cause a significant drop in the number of adults using vaping products to quit smoking, all while doing little to combat youth experimentation.

Contrary to claims made in the prior hearing on SB 45, there is a great amount of evidence from both the United States and worldwide supporting two central facts: (1) Vaping products are far less hazardous than smoking; and (2) Vaping products help inveterate adult smokers quit. Attached to our testimony you will find statements from approximately a dozen respected public health organizations that have put their support behind vaping products. While it may be true that the FDA has approved several products for smoking cessation – such as the nicotine gum and patch – it is also true that the authoritative Cochrane Review has found vaping products to be more effective at six months versus those approved products.

Opposing unjustifiably high excise taxes on vaping products is more important now than ever. One month ago, 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 consumers already uncertain about the health impacts of switching to vaping, it is vital that legislators look at the data from other states that show that the end effect of a new vaping tax will be more cigarettes being smoked.²

Alaska'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. Alaska should vigorously enforce its numerous existing laws on vaping products, but new excise taxes – particularly in the middle of a pandemic when we know cigarette sales are increasing – are not warranted.

Again, we urge you to reject this bill.

Sincerely,

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

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

² Henry Saffer & Daniel Dench & Michael Grossman & Dhaval Dave, 2020. "E-cigarettes and adult smoking: Evidence from Minnesota," Journal of Risk and Uncertainty, Springer, vol. 60(3), pages 207-228, June. (estimating that Minnesota's 95% wholesale tax caused approximately 32,400 fewer smokers to quit)

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

Partial list:



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

[International Agency for Research on Cancer](#)



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



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

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



Public Health
England

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



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



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



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



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



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



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



Royal Society for Public Health: [“RSPH has welcomed a new comprehensive evidence review on e-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: [“Current evidence shows that the risk to health posed by e-cigarettes in the short term is likely to be considerably less compared to smoking.”](#)



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



THE OHIO STATE UNIVERSITY

COLLEGE OF PUBLIC HEALTH

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 [*Science*](#), the authors, including three public health deans, caution that blanket policies developed in a rush to address two different concerns come with dangerous downsides – most notably the risk of taking away a powerful tool to help smokers quit.



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

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

The paper comes after the emergence this year of vaping-related lung injuries and deaths throughout the U.S. The Centers for Disease Control and Prevention has reported 2,291 cases of serious lung injury and 48 deaths as of last week. Authorities have identified vitamin E acetate, a THC-product additive, as a “chemical of concern” and said that many of the products appear to have been acquired through informal sources – not from retail establishments selling

products directly from known manufacturers. THC, or Tetrahydrocannabinol, is the primary psychoactive component of marijuana.

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

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

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

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

“We should be careful to remain aware of the unintended consequences of extreme measures and the important lessons that harm reduction has provided us in areas such as heroin use, HIV prevention and alcohol control,” said co-author [Cheryl G. Heaton, dean of New York University’s College of Global Public Health.](#)

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 harm-reduction alternative to smoking, which remains the largest preventable cause of death and disability in our country.”

Other authors of the paper were [Ronald Bayer of Columbia University](#) and [David Abrams of NYU.](#)

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

BUSINESS

Smoking's Long Decline Is Over

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

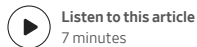


U.S. cigarette sales last year topped those of 2015, when many consumers switched back to cigarettes after trying first-generation vaping devices.

PHOTO: PAUL WEAVER/ZUMA PRESS

By [Jennifer Maloney](#)

Updated Jan. 28, 2021 10:58 am ET



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

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

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

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



A woman smokes a cigarette while standing on Wall Street in New York City.

PHOTO: CARLO ALLEGRI/REUTERS

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

E-cigarette sales were booming in the fall of 2019 when the U.S. Centers for Disease Control and Prevention, investigating an outbreak of a mysterious lung illness, warned consumers not to use any vaping products. Sales took a nosedive. The illness later was [linked to vitamin E oil](#) in marijuana vaping products, but the public's perception of e-cigarette 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 [refined its recommendations](#) based on available scientific evidence, Dr. King said. The CDC now recommends that people avoid vaping products containing THC, the psychoactive ingredient in marijuana, particularly from informal sources like friends, family, or in-person or online dealers.

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

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

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

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

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

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

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

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

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

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YES

NO

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February 15, 2021

Members of the Alaska Senate Committee on Labor & Commerce
From: Americans for Tax Reform

Dear Senator,

On behalf of Americans for Tax Reform (ATR) and our supporters across Alaska, I urge you to reject Senate Bill 45, **misguided legislation that would slap taxes on lifesaving reduced risk tobacco alternatives such as electronic cigarettes. If enacted, this anti-science bill would have a disastrous impact on businesses and public health throughout the state and lead to an increase in tobacco-related deaths.**

Data from the National Adult Tobacco Surveys has consistently demonstrated that tobacco tax increases have no statistically significant impact on the prevalence of smoking among those with household incomes of less than \$25,000. **Seventy-two percent of smokers are from low-income communities. A tax increase on these people trying to use these safer alternatives to quit will put unnecessary hardship on families already struggling to make ends meet.**

Rather than repeating the failed policies of the past and further punishing low-income smokers unable to quit, the Alaska Legislature should embrace new methods that are proven to help reduce smoking rates and facilitate smokers quitting through reduced risk tobacco alternatives such as e-cigarettes. These mimic the habitual nature of smoking but deliver nicotine through water vapor. The absence of “smoke” leads to the lack of the carcinogens created through tobacco combustion. **Studies have proven that vaping to be 95% safer than combustible cigarettes, while at least twice as effective as more traditional nicotine replacement therapies.**

The adverse effects of smoking combustible tobacco come not from the nicotine, a relatively benign yet highly addictive substance like caffeine, but rather the chemicals produced during the combustion process – people smoke for the nicotine but die from the tar. Scientific data clearly shows that the blood levels typically achieved by consuming nicotine via harm reduction products **“does not result in clinically significant short- or long-term harms.”** This harm-reduction is why smokers have been using nicotine replacement therapies (NRT) for decades without incident. For this reason, over 30 of the world’s leading public health organizations have endorsed nicotine vaping as safer than smoking and an effective way to help smokers quit. This list includes Cancer Research UK; the British Medical Association; the British Lung Foundation; the New Zealand Minister of Health; the US National Academies of Sciences, Engineering, and Medicine; the American Association of Public Health Physicians; the Royal Australian College of Physicians; the French National Academy of Pharmacy; and the German Federal Institute for Risk Assessment.

Taxing safer products at an equal rate as cigarettes and other tobacco products will drive people to more deadly alternatives. It goes against every principle of sound public or health policy. As the price of a product increases, its use likely decreases. The same occurs with taxes on vaping, which have proven to increase smoking rates as people shift back to deadly combustible cigarettes. **Minnesota is serving as a case study on this already. The National Bureau of Economic Research determined that its tax on vaping products prevented 32,400 additional adult smokers from quitting smoking.**

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Extrapolating from a large-scale analysis by the US's leading cancer researchers and coordinated by Georgetown University Medical Centre, **if a majority of smokers in the state of Alaska made the switch to vaping, it would save over 13,000 lives.** In seeking to tax these lifesaving products, these bills place these lives in jeopardy. **Small increases in projected revenue should never come at the expense of human lives – and make no mistake, if the legislature enacts this bill, it will cost lives.**

It is also vital to note that implementing such a high tax rate on vaping products will undoubtedly create a black market for such products. Multi-million-dollar organized crime syndicates run complex tobacco smuggling operations. **These networks also engage in human trafficking, money laundering, and have been used to fund terrorists. Even the US State Department has noted that tobacco smuggling is a “[threat to national security](#)”.**

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

We would also like to draw the committee's attention to other aspects of SB 45, such as the prohibition on online or remote sales, would significantly reduce one's access to these lifesaving products should they reside in rural and remote areas of the state. **If enacted, these persons, often in lower socioeconomic demographics and at the highest risk of smoking related mortality, would have no choice but to continue smoking combustible tobacco.**

In the interests of public health, preventing a boon in criminal activity, and protecting the most vulnerable in society from financial hardship at a time they can least afford it, we call upon the Committee to accept the science and vote against SB 45. Tens of thousands of lives depend upon it.

Sincerely,

Ben Rajadurai
State Affairs Manager
Americans for Tax Reform

Hello Members of the Labor and Commerce Committee,

My name is Charles Edge. I served at Ft. Wainwright from 2016-2019 for the last three years of my six years active duty as an Infantryman. I left Alaska when I honorably left Active Duty and went to Virginia to be closer to family and found that I had been forever changed by the people, environment, and the Alaska Attitude; that self-reliant, scrappy, resourceful, and politically respectful attitude that has created the best state in the Union.

Part of the reason I left Virginia, aside from the aforementioned reasons, is that the Virginia Governor and legislative bodies had been and still are, passing Draconian laws and measures to “ensure the safety of” and to “protect” people from things that they have no need of being protected from by a Government institution. The “threat” that is posed by e-cigarettes (hereafter referred to as “vapes”) has been proven to not be a threat to the populace, but to corporations and states with budgets that depend on the sale of and taxes from traditional combustible cigarettes. It is no secret that vaping has caused a dent in States budgets that took loans against tobacco taxes, and in so doing has caused losses for companies that sell cigarettes. The hit to their bottom line has been so substantial that the Altria Group, who owns Marlboro, bought Juul Labs Inc., the same device that has been at the forefront of a large portion of the anti-vaping propaganda. The Juul device is one of the most common devices that are found in schools in the hands of minors in America, and they are owned by a tobacco company. As a vape consumer, this is very worrisome to me when I see legislation that seeks to demonize a product that I can personally attest to being an effective smoking cessation product.

I smoked Newport brand cigarettes for six years before I switched to vaping and I can attest and will be willing to provide my medical records to prove, that vaping helped me become healthier than smoking cigarettes. In the words of the 44th President of The United States Barack Obama, “Now let me be clear,” I am NOT going to attempt to tell the Members of this Committee that vaping is 100% safe, because nothing is. It is a *healthier alternative* to smoking cigarettes. Prior to quitting cigarettes, I consistently suffered from bouts with bronchitis, high blood pressure, decreased dental hygiene and had a chronic hacking cough. Additionally, it absolutely destroyed my sense of taste and smell. Since I started vaping, my sense of smell and taste have returned, my blood pressure has gone down, and I have not had Bronchitis or any other upper respiratory infections. An added benefit for me was that my Army Physical Fitness Test (APFT) scores went up considerably up after quitting smoking due to dropping a solid two minutes from my run time. Again, I will make my medical records available for examination should my claim be doubted.

To the point that it is an effective cessation product, I would reference the Public Health England article “Vaping better than nicotine replacement therapy for stopping smoking, evidence suggest” published 2/23/21 (Please see the attached PDF). One Dr. John Newton, Director of Health Improvement stated that, “Thousands more could have quit except for unfounded safety fears about e-cigarettes. The evidence has been clear for some time that, while not risk-free vaping is far less harmful than smoking.” The report also shows that, “vaping products were the most popular aid used by smokers trying to quit

in England in 2020.” It also states “Using a vaping product as part of a quit attempt in local stop smoking services had some of the highest quit success rates – between 59.7% and 74% in 2019 and 2020.” It only makes sense to me, especially since we live in a free society, that in the face of scientifically proven facts that have not been altered to fit an agenda, that the Government and its elected representatives would wish for their constituents to have an effective and safe alternative to smoking.

This leads me to my second point about this legislation; it stands to not only effectively stop Alaskans from making the choice, for themselves, how they wish to use nicotine, but it also takes that choice away from otherwise legal adults. The portion of SB-45 that would raise the legal age of tobacco from 19 to 21 would take away the ability of Soldiers, Airman and other Servicemen and Women who literally were adult enough to volunteer to fight and possibly lay down their life this nation, to not purchase nicotine products. I literally can not think of a way for the Alaska Legislative body to in good faith say that this is solely to be in compliance with Federal Law when Marijuana and its products are legal here, in defiance of Federal Law. This is absolutely incredible to me. Especially considering SB-15 is in effect, which literally allows parents to purchase nicotine products for their underage children. This institutional hypocrisy is blatant and a slap in the face to adults who hold jobs, can serve the Nation, pay taxes, and can vote.

My final point that I will make about this legislation is that it proposes a 75% wholesale tax on vapor products. Seventy. Five. Percent. This would absolutely decimate small vape shops across the state of Alaska. This would close the doors of businesses that provide revenue for the State and their Borough’s, it would force shop owners who could afford to stay in business to apply astronomical prices to these products and it stands a very real chance of pushing many hardworking Alaskans back to the very unsafe practices of smoking or dipping. I for one seem to recall once upon a time that a 1% tax on tea was viewed poorly by some people that used that as a justification to say that the government, they fell under was immoral, unjust and corrupt. To impose such a steep tax upon Alaskans is positively heinous.

Having said all of this, I understand that vaping, like alcohol use and cigarettes, by minors is not ok and poses potential risks for them as they grow up. That being said, that minors who are caught with vape paraphernalia be punished with community service and that the enforcement arm of the Alaskan Government conduct more frequent and thorough operations against irresponsible vape shops and gas stations to not let these devices fall into the hands of minors.

Part of the allure for Alaska is the self-reliant and independent streak that my fellow Alaskans have. This bill would seek to punish those who use these devices responsibly, it would tax shop owners in a very un-American way without addressing some of the more pressing issues that plague Alaskans. I would argue that this bill, while well intentioned, does more harm than good and it takes away the freedom of choice for adult Alaskans to do as they see fit with their bodies, it restricts Serving adults from using

nicotine as a coping mechanism for the stress of Military service and it does so by ignoring independently verified scientific facts.

Members of the Committee, I do thank you, very much for reading my testimony and do hope that you all take some of these points into consideration. Thank you for your time and your service to the people of this great state of Alaska.

Respectfully,

Charles Edge

Katie McCall

From: Greg McDonald [REDACTED]
Sent: Thursday, February 18, 2021 5:50 PM
To: Senate Labor and Commerce
Subject: SB45 Opposition

Follow Up Flag: Follow up
Flag Status: Flagged

Dear Committee Members -

I am writing in opposition to SB45.

I smoked cigars for over 20 years and have been 100% tobacco free for over 7 years by switching to vaping.

The net effect of this bill would kill Alaska small businesses who have established brick and mortar vape stores, who have helped countless individuals go tobacco free. If passed, this bill will undoubtedly increase the use of tobacco products throughout the state, which is one of the leading causes of health issues in the state.

Please do not move this bill forward!

Thank you for your consideration.

Greg McDonald
Anchorage, AK

Sent from my iPhone

Good afternoon Madame Chair and members of the committee,

I oppose SB 45. It'll be 8 years this year that I have been tobacco free! I used vaping to get off combustible cigarettes. Over the years I believe vaping has prolonged my life. I have been testifying for the last 6/7 years with the same story.

I've been vaping since Dec 2013 when I received my first starter kit for Christmas from my boyfriend's mom, who is a nurse practitioner. I started smoking combustible cigarettes when I was 13. I've noticed differences since I switched to this healthier alternative. As a smoker it was hard to run and play around with my then 9/10 year old daughter. Once I switched to vaping I had energy to run and play, as a matter of fact we used to race each other often and I was able to keep up with her! I've been to Zumba classes to help lose weight, and I don't hack or feel a need to have a cigarette like I use to, getting the snow machine unstuck is easier now too! I no longer stink like an ashtray and food tastes so different now! I'm not eating more just to cover the smoke taste in my mouth. I started at 12mg in a Protank. I now have a few different set ups and I'm on 3mg! 3mg is lowest nicotine level beside 0mg (zero nicotine). Although I can mix a 3mg with a 0mg and get 1.5mg. It's amazing the harm reduction that I have done for my body and wouldn't have been able to without being introduced to vaping. I've tried Chantix, gum and patches. I often found myself with nasty cigarette in my hand and patch on my arm. The patch is itchy, the gum tastes horrible and the way the Chantix made me feel was the worst, nausea all the time, the dreams were so intense, suicidal thoughts. Here are a few more side effects of Chantix: depression, changes in mood and thinking, anxiety, panic, aggression, anger, mania, abnormal sensations, hallucinations paranoia and confusion and many other more. None of that is healthy, but is approved by the FDA. Alaskans already have a mental health issue, why add to it? Chantix is also banned by the FAA and the military!

My boyfriend opened his own store in Fairbanks, AK, because we couldn't find any e liquid or replacement coils for our new devices. We have met so many wonderful people who wanted quit smoking combustible cigarettes for their themselves and their family. So many vaping success stories start with "I have tried many FDA approved ways and nothing worked!" Many of our military customers who have switched to vaping have reported their PT scores have improved!

With the PACT ACT being expanded to include vaping products, shipping vaping products will be a thing of the past. Unlike the internet, we card everyone! Vape shops are the first defense to underage vaping. Vape shops educate customers in battery safety and building safe coils. Dedicated vape shops carry reputable e-liquids! They can tell you everything about the e-liquid and the company they order from! There are many reputable shops around Alaska, everyone is invited to come into a local vape shop or give them a call to become more familiar with vape products and to see what the industry is all about. We are here to educate, support, and offer guidance to all who look for a healthier alternative! The vaping community is very close knit in Alaska! We support a tobacco free lifestyle! We encourage getting healthy and active again!

I don't agree with the 75% wholesale tax. It would be more tempting to go back to traditional cigarettes, because it will be cheaper to smoke cigarettes than it will be for a safer healthier alternative. The Royal College of physicians in England have published research that proves it is 95% safer than smoking. This tax has been proven to be very regressive. Our local city and

borough have both shut down this tax, as had the legislature during the Walker administration. We are currently still in a pandemic, that is hurting small businesses, this tax will hurt small businesses across Alaska even more.

As for shipping, Congress has expanded the PACT ACT essentially shutting down internet sales, restricting shipping abilities to bush communities would cut off their access to healthier alternatives. People are able to bush order alcohol products why couldn't they call and order a vapor product that could potentially save their lives?

I have a solution for revenue. Let's get the Quitline to push accurate information. The state spent \$9 million on the tobacco Quitline the last time I checked. Other countries are taking a whole different approach to this vaping technology. They are encouraging their residents to switch to Vaping by putting Vape stores in hospitals and giving vouchers for starter kits to help smokers make the switch! This is no different than the state giving out patches and other nicotine replacement therapies that have been found to be half as effective in smoking cessation than vaping. Why not support what works? This would also make the Quitline ads more effective in getting smokers to give up combustible products, support local businesses, and get accurate information out to smokers. This will save the state way more money in health care costs incurred from smoking related illness than any tax would bring in.

Thank you for your time,

Jessi Walton
Fairbanks, AK

Katie McCall

From: Sen. Mia Costello
Sent: Monday, February 22, 2021 9:17 AM
To: Katie McCall
Subject: FW: Oppose SB 45

Follow Up Flag: Follow up
Flag Status: Completed

-----Original Message-----

From: Mike Coons [REDACTED]
Sent: Friday, February 19, 2021 10:22 AM
To: Sen. Gary Stevens <Sen.Gary.Stevens@akleg.gov>; Sen. Elvi Gray-Jackson <Sen.Elvi.Gray-Jackson@akleg.gov>; Sen. Joshua Revak <Sen.Joshua.Revak@akleg.gov>; Sen. Mia Costello <Sen.Mia.Costello@akleg.gov>; Sen. Roger Holland <Senator.Roger.Holland@akleg.gov>; Sen. Tom Begich <Sen.Tom.Begich@akleg.gov>
Subject: Oppose SB 45

My name is Mike Coons and I am speaking for myself.

I oppose SB45 for the same reasons that I have opposed it in the past.
We, foremost as a Nation and a State, support and defend the Constitution of the the United States and Alaska, which is that we the people can choose what we want to use (outside illegal drugs etc.), what we buy, the decisions that we make.

We as a State and Nation however over the past several decades have not come to grips with what constitutes an adult! We can vote at age 18. We are subject to criminal prosecution as an adult at age 18. We can be drafted into the US military at age 18. We can join the military without parental consent at age 18. Yet, we cannot own a revolver or pistol between 18 and 21 by Federal law. We cannot drink alcohol until 21, used to be 18. We can't buy cigarettes until 19, now you want to go to 21. What with existing Obamacare, parents can have on their health insurance their "children" up to age 26!

So, what is an adult? Do we change criminal law to 21 for prosecution and only prosecute in Juvenile courts up to 21? Do we increase voting age back up to 21? Or do we, as with forthcoming legislation, allow 16 year old's to apply to vote? When do we consider that a person can make valued decisions or to make wrong decisions whereby they are responsible for those decisions?

I am 68 years old and I can assure you all that I made some very good decisions in my life, pre and post 18. I also made some bonehead decisions in my 68 years! Do we trust our adults or not? Or are we so concerned that an adult will make poor decisions that we change the rules at a whim? Does that in the future go for 65 and above because we make decisions that the WOKE don't like and call us unable to make the "right" decisions? Thus removing our voting rights? When and where does this stop?

Please, when this comes for a vote on the floor, vote no and for recognizing adult responsibilities at one age, 18!

Mike Coons

NATIONAL ASSOCIATION OF TOBACCO OUTLETS, INC.

February 18, 2021

To: Chair Mia Costello
Members of Senate Labor and Commerce Committee

From: Thomas Briant, NATO Executive Director

The National Association of Tobacco Outlets (NATO) is a national trade association that represents numerous retail store members across Alaska. NATO and its Alaska member stores urge you to oppose SB45, which creates a tax on electronic smoking products of 75% of the wholesale price. The bill also increases the age for tobacco sales to 21, but also puts under-21 employees out of work, and we ask that some consideration be given those workers. As to the tax, please consider:

- **Internet or Out-of-State Purchasing by Legal Age Adults:** Enacting this tax will simply encourage legal age adults to find lower cost alternatives, including over the Internet. Although the bill attempts to address Internet sales, the state does not have the resources to control out-of-state sellers who ship products into Alaska, nor to stop consumers or others from bringing large quantities of electronic products into the state and avoid this excessive tax.
- **Smuggling and an Illicit Market Will Impact Tax Collections:** This new tax will make it more lucrative to smuggle electronic cigarette products into Alaska from lower tax states. Illicit markets already exist. Participants in these illicit markets, unlike the responsible retailers NATO represents, do not care whether they sell to underage persons or collect taxes, impacting both responsible Alaska retailers and Alaska's receipt of taxes.
- **This is Not the Time to Burden Retailers:** Even if you believe taxing electronic smoking products is a good idea, this is not the time in our country to enact new taxes on what retailers sell. Retailers have struggled the past year to get by from day-to-day. Large tax increases may well be the last straw for many retailers, as their businesses, already severely impacted by sales losses due to COVID-19 and lockdowns, will lose even more sales and customers to the Internet, smugglers, and illicit markets. This raises the likelihood of employees losing jobs and stores weighing whether they can survive economically. We ask that you support Alaska's retailers, not financially burden them and their customers with new taxes.
- **Taxes on Electronic Smoking Devices are Contrary to Public Health Considerations:** Many consumers reasonably believe that electronic smoking devices are a lower risk alternative to traditional combustible tobacco products. Taxing these devices, some of which have been determined to be modified risk products by the FDA, is contrary to the public health.
- **Tax Regressivity Will Impact Lower Income Citizens:** Increases in tobacco taxes negatively impact those residents least able to afford it, as tobacco product use is generally associated with lower income citizens. With more limited incomes, these adults will likely change their buying habits to find less expensive sources of their preferred tobacco products, impacting the viability of Alaska's family-owned and operated retail stores.

Your consideration of our concerns and opposition to SB45 are sincerely appreciated.