

March 30, 2016

To: Committee on House Ways and Means
From: Rebecca Ryan, Sr. Director, Health Education and Public Policy – Vermont
Subj: In support of H.879 to impose an excise tax on e-cigarettes

Federal Regulation:

- In 2009, the U.S. Food and Drug Administration (FDA) announced it intended to regulate electronic cigarettes as drug delivery devices.
- FDA was sued by the parent company of NJOY, an electronic cigarette product, saying e-cigarettes should be regulated as tobacco products.
- The Court held that e-cigarettes should be regulated as tobacco products.
- FDA rule to regulate electronic cigarettes as tobacco products is currently under review.

Facts about Electronic Cigarettes:

- E-cigarettes are unregulated tobacco products.
- No e-cigarette has been found by FDA to be safe and effective in helping smokers quit.
- Almost all e-cigarettes contain nicotine – including many that claim they are nicotine-free.

Vermont Youth and Electronic Cigarettes:

- 15% of Vermont high school students currently use electronic cigarettes compared to 11% who smoke cigarettes.¹
- 24% of Vermont high school students have used a flavored tobacco product, including electronic cigarettes in the last 30 days.
- With over 7,000 flavors available (including kid-friendly cotton candy, gummy bear, and fruit loops), electronic cigarettes appeal to youth who have not tried traditional cigarettes.

Substantially raising the tax on tobacco products is the single most effective way to prevent youth from smoking. Coupled with a strong tobacco control program, it is also one of the best ways to help smokers quit. As price is the largest deterrent to kids starting to use tobacco products, the price of electronic cigarettes should be made equivalent to all other tobacco products, and this can be achieved through an excise tax.

We support H.879 to ensure that Vermont youth do not use electronic cigarettes as a cheaper alternative to cigarettes. Vermont spends \$348 million per year in tobacco-related healthcare costs, including \$87 million in Medicaid expenses². We urge you to consider dedicating this tax revenue to the state's Tobacco Control Program, ensuring a sustainable source of funding for tobacco prevention and control efforts.

¹ Vermont Department of Health, 2015 Youth Risk Behavior Survey

² CDC Best Practices for Comprehensive Tobacco Control Programs, 2014. See also, CDC, Data Highlights 20016; CDC's Smoking-Attributable Mortality, Morbidity and Economic Costs, SAMMEC, average annual smoking attributable productivity losses from 2000-2004 (Updated to 2009 dollars).