

## DIXIE COUNTY TOBACCO PREVENTION NEWSLETTER

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INSIDE THIS ISSUE:

<i>Two Local Businesses are Recognized for Choosing Not to Sell Tobacco Products</i>	1
<i>Dixie County High School Students Working Against Tobacco Club Celebrates the Annual Kick Butts Day</i>	2
<i>The Theme of World No Tobacco Day 2012 is "Tobacco Industry Interference"</i>	3
<i>New Report: Tobacco Companies and Convenience Stores Partner to Market Tobacco Products, Fight Life-Saving Policies</i>	4
<i>Miami-Dade Commissioners Give Initial OK to Flavored Tobacco Ban</i>	5
<i>Durbin, Lautenberg, Blumenthal Introduce Legislation to Close Tobacco Tax Loopholes</i>	6
<i>New Graphic Warning Labels on Cigarettes Pass Another Hurdle</i>	7
<i>Senator Durbin's Bill to Close Tobacco Tax Loopholes Will Save Lives By Stopping Tax Avoidance</i>	8

## Two Local Businesses are Recognized for Choosing Not to Sell Tobacco Products

Dixie County High School SWAT President Chelsy Cannon and Secretary Hailey Carroll interviewed the managers of Cheeks Pharmacy and Save-A-Lot to find out why these retailers have chosen not to sell tobacco products in their businesses. Both businesses are located in the Evans's Square Plaza in Cross City.

Many of the large chain pharmacies in other counties are known to have tobacco products placed at the front of the stores behind the first cash register. Ironically, the tobacco products are also placed alongside the tobacco cessation products. That contradiction led Cheeks Pharmacy in Cross City to stand out by choosing not to sell tobacco products primarily out of concern for their customers. When the students asked why Cheeks does not sell tobacco products, Melanie Rollison, manager of Cheeks Pharmacy, stated that, "If we sell products to save lives, why should we sell those that ultimately take lives?"

This is a tradition started by Mr. Cheek who decided that a pharmacy is a place where people get medication and products to make them healthy and they should not sell items that could give them cancer. Many of the residents of Dixie County have fond memories of cruising the aisles of Cheeks Pharmacy

for products such as cold medication, bandages for scraped knees, and the lovely knick-knacks for which the store is known. There are also a wide variety of toys and candies that children enjoy shopping for at Cheeks. The family atmosphere and the love for their community is why the Dixie County High School SWAT is proud to highlight Cheeks Pharmacy as they continued their support in the fight for healthy families and community.

The residents of Cross City may have noticed that the grocery store in the center of town recently changed names and owners. The Save-A-Lot is a national chain that has a mission to "make a positive difference in our customer's lives", and this is exactly what the SWAT students found out when they interviewed Stanley McHenry, manager of Save-A-Lot. Many business-

es that sell tobacco products claim that their business could not survive without the profit from the sale of tobacco products. Mr. McHenry said his store stopped selling tobacco products because the Save-A-Lot chain has made the decision not to sell the products in any of their locations. He also stated that sales have gone up since the change in ownership, although it is uncertain if the increased sales are related to the fact that tobacco products are no longer sold there. **Regardless, the store is creating more profit without tobacco, which has been an economic success story within the Dixie County community.**

The DCHS SWAT club would like to commend these community leaders for setting a positive example to other business leaders and everyone else in the community in the fight to save lives against tobacco use.

**Meanwhile, North Carolina-Based discount chain Family Dollar, with 7,100 stores nationwide, has decided to start selling cigarettes for the first time in the in the company's 53-year history.**

**You can sign an online petition to protest this decision by visiting:  
<http://tinyurl.com/chr7hyl>**

## Dixie County High School Students Working Against Tobacco Club Celebrates the Annual Kick Butts Day

Kick Butts Day is a national day of activism that empowers youth to speak up and take action against Big Tobacco.

The 17th annual Kick Butts Day was held at Dixie County High School, on March 15, hosted by the Dixie County High School Students Working Against Tobacco (SWAT).

The SWAT students set up a display in the plaza at the high school to be viewed by all high school students during their lunch break. The display included a clothesline with dirty laundry hanging out to dry. Each item of clothing had tobacco facts that big tobacco does not want tobacco users or future tobacco users (students) to know. These facts, such as "Adult Male Smokers lose an average of 13 years of life and adult female smokers lose an average of 15 years of life as compared to non-smokers", were viewed by most of the high school students.

During the event, Mrs. Diana Locke, the Dixie County High School Principal, shared that her family had been affected by lung cancer due to tobacco use. She shared that she missed many years with her dad thanks to the lies of big tobacco. She felt that it is important for the students to learn the truth about tobacco before making their own choice about using tobacco.

The SWAT students' goal for the Kick Butts Day event was to mobilize students to raise awareness about the problems of tobacco in their school. As part of the event the students also invited the Dixie County School Superin-



tendent, Mark A. Rains, to attend the event. Mr. Rains did come to the event and read the facts as he walked around the display. He continues to show his support for raising the awareness of tobacco use among the students of Dixie County.

Throughout the last few

years the SWAT students held many of their events at the high school plaza and cafeteria in order to reach the largest audience. Through the past events several of the food service workers have reached out for help to quit smoking. During this year Kick Butts Day event the

food service workers at DCHS visited the display to show their support for the SWAT students and to thank them.

The SWAT students also wanted to reach the citizens of Dixie County about Kick Butts Day, so they placed red cups into the fence in front of the school that spelled out "Tobacco Lies". The statement could be seen by anyone who drove on Highway 19 by the school.

Over 150 students volunteered to sign a proclamation against big tobacco that restated the facts that were posted around the display and requested that elected officials join the fight against big tobacco and marketing tactics that target students. The proclamations have been sent to Senator Bill Nelson to show how the students of Dixie County High School feel about the lies from big tobacco.



# The Theme of *World No Tobacco Day 2012* is “Tobacco Industry Interference”

World Health Organization Holiday is Celebrated Annually on May 31

The World Health Organization (WHO) selects "tobacco industry interference" as the theme of the next World No Tobacco Day, which will take place on Thursday, 31 May 2012.

The campaign will focus on the need to expose and counter the tobacco industry's brazen and increasingly aggressive attempts to undermine the WHO Framework Convention on Tobacco Control (WHO FCTC) because of the serious danger they pose to public health.

Tobacco use is one of the leading preventable causes of death. The global tobacco epidemic kills nearly 6 million people each year, of which more than 600,000 are people exposed to second-hand smoke. Unless we act, it will kill up to 8 million people by 2030, of which more than 80% will live in low- and middle-income countries.

As more and more countries move to fully meet their obligations under the WHO FCTC, the tobacco industry's efforts to undermine the treaty are becoming more

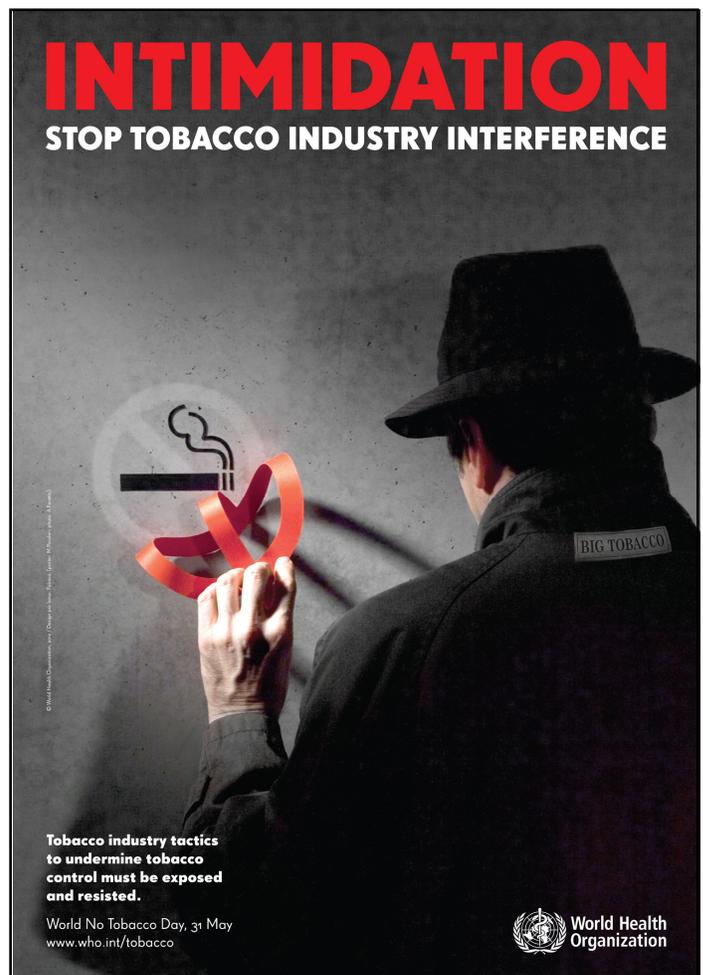
and more energetic.

For example, in an attempt to halt the adoption of pictorial health warnings on packages of tobacco, the industry recently adopted the novel tactic of suing countries under bilateral investment treaties, claiming that the warnings impinge the companies' attempts to use their legally-registered brands.

Meanwhile, the industry's attempts to undermine the treaty continue on other fronts, particularly with regard to countries' attempts to ban smoking in enclosed public places and to ban tobacco advertising, promotion and sponsorship.

World No Tobacco Day 2012 will educate policymakers and the general public about the tobacco industry's nefarious and harmful tactics.

It will also be in keeping with the letter and the spirit of the WHO FCTC. The preamble of the treaty recognizes "the need to be alert to any efforts by the tobacco industry to undermine or subvert tobacco control ef-



orts and the need to be informed of activities of the tobacco industry that have a negative impact on tobacco control efforts".

In addition, Article 5.3 of the treaty states that "in setting and implementing their public health policies with respect to tobacco control, Parties shall act to protect these policies from commercial and other vested interests of the tobacco industry in accordance with national law".

Furthermore, the guidelines to the implementation of Article 5.3 state that Parties are recommended to "raise awareness about...tobacco industry interference with Parties' tobacco control policies".

On World No Tobacco Day 2012, and throughout the following year, WHO will urge countries to put the fight against tobacco industry interference at the heart of their efforts to control the global tobacco epidemic.



# New Report: Tobacco Companies and Convenience Stores Partner to Market Tobacco Products, Fight Life-Saving Policies

Campaign for Tobacco Free Kids, March 2012

WASHINGTON, DC – Tobacco companies have enlisted convenience stores as their most important partners in marketing tobacco products and fighting policies that reduce tobacco use, thereby enticing kids to use tobacco and harming the nation's health, according to a report released today by leading public health organizations.

As other forms of tobacco marketing have been restricted, tobacco companies now spend more than 90 percent of their marketing budget – nearly \$10 billion a year – to saturate convenience stores, gas stations and other retail outlets, the report shows. Tobacco companies pay stores billions to ensure that cigarettes and other tobacco products are advertised heavily, displayed prominently and priced cheaply to appeal to both kids and current tobacco users.

At the same time, convenience stores have become essential partners with – and front groups for – the tobacco industry in fighting higher tobacco taxes and other public policies that reduce tobacco use.

The report, titled “Deadly Alliance: How Tobacco Companies and Convenience Stores Partner to Market Tobacco Products and Fight Life-Saving Policies,” was released by the Campaign for Tobacco-Free Kids, Counter Tobacco (a project that works to counter tobacco product sales and marketing at the point of sale) and the American Heart Association.

“The result of this alliance is more kids smoking, fewer adults quitting, more tobacco-related death and disease, and higher health care costs for everyone,” the report states. “In short, the tobacco industry and its convenience store allies are making a killing by making deadly and addictive tobacco products all too convenient.”

The report's key findings include:

## **Convenience stores and other retail outlets have become by far the dominant channel for marketing tobacco products in the United States.**

Since the November 1998 legal settlement between the states and the tobacco companies restricted some forms of tobacco marketing, tobacco companies have significantly increased both the total amount and the percentage of their marketing budgets spent at the point of sale. In the first 10 years after the settlement (1999 to 2008), tobacco manufacturers spent more than \$110 billion – 92 percent of their total marketing expenditures – to advertise and promote cigarettes and smokeless tobacco products in the retail environment, according to the latest tobacco marketing reports issued by the Federal Trade Commission

Tobacco marketing in stores entices kids to smoke and use other tobacco products, discourages current tobacco users from quitting, targets minority communities and portrays deadly tobacco products as appealing and acceptable, according to the report. It summarizes the extensive scientific evidence on the impact of point-of-sale marketing.

## **Point-of-sale marketing is very effective at reaching kids and influencing them to smoke.**

With tobacco ads prohibited on television, radio and billboards and less frequent in magazines, convenience stores remain one place where kids are regularly exposed to tobacco advertising and promotions. More than two-thirds of teenagers visit a convenience store at least once a week. Studies have found that cigarette marketing is more

prevalent in stores where adolescents shop frequently; tobacco advertisements and product displays are often placed at kids' eye level or near candy; and point-of-sale marketing – especially price discounting – increases youth smoking.

“Despite their claims to have changed, tobacco companies continue to bombard kids with messages encouraging them to smoke, and convenience stores have become their most important partner in doing so,” said Matthew L. Myers, President of the Campaign for Tobacco-Free Kids. “It is critical that elected officials reject the influence of these special interests and take action to protect our nation's children and health instead.”

“This report exposes how tobacco companies enlist retailers to advertise and promote their deadly products. As a result of this alliance, stores are now the major channel where they lure youth with colorful advertisements

and entice current smokers with aggressive price promotions. This report is a wakeup call that states need to be focusing on the point of sale to combat these harmful industry practices,” said Kurt M. Ribisl, PhD, Director of the Counter Tobacco project and Associate Professor in the Department of Health Behavior at the University of North Carolina Gillings School of Global Public Health.

## **Tobacco companies, inhibited by their own negative reputations, have also enlisted convenience stores as front groups to oppose tobacco tax increases and other policies to reduce tobacco use.**

Convenience stores have fought cigarette tax increases

despite considerable evidence that the retail economy does not suffer as a result, including recent studies finding that cigarette tax hikes had little effect on the number of convenience stores or overall retail employment.

Tobacco companies aggressively communicate with retailers, supply them with tools and information to lobby policy makers and provide financial support. Examples include:

- In 2011, the New Hampshire Grocers Association led a successful fight to reduce that state's cigarette tax by 10 cents, using misleading information produced by tobacco industry allies.
- In Georgia in 2010, a grocery store placed anti-tobacco tax messages on cigarette receipts – with a clear statement that the message was “Paid for by Altria Client Services on behalf of Philip Morris USA.”
- In Washington state, a Philip Morris spokesman was exposed as the ghost writer for pamphlets opposing a 2001 ballot initiative to increase the cigarette tax that ostensibly were written by the Korean Grocers Association and the Washington Association of Neighborhood Stores.

The report calls on elected officials to adopt policies – especially higher tobacco taxes – that reduce tobacco use and counter the influence of point-of-sale marketing. It calls higher tobacco taxes a win-win-win for states – a health win that reduces smoking, especially among kids; a financial win that produces significant new revenue; and a policy win that polls show is strongly supported by voters across the country.

Tobacco use is the leading cause of preventable death in the United States, killing more than 400,000 Americans and costing the nation \$96 billion in health care expenditures each year.



# Miami-Dade Commissioners Give Initial OK to Flavored Tobacco Ban

On May 15, 2012, Miami-Dade County Commissioners preliminarily approved a county-wide ban on the sale of flavored tobacco products by a 12-1 vote. As a result, Miami-Dade could be joining New York City, Providence, RI, and Santa Clara, CA, as municipalities that have banned selling funky-flavored cigars and chewing tobacco that are popular among teens.

The ordinance would hand down a \$500 fine for selling flavored cigars and chewing tobacco products that are popular among teenagers. The ban would extend to all flavored products not currently covered by the FDA regulations; Mint, menthol and wintergreen flavors would be exempt, however.

The measure was sponsored by Commissioners Barbara Jordan and Sally Heyman. Commissioner Bruno Barreiro was the only dissenting vote.

"The kids can be in the classroom chewing tobacco and the teachers won't know anything — it looks just like candy," said William Sanchez, a longtime Hialeah parks employee who also works with the county on a tobacco-free youth effort. "It's growing in popularity, and it's easy to carry."

Federal law outlawed the sale of candy-flavored cigarettes in 2009. But some local governments felt the measure did not go far enough, as retailers simply began selling more flavored chewable tobacco and flavored cigars.

In Miami-Dade's case, "This covers what's not covered by federal law," said Assistant Miami-Dade Attorney Jess McCarty.

Though aimed primarily at chewing tobacco sold in small containers at gas stations and convenience stores, the county ordinance goes further by also banning popular flavored cigars like Swisher Sweets.

Several cities in Miami-Dade have enacted flavored-tobacco legislation. South Miami's goes the furthest, banning sales of the chewing tobacco. Bal Harbour asked businesses to stop selling the products, and North Miami Beach urged state legislators to make their sale illegal.

In early May, three Miami Killian Senior High School students who belong to a statewide organization called SWAT, or Students Working Against Tobacco, spoke about the perils of flavored chewing tobacco and urged the County Commission to act.

But the proposed ordinance has caused a backlash from some smoke shop owners who not only note that it is illegal for anyone under 18 to purchase tobacco, but that they rarely see kids anywhere near their businesses.

Waldo Laurencio's Magic City Cigar shop has been adjacent to the county's civil courthouse for almost a decade.

A large rack of Swisher Sweets cigars — including blueberry, peach, grape, strawberry and other flavors — fill a large piece of wall on one side of his shop. He got angry when told of the pending plan.

"It's my No. 1 seller of all flavors, and it has nothing to do with kids," Laurencio said. "It moves really well. Why don't we make it illegal to elect idiots? Kids drink alcohol, too."

Chewing tobacco, popular among baseball players, has found its way to Marlins Park, where it is estimated that a third or more of the ballplayers chew. But no Marlins are believed to chew flavored tobacco.

Before New York passed its flavored tobacco law in 2009, city officials there said that while overall smoking had dropped among adults, the smoking of flavored cigars had almost tripled in the past dec-



ade.

The same year, a report by the U.S. Food and Drug Administration linked the candy-flavored tobacco to teens.

"These kinds of flavors make tobacco products especially appealing to kids, and can lead to a lifetime of tobacco addiction," the report said.

It went on to say that flavors masked the bad taste of tobacco, kids were much more likely than adults to use flavored tobacco products, and that flavored products caused the same harmful effects as regular tobacco.

The county ordinance notes that flavored tobacco is a "starter" product favored by teens, and says that 90 per-

cent of smokers begin in their teens.

Next is a public hearing is scheduled for July 10 at the Board of County Commissioners' Public Safety and Healthcare Administration Committee Meeting.

Swisher International, the Jacksonville company that makes the popular Swisher Sweets flavored cigars, plans to lobby county commissioners against the ban before the final vote.

"There are laws on the books now," said Joe Augustus, Swisher's senior vice president of external affairs. "It seems to me they need to work on enforcing the law more than banning the product."

# Durbin, Lautenberg, Blumenthal Introduce Legislation to Close Tobacco Tax Loopholes

May 10, 2012

[WASHINGTON, D.C.] U.S. Senator Dick Durbin (D-IL) was joined today by Senators Frank Lautenberg (D-NJ) and Richard Blumenthal (D-CT) to introduce the *Tobacco Tax Equity Act* to close loopholes in the tax code that allow tobacco companies to avoid the federal cigarette and roll-your-own (RYO) tobacco tax. Because pipe tobacco is taxed at a lower rate than cigarettes, some companies have begun offering the option of purchasing pipe tobacco and

allowing customers to roll their own cigarettes to avoid paying the federal cigarette tax.

"The current loopholes in the taxes on tobacco products encourage the use of products like pipe tobacco, smokeless tobacco, and *nicotine candies* as a cheap source of tobacco, particularly among young people. This difference in tax rates doesn't make sense, and we are already seeing tobacco manufacturers abusing them by changing the labels on their products to avoid paying the higher tax. This bill will stop tobacco manufacturers from gaming the system and protect more children and teens from this dangerous habit," Durbin said.

"These loopholes are another egregious example of tobacco companies putting the bottom dollar over public health the wellbeing of our children," said Lautenberg. "This legislation will stop big tobacco from exploiting loopholes that cheat the government out of tax dollars. If companies won't do what is right, then we will by working to pass this bill and close the loopholes."

"Incredibly, the tobacco industry continues to seek profits by addicting children and avoiding taxes. I am proud to cosponsor the Tobacco Tax Equity Act to eliminate disparities in tobacco tax rates, closing a harmful loophole in our tax code that taxes repackaged pipe tobacco and other tobacco products at lower levels than cigarettes, small cigars, and roll-your-own tobacco. This bill equalizes the federal tax rate for all tobacco products to that of cigarettes. It will generate more than a billion dollars in revenue, and help prevent young people from beginning a deadly addiction," Blumenthal said.

Last month, a Government

Accountability Office report found that RYO tobacco products are currently being sold in packages labeled as pipe tobacco - which is taxed at a lower rate - with no change to the product. In addition, a recent report by the Centers for Disease Control and Prevention (CDC) revealed more than \$1.3 billion in lost state and federal revenue as a result of tobacco manufacturers relabeling RYO tobacco as pipe tobacco. By establishing tax parity and closing loopholes in the tobacco tax code, this bill would generate approximately \$4 billion in revenue over 5 years.

The *Tobacco Tax Equity Act* would create tax parity by establishing the tax rate on all tobacco products at the same per unit level as cigarettes. Under current law, small cigars and RYO tobacco products are taxed at the same level as cigarettes; however, cigars, smokeless tobacco, and pipe tobacco are taxed at a dramatically lower rate. As a result, some businesses have begun offering customers the option of purchasing under-taxed pipe tobacco or RYO relabeled as pipe tobacco and renting time on cigarette making machines in order to avoid paying the

federal cigarette tax. This legislation would eliminate the current tax incentive for tobacco companies to falsely label RYO tobacco as pipe tobacco in order to sell their product at a lower cost.

In a letter to Durbin, American Cancer Society Cancer Action Network President Christopher Hansen, American Lung Association President and CEO Charles Connor, American Heart Association CEO Nancy Brown, and Tobacco-Free Kids President Matthew Myers said, "Creating a more equitable tax system, free of loopholes, will help prevent young people from starting to use tobacco products and help current users to quit." The *Tobacco Tax Equity Act* is also supported by American Public Health Association.

Every year, tobacco use kills 443,000 Americans, most of whom started using tobacco as teenagers. Although significant progress has been made to reduce tobacco use among adolescents and young adults, nearly one in four high school seniors still smoke. A recent report by the Surgeon General labeled tobacco use a "pediatric epidemic" that will kill one out of every three youngsmokers.



Sen. Dick Durbin (D-IL)



Sen. Frank Lautenberg (D-NJ)



Sen. Richard Blumenthal (D-CT)



# New Graphic Warning Labels on Cigarettes Pass Another Hurdle

A federal appeals court ruled on March 19, 2012 that the government's requirement that tobacco companies put graphic warning labels on cigarette packs was constitutional and did not violate the companies' freedom of speech.

The decision came in one of two cases brought by tobacco companies against the federal law that would force them to cover 50% of the front and back of each cigarette pack with a graphic warning label, including gruesome images of a smoker's rotting teeth or a man exhaling smoke through a tracheotomy. The law, which took effect in 2009, for the first time granted the Food and Drug Administration authority to regulate tobacco and tobacco marketing. In addition to requiring graphic warning labels, it also allows the FDA to ban flavored cigarettes and marketing claims like "low tar" and "light" and prevent tobacco companies from sponsoring social events and giving away free samples or using branded merchandise.

Tobacco companies are contesting the labeling requirement of the law on the grounds that it treads on their freedom of speech. Last month, in the other case, a federal judge in Washington, D.C., sided with the companies and blocked the labels, ruling that they do violate free speech and are therefore unconstitutional. The government is appealing the decision.

In this case, a three-judge federal appeals panel in Cincinnati ruled that the government has a legitimate interest in protecting consumers from tobacco companies' deceptive marketing practices and ensuring that they are truthfully informed about the health hazards of smoking. Describing the panel's

decision to uphold the legality of graphic warning labels, Judge Jane Branstetter Stranch wrote: "It bears emphasizing that the risks here include the undisputed fact that Plaintiffs' products literally kill users and, often, members of the families of users. Tobacco products will kill up to one-half of the people who use them as they are intended to be used."

The 2009 Family Smoking Prevention and Tobacco Control Act mandated the FDA to require graphic warning labels. Text-only warning labels first appeared on cigarettes in 1965, mandated by the Cigarette Labeling and Advertising Act a year after the Surgeon General issued the first report documenting the health hazards of smoking.

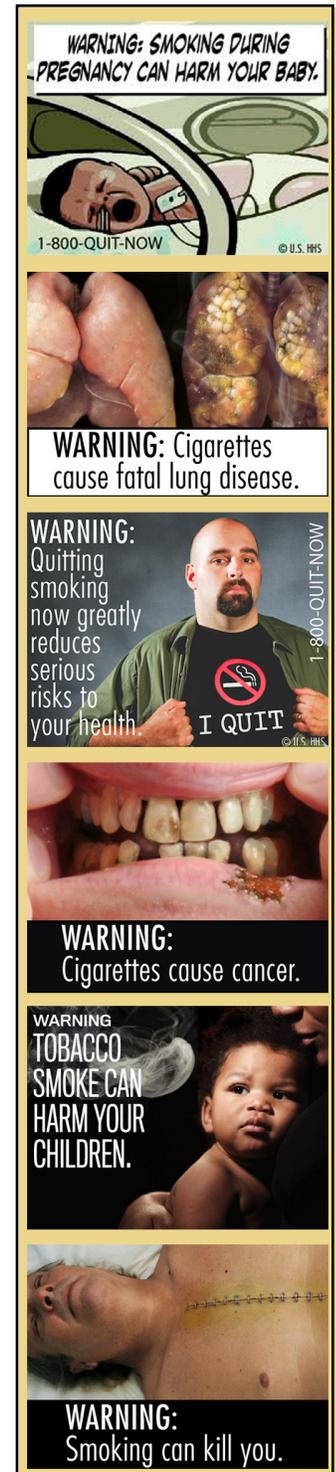
The problem that tobacco companies have with the new graphic labels is that the grisly images the government wants to use are designed to evoke an emotional response and get people to quit or never start smoking — an argument with which the federal judge in D.C. agreed last month. The images go beyond mere information, according to cigarette manufacturers; rather, they convey the government's anti-smoking agenda, which tobacco companies should not be forced to advertise on their products.

Judge Stranch wrote, however, that graphic warnings can also communicate straightforward factual information, just like textual warnings. Further, Stranch noted, graphic warning labels can reach a wider audience — including youths and those who don't have high enough reading levels to understand the text warnings — and can therefore be more effective than text-only labels. "A warning that is not noticed, read, or

understood by consumers does not serve its function," she wrote. "The new warnings rationally address these problems by being larger and including graphics."

But whether the nine warning images that the FDA has chosen will actually end up on cigarette packs is unclear. Lawyers for the tobacco companies point out that while the federal panel upheld the constitutionality of the graphic label requirement, it did not address the content of the images the FDA has selected. The AP reported: "Floyd Abrams, an attorney for Lorillard Tobacco, said the decision applies more broadly to whether the FDA has the right to impose certain marketing regulations on the tobacco industry, but does not specifically address the content of those requirements. For example, the appeals court ruled the FDA could force tobacco companies to put new graphic warning labels on cigarette packs, but does not rule on the specific images proposed by the FDA that another federal judge deemed unconstitutional in late February."

Meanwhile, with the FDA's proposed warning labels held up in the courts, the Centers for Disease Control and Prevention announced this month its own effort to warn the public about the dangers of smoking. The CDC has launched its first national antismoking advertising campaign, with print, TV, billboard and online ads taking a similarly attention-grabbing approach. The campaign uses striking images to convey the health hazards of tobacco, depicting people whose smoking has caused amputation, tracheotomy, paralysis and heart surgery.



## Senator Durbin's Bill to Close Tobacco Tax Loopholes Will Save Lives By Stopping Tax Avoidance

Statement of Campaign for Tobacco-Free Kids, American Cancer Society Cancer Action Network, American Heart Association, American Lung Association and American Public Health Association

Our organizations strongly support the legislation introduced by U.S. Sen. Richard Durbin (D-IL) to close loopholes in federal tobacco tax rates that have harmed public health by encouraging use of lower-taxed tobacco products and cost governments more than a billion dollars in revenue since 2009. This bill to equalize tax rates on all tobacco products, including pipe tobacco, cigars and smokeless tobacco, is a necessary and welcome measure that will reduce tobacco use, especially among youth, and stop rampant tax avoidance. We applaud Senator Durbin for taking action to help the government recover lost tax revenue while improving health and saving lives. Sens. Frank Lautenberg (D-NJ) and Richard Blumenthal (D-CT) joined him in introducing the legislation.

The Children's Health Insurance Reauthorization Act of 2009 increased the federal tax on cigarettes and set the tax rate for small cigars and roll-your-own cigarettes at the same level as cigarettes. However, larger cigars, smokeless tobacco and pipe tobacco remain taxed at dramatically lower rates than cigarettes, making them more affordable to youth and spawning widespread tax avoidance. In particular, roll-your-own tobacco has falsely been labeled as pipe tobacco, and small cigar manufacturers have shifted to lower-taxed products. While cigarette sales declined significantly after the 2009 tobacco tax increase, the availability of lower-taxed products has en-

couraged use of these products.

According to a Government Accountability Office study issued in April, the disparity in tax rates "created opportunities for tax avoidance and led to significant market shifts by manufacturers and price sensitive consumers toward lower taxed products." The GAO found that monthly sales of lower-taxed pipe tobacco jumped from 240,000 pounds in January 2009 to more than 3 million pounds in September 2011, while roll-your-own tobacco sales dropped from 2 million pounds to 315,000 pounds. During the same period, large cigar sales increased from 411 million to more than 1 billion, while small cigars dropped from about 430 million to 60 million.

Federal revenue losses due to these market shifts range from \$615 million to \$1.1 billion from April 2009 through fiscal year 2011, the GAO estimated. A separate study by the Centers for Disease Control and Prevention found that the relabeling of roll-your-own tobacco as pipe tobacco cost federal and state governments \$1.3 billion in revenue from April 2009 to August 2011.

The GAO recommended that Congress consider equalizing tax rates on roll-your-own and pipe tobacco and consider options for reducing tax avoidance due to the rate differential between small and large cigars. Senator Durbin's bill would fix these disparities by increasing taxes on under-taxed tobacco products so they are equal to the cigarette tax

rate. Among other steps, it would increase the pipe tobacco tax to the same rate as roll-your-own tobacco. It would also ensure that all large cigars are taxed at least as much as a cigarette and would increase the current maximum tax for a large cigar to about \$1. The bill would also increase the tax rate for snuff and chewing tobacco so that it approximates the tax on a pack of cigarettes.

By closing these revenue-losing loopholes, the Durbin bill will reduce tobacco consumption and save lives. The evidence is clear that raising tobacco prices through higher taxes is one of the most effective ways to reduce tobacco use, especially among children. Closing these loopholes will help more Americans quit using tobacco and help prevent young people from getting hooked in the first place.

The recent Surgeon General's report called tobacco use a "pediatric epidemic," and pointed to increased smokeless tobacco use among high school students, as well as increased use of cigars, as growing concerns. Senator Durbin's bill will help stem these disturbing trends.

Tobacco use remains the leading cause of preventable deaths in the United States, killing more than 400,000 Americans each year and costing \$96 billion in health care expenditures annually. Senator Durbin today has taken important action to reduce tobacco's terrible toll on our nation.

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