

In Regards to Bill H. 884:

My name is James Davison and I am from Winooski, VT. I am a former smoker of ten years and an e-cigarette consumer.

I am here today to talk to you about e-cigarettes (as they are commonly known), Green Mountain Healthcare, and the proposed tax bill. As I understand it, a section of H. 884 will impose a 92% tax on e-cigarette devices. This tax will go towards funding Green Mountain Healthcare which is not entirely funded yet. I am here to say that a tax on e-cigarettes is not an acceptable solution to this problem. I hope to make clear that e-cigarettes will reduce diseases and death from tobacco use while bringing healthcare costs down for all Vermonters as a result. This tax will accomplish the opposite.

First, it is important we understand that e-cigarettes are not cigarettes at all. E-cigarettes are unfortunately named which causes a lot of confusion and stigma. We do not call nicotine patches "cigarette patches", we do not call Chantix the "Cigarette Pill" and we do not call NicoDerm Inhalers "Cigarette Inhalers". Cigarettes burn paper and tobaccos leaves which undergo a chemical change as a result of combustion and turn to smoke. This smoke contains tar and over 4000 harmful carcinogens which build up in the lungs over time. Tar and carcinogens, not nicotine, are what is responsible for smoking related diseases such as cancer and COPD. The agents in cigarettes that cause these diseases are not present in e-cigarettes! Nicotine is the only shared "ingredient" but nicotine presents minimal health risks when used as intended.

In regards to this tax, it's going to cost Vermont a lot more than it raises. Vermont currently enjoys a 7% sales tax on a growing market. If you raise the tax to 92% it is going to kill this market completely. You will lose the 7% sales tax Vermont currently collects, you will put Vermont Vapor and other e-cigarette based companies out of business. You will prevent any future companies from opening and hiring. Convenience stores and smoke shops will pull the products for lack of sales attributed to high costs. Current consumers will simply shop out of state via the internet which will cause this tax to fall flat on its face. When we take this into account, I find it very hard to believe it will raise \$500,000 (as this bill suggests) in revenues to fund Green Mountain Healthcare.

Worst of all, thousands of smokers who would someday quit with the aid of e-cigarettes will be turned away from the product by its unreasonable price. If we fund Green Mountain Healthcare today with 500,000 through this tax, how many millions of dollars will we spend treating cancer and COPD for those who could have avoided these diseases by use of an e-cigarette? Would you install cardboard pipes in your home or business to save a few hundred dollars now knowing it will cost you tens of thousands of dollars in water damage when those pipes fail? Please consider that this tax will knowingly price out a huge portion of Vermonters from an opportunity to try e-cigarettes. In 10 years, Vermonters will be sharing the treatment cost of their smoking related health issues through Green Mountain Healthcare!

Today, I believe we finally have a solution to the tobacco epidemic which kills over 480,000 people in this country each year. These products will save millions of lives nationally and bring healthcare costs down for everyone but not for Vermonters if you pass this tax. Please, do not stifle this opportunity here in Vermont in favor of small gains and short term needs.

Sources:

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<http://ien.arch.virginia.edu/tobacco/wp-content/uploads/2013/10/2013-Core-Principles.pdf>

The Food and Drug Law Institute: *How Should FDA Implement a More Rational and Workable Approach to Regulating Tobacco, Nicotine, and Alternative Harm Reduction Products?* (Oct. 2013)

<http://ien.arch.virginia.edu/tobacco/wp-content/uploads/2014/02/FDLIArticleTobNicReq.pdf>

CDC Fact Sheet: *Tobacco Related Mortality* (updated 2014)

http://www.cdc.gov/tobacco/data_statistics/fact_sheets/health_effects/tobacco_related_mortality/