



January 18, 2024

Representative Teresa Wood, Chairwoman
House Human Services Committee
State House
Montpelier, VT 05601

Testimony in **OPPOSITION to S.18**

Dear Chairwoman Wood:

The Cigar Association of America (CAA) submits this letter as our testimony in opposition to S.18, legislation that would ban flavors in tobacco products.¹ CAA is the leading national trade organization representing the interests of cigar manufacturers, importers, distributors, and major suppliers of the industry. CAA was founded in 1937 as a non-profit trade organization. Today, its member companies come from all sectors of the industry, from major manufacturers of handmade premium cigars to the largest producers of machine-made cigars. CAA members manufacture a significant share of the large, premium, little, and filtered cigars sold in the United States. Its members also include internet retailers of cigars, as well as leaf, and other suppliers to the cigar industry.

CAA submits that extending a flavor ban, as proposed in S.18, to cigars and pipe tobacco is not supported by scientific data. Nearly all pipe tobacco can be considered flavored based simply on the process used to manufacture the product. Surveys conducted or funded by government agencies all show that youth usage of cigars, *including flavored cigars*, is at historic lows, and youth usage of pipe tobacco is nearly unmeasurable. In fact, youth usage of cigars, including flavored cigars, is at an all-time low both in Vermont and nationwide.

In Vermont, the most recent survey data available from 2021 showed that youth usage of cigars was at 3.0% down from 6.0% in 2019, and down from 13.0% in 2011.² While updated data is not available for Vermont, nationwide there have been steep declines in youth usage of cigars since 2021. The National Youth Tobacco Survey tells us that in 2023, youth usage of cigars was at 1.85% and in 2021, youth usage of flavored cigars was at 0.83%.³ In contrast, the 2021 Vermont Youth Risk Behavior Survey reported that in 2021, 16.6% of Vermont high school students reported current e-cigarette / vapor products use while 19.9% of Vermont high school students reported current marijuana use.⁴

¹ CAA submits these comments solely to address the impropriety of the Proposed Flavor Ban as applied to cigar and pipe tobacco products. CAA does not address herein the propriety of the Proposed Flavor Ban as it would apply to other categories of tobacco products.

² <https://nccd.cdc.gov/Youthonline/App/Results.aspx?LID=VT>

³ See Consilium Sciences, "Evaluation of Flavored Cigar Products as they Relate to Questions of Public Health – Supplement #2 to October 2020 Report" (2022), Appendix Tables 1. (on file with author and available in CAA's publicly filed document with the Office of Management and Budget relating to FDA's Proposed Product Standard on Characterizing Flavors in Cigars).

⁴ See *supra* note 2; <https://nccd.cdc.gov/Youthonline/App/Results.aspx?LID=VT>

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Evidence from other localities demonstrates that if a flavor ban is enacted, consumers will purchase products from out of state or through illicit markets. More importantly, it shows that flavor bans can increase youth *cigarette* smoking rates. A study done after a flavor ban was instituted in San Francisco, CA found that “Difference-in-differences analyses found that San Francisco’s flavor ban was associated with more than doubled odds of recent smoking among underage high school students relative to concurrent changes in other districts (adjusted odds ratio, 2.24 [95% CI, 1.42-3.53]; P = .001.”⁵

After banning the legal sale of these products in 2020, Massachusetts has seen that adult consumers shifted to purchasing these products (i) through an untaxed illicit market; or (ii) in neighboring states. The data shows that the flavor ban has done little to alter consumer consumption behavior – other than to force Massachusetts consumers to purchase flavored tobacco products in other states.⁶ The Tax Foundation stated this upon analyzing the impact of the Massachusetts flavor ban: “Massachusetts is stuck with the societal costs associated with consumption, while the revenue from taxing flavored tobacco products is being raised in neighboring states. In fact, the flavor ban has been far from successful, as sales in both New Hampshire and Rhode Island experienced double-digit growth—almost making up for the entire decrease in Massachusetts.”⁷

Vermont itself saw a 6% increase in excise tax revenues following the Massachusetts ban. Further, enacting the Proposed Flavor Ban would do nothing but substantially decrease Vermont tax revenues. Vermont other tobacco product excise taxes were in excess of \$10 million dollars in fiscal year 2021.⁸ This figure does not also account for the corresponding sales tax revenue collected from the sales of these products. The Proposed Flavor Ban would eliminate a large amount of this revenue, and in the case of cigars potentially up to 47% of the market.

S.18 seeks sweeping action to ban flavors and removing adult consumers’ ability to choose across nearly all tobacco product categories, damages Vermont businesses, and encourages unregulated illicit market sales. CAA urges you to oppose S.18 as there is no legal, factual, or scientific basis to prohibit the sale of flavored cigars and pipe tobacco. Prohibiting the sale of these products would be detrimental to small businesses and deprive adult cigar and pipe tobacco consumers of their right to a legal product in Vermont. In short, S.18 is a solution in search of a problem. Thank you for the opportunity to present this testimony. For the foregoing reasons, the Cigar Association of America is OPPOSED to S.18.

Respectfully Submitted,

A handwritten signature in blue ink that reads "David M. Ozgo".

David M. Ozgo, President

⁵ Abigail Friedman, *A Difference-in-Differences Analysis of Youth Smoking and a Ban on Sales of Flavored Tobacco Products in San Francisco, California*, *JAMA Pediatrics* 175:8; 863-865 (2021).

⁶ Bosen, U. Massachusetts Flavored Tobacco Ban: No Impact on New England Sales. Tax Foundation (Feb. 3, 2022) <https://taxfoundation.org/massachusetts-flavored-tobacco-ban-sales-jama-study/>

⁷ *Id.*

⁸ <https://earmarking.guerrillaeconomics.net/res/VT%20Excise%20Tax%20Revenue.pdf>