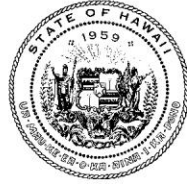


NEIL ABERCROMBIE
GOVERNOR

SHAN TSUTSUI
LT. GOVERNOR



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DEPUTY DIRECTOR

STATE OF HAWAII
DEPARTMENT OF TAXATION
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To: The Honorable Isaac Choy, Chair
and Members of the House Committee on Higher Education

Date: Thursday, January 31, 2013
Time: 2:00 p.m.
Place: Conference Room 309, State Capitol

From: Frederick D. Pablo, Director
Department of Taxation

Re: H.B. No. 657 Relating to Tobacco Products

The Department of Taxation (Department) appreciates the intent of H.B. 657 and provides the following information and comments for your consideration.

H.B. 657 is intended to replace, beginning January 1, 2014, the current tax rate of 70% of the wholesale price on tobacco products other than cigarettes, little cigars and large cigars with a rate of \$3.20 per ounce on such tobacco products, which is intended to closely approximate the amount of tax on a pack of cigarettes. The measure also remits the entirety of the taxes collected on such tobacco products to the Hawaii Cancer Research Special Fund.

To assist with the administration of the tax, the Department recommends the following clarifying amendments be made to paragraphs (12) and (13) of the bill:

"(12) An excise tax equal to seventy per cent of the wholesale price of each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer on and after September 30, 2009 but before January 1, 2014, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the wholesaler or dealer; [~~and~~]

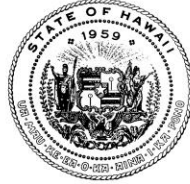
(13) An excise tax equal to \$3.20 per ounce in each article or item of tobacco products, other than large cigars, sold by the wholesaler or dealer on and after January 1, 2014, whether or not sold at wholesale, or if not sold then at the same rate upon the use by the

wholesaler or dealer; the tax shall be computed based on the manufacturer's listed net weight including all fractional parts of an ounce; and"

Further, the Department recommends adding a new definition to HRS § 245-1 to read as follows:

"Manufacturer's listed net weight" means the weight of the finished product as shown or listed by the product manufacturer on the tobacco product can, package, or shipping container."

Thank you for the opportunity to provide comments.



STATE OF HAWAII
DEPARTMENT OF HEALTH
P.O. Box 3378
HONOLULU, HAWAII 96801-3378

In reply, please refer to:
File:

HOUSE COMMITTEE ON HIGHER EDUCATION

HB0657, RELATING TO TOBACCO PRODUCTS

**Testimony of Loretta J. Fuddy, A.C.S.W., M.P.H.
Director of Health**

**January 31, 2013
2:00PM, Room 309**

1 **Department's Position:** The Department of Health (DOH) appreciates the intent of HB0657 with
2 suggestions. The DOH will defer to the Department of Taxation on those matters relating to taxation
3 and revenue generation.

4 **Fiscal Implications:** Potential revenue for Hawaii cancer research special fund

5 **Purpose and Justification:** HB0657 proposes to impose an excise tax equal to \$3.20 per ounce of
6 tobacco for other tobacco products (OTP), excluding large cigars, sold by wholesalers or dealers,
7 effective January 1, 2014. Additional revenues from this tax are dedicated to the Hawaii cancer research
8 special fund.

9 Smoking and tobacco use are the leading cause of preventable death and disease in Hawaii,
10 claiming 1,100 lives each year and creating \$656 million in annual health care and lost productivity
11 costs. This economic burden translates to \$617 per household in the state.

12 OTPs are currently taxed lower than cigarettes, yet are addictive and dangerous. They present a
13 significant health risk leading to cancer, heart disease, respiratory illnesses, and other serious diseases.

1 Adult and youth smokers are attracted to purchase the less expensive tobacco products, including
2 smokeless, loose, or roll-your-own tobacco. They pose a danger as gateway products that can lead to
3 habitual tobacco use, including smoking and long term addiction to nicotine.

4 The DOH appreciates the intent of the bill's sponsors to impose a new excise tax on tobacco
5 products, other than large cigars. The proposed \$3.20 per ounce of tobacco on each article or tobacco
6 product item would be commensurate with the current tax on cigarettes. However, there is no strategy
7 to alter the price on OTPs should there be an increase in the cigarette tax. The DOH would like to offer
8 a suggestion that all tobacco product tax rates be sustained at parallel ad valorem tax levels rather than a
9 fixed dollar rate, and this would apply to all non-cigarette tobacco products.

10 The DOH appreciates the intent that the revenue generated from this proposed excise tax is to be
11 dedicated to the Hawaii cancer research special fund for research and operation expenses and for capital
12 expenditures.

13 Increasing the price of tobacco products by raising tax rates reduces the demand for the products,
14 which, in turn, leads to significant reductions in the use of tobacco by current consumer and in the
15 initiation of tobacco use by youth.

16 Thank you for the opportunity to testify on this measure.

TAXBILLSERVICE

126 Queen Street, Suite 304

TAX FOUNDATION OF HAWAII

Honolulu, Hawaii 96813 Tel. 536-4587

SUBJECT: TOBACCO, Tax on other tobacco

BILL NUMBER: SB 492; HB 657 (Identical)

INTRODUCED BY: SB by Baker, Chun Oakland, Green and 1 Democrat; HB by Belatti, Kobayashi, Lee, Mizuno and 5 Democrats

BRIEF SUMMARY: Amends HRS section 245-3 to provide that the tax on tobacco other than large cigars shall be \$3.20 per net ounce of tobacco as provided in good faith by the manufacturer of the product effective January 1, 2014.

Amends HRS section 245-15 to provide that on January 1, 2014, and thereafter, \$3.20 per net ounce of tobacco of each article or item of tobacco products, other than large cigars, shall be deposited to the credit of the Hawaii cancer research special fund.

EFFECTIVE DATE: July 1, 2013

STAFF COMMENTS: While it appears that the proposed measure provides that the tax on tobacco shall be \$3.20 per net ounce, the measure should delineate that it is applicable to loose tobacco used in roll-your-own cigarettes and add a definition of "tobacco" to clarify what type of tobacco the proposed rate is applicable to. The proposed measure also provides that the revenues derived from the proposed tax on tobacco shall be deposited into the Hawaii cancer research special fund.

Care should be exercised in attempting to generate additional revenues from specific excise taxes like the tobacco tax as it should be noted that Hawaii's tax rates on these products are among the highest in the nation. Not only would another rate increase reaffirm the perception that Hawaii is a tax hell, but it would probably have an effect on the patterns of consumption of taxed product. Such a hike will, no doubt, have an effect on behavioral responses and affect actual consumption of these products and it will probable drive consumers to find other sources for these products that would not incur the tax. Mail order and Internet sales are sources of product that could escape taxation as well as black market purchases made from the military reservations in Hawaii. So instead of seeing growing collections from higher tax rates, lawmakers may just find that collections will drop due to its effect to discourage consumption and send consumers to other markets. As noted above, the higher one pushes the cost of these products, the greater the possibility of actually seeing a decline in consumption as consumers moderate or eliminate consumption. In fact, as was evidenced in the states of New Jersey and Maryland, lawmakers there counted on an increase in the cigarette tax to help balance their budgets only to learn that collections actually went down below their prior levels. Thus, care should be exercised in targeting these products for specific programs or services.

For this very reason, earmarking a portion of the tax for a specific project or program could actually put the future operations of the center in jeopardy should smoking cessation efforts be successful over time. For example, should cigarette consumption decline, the amount earmarked for the trauma center will

also decline. What will the cancer research center then do if the resources are not sufficient to maintain operations? If it is the intent of the legislature to provide adequate revenue to the Hawaii cancer research fund, a direct appropriation would be preferable.

It should be noted that the hikes in the cigarette tax have begun to have an effect on collections not only locally but also nationally. For the first time in the continual drive to raise the tax on cigarettes collections have fallen below their previous levels. It appears the bell curve has begun its descent because of a decline in consumption or a migration to purchases on the black or grey market - it appears that, as observed, the rise in tax burden has jeopardized this source of revenue. If nothing else, lawmakers need to make up their minds whether or not they see this tax a source of revenue or a means by which deter consumption.

Digested 1/30/13

January 30, 2013

TO: Chair Isaac W. Choy and Members of the House Committee on Higher Education

FROM: Cigar Association of America, Inc.
(William Goo)

RE: **HB 657** - Relating to Higher Education
Hearing Date: January 31, 2013
Time: 2:00 pm

My name is William Goo. I represent the Cigar Association of America, Inc. (CAA).

CAA opposes HB 657. Although this bill is focused in part on the use of tobacco products by adolescents and young adults, it would impact users of products such as pipe tobacco. Pipe tobacco is not typically favored nor used by adolescents and young adults in Hawaii. Increasing the tax would be devastating for those consumers who have responsibly chosen to use it. As to the legislature's concern of the temptation to purchase less expensive products such as roll-your-own tobacco, any tax increase should apply only to that specific product.

Thank you for considering this testimony.

ichiyama3 - Malia

From: mailinglist@capitol.hawaii.gov
Sent: Monday, January 28, 2013 10:49 PM
To: HEDtestimony
Cc: chinooker@gmail.com
Subject: *Submitted testimony for HB657 on Jan 31, 2013 14:00PM*

HB657

Submitted on: 1/28/2013

Testimony for HED on Jan 31, 2013 14:00PM in Conference Room 309

Submitted By	Organization	Testifier Position	Present at Hearing
Daniel Alvarez	Individual	Oppose	No

Comments:

Please note that testimony submitted less than 24 hours prior to the hearing, improperly identified, or directed to the incorrect office, may not be posted online or distributed to the committee prior to the convening of the public hearing.

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UNIVERSITY OF HAWAII SYSTEM

Legislative Testimony

LATE

Written Testimony Presented Before the
House Committee on Higher Education
January 31, 2013, 2:00 pm
by
Michele Carbone, MD, PHD
Director
University of Hawai'i Cancer Center
University of Hawai'i at Mānoa

HB 657, RELATING TO TOBACCO PRODUCTS

Chair Choy, Vice Chair Ichiyama and Members of the Committee:

The University of Hawai'i Cancer Center strongly supports this bill, which proposes to impose a tax of \$3.20 per net ounce of tobacco on tobacco products other than large cigars, and credit these additional moneys to the Cancer Research Special Fund.

The Cancer Center is one of only 67 National Cancer Institute-designated cancer centers in the United States. Our scientists and physicians focus on key cancers that impact the people of Hawai'i. Just as importantly, our work contributes to a global body of knowledge that leads to the development of life-saving treatments and therapies. And we engage in scientific collaborations on an international scale, from clinical trials conducted across the United States to partnership programs in Guam, Micronesia, and the Pacific.

The Cancer Center's impact extends beyond cancer research and treatment. Our researchers bring important grant funding to Hawai'i, which helps stimulate the island economy and generate good local job opportunities, consistent with the State's goal of "fueling an innovation economy."¹

HB 657 addresses a serious concern among health professionals that addictive tobacco products other than cigarettes – such as snuff, chewing tobacco or loose roll-your-own tobacco – are attracting a new generation of tobacco users. While the dangers of smoking are well known, national research also tells us there is no safe form of tobacco use. At least 28 chemicals in smokeless tobacco have been found to cause oral, esophageal, and pancreatic cancer,² and all tobacco products contain addictive nicotine. Yet in recent years, there has been an increase in the popularity of other tobacco products, including among young users for whom these products are

¹ Governor Neil Abercrombie, *State of the State Address*, 2013.

² National Cancer Institute, *Fact Sheet*, 2010.

<http://www.cancer.gov/cancertopics/factsheet/Tobacco/smokeless> (Attachment 1)

particularly attractive. This is due in part to a misperception that such products do not carry health risks, and in part to marketing and accessibility.

In a recent publication³, the American Lung Association reported:

The rise in use of other tobacco products has alarming implications for public health. Successful efforts to regulate the sale and marketing of cigarettes have proven that reducing tobacco use is a winnable battle. However, with other tobacco products often subject to lower state taxes and less regulation, public health achievements to reduce the burden of tobacco use are threatened. Much like cigarettes, consumers of other tobacco products tend to be younger with more potential to become addicted. These products may also serve as gateway products, facilitating later and dual use of cigarettes at the same time as other tobacco products.

To counter the dangerous trend of the growing use of other tobacco products, the American Lung Association specifically recommends:

Equalize taxes on all tobacco products to reduce use by youth and encourage quitting. Increasing the price of tobacco products has been shown to reduce tobacco use, especially among youth. However, taxes on other tobacco products are often lower than taxes on cigarettes at the federal and state level, which makes these products cost less. For example, little cigars and cigarillos are very similar to cigarettes in their size and the way they are packaged, and with their cheaper price and lower risk perception, they are a popular substitute for cigarettes.

The tax on other tobacco products proposed in HB 657 is consistent with this policy recommendation. Furthermore, the American Lung Association specifically recommends tobacco cessation as scientific research priority:

Conduct research on how to help people quit smokeless tobacco. Compared with smoking cessation guidelines, there is little data on how to effectively assist individuals who want to stop using non-cigarette tobacco products.

Because tobacco is the leading cause of preventable death in the United States, any improvement in cessation or prevention techniques results in saved lives. The

³ American Lung Association, *Big Tobacco's Next Frontier: Sustaining Addiction and Hooking Kids with Other Tobacco Products*, accessed January 2013. <http://www.lung.org/stop-smoking/tobacco-control-advocacy/reports-resources/tobacco-policy-trend-reports/big-tobaccos-next-frontier.pdf> (Attachment 2)

Cancer Center's Prevention and Control Program has a strong emphasis on tobacco control, is heavily involved in improving smoking cessation programs and techniques in Hawai'i, and has a national and international influence within the scientific community. (As just one example, Cancer Center researchers are currently finishing a smoking cessation study on more than 1,800 adult smokers in Hawai'i.) The additional revenue generated through HB 657 could help support more efforts focused on non-cigarette tobacco products.

We believe that HB 657 could have a real and meaningful impact in furthering our mission to reduce the burden of cancer through research, education, and improved patient care, with an emphasis on the unique ethnic, cultural, and environmental characteristics of Hawai'i and the Pacific. We respectfully urge you to pass this measure.

Attachments

National Cancer Institute

at the National Institutes of Health

Fact Sheet

In English

Reviewed: 10/25/2010

Smokeless Tobacco and Cancer

Key Points

- Smokeless tobacco is tobacco that is not burned. Smokeless tobacco is also known as chewing tobacco, oral tobacco, spit or spitting tobacco, dip, chew, and snuff/snus.
- Smokeless tobacco causes cancer and other diseases.
- Smokeless tobacco is not a safe substitute for cigarettes.

1. What is smokeless tobacco?

Smokeless tobacco is tobacco that is not burned. It is also known as chewing tobacco, oral tobacco, spit or spitting tobacco, dip, chew, and snuff. Most people chew or suck (dip) the tobacco in their mouth and spit out the tobacco juices that build up, although “spitless” smokeless tobacco has also been developed. Nicotine in the tobacco is absorbed through the lining of the mouth.

People in many regions and countries, including North America, northern Europe, India and other Asian countries, and parts of Africa, have a long history of using smokeless tobacco products.

There are two main types of smokeless tobacco:

- **Chewing tobacco**, which is available as loose leaves, plugs (bricks), or twists of rope. A piece of tobacco is placed between the cheek and lower lip, typically toward the back of the mouth. It is either chewed or held in place. Saliva is spit or swallowed.
- **Snuff**, which is finely cut or powdered tobacco. It may be sold in different scents and flavors. It is packaged moist or dry; most American snuff is moist. It is available loose, in dissolvable lozenges or strips, or in small pouches similar to tea bags. The user places a pinch or pouch of moist snuff between the cheek and gums or behind the upper or lower

lip. Another name for moist snuff is snus (pronounced “snoose”). Some people inhale dry snuff into the nose.

2. Are there harmful chemicals in smokeless tobacco?

Yes. There is no safe form of tobacco. At least 28 chemicals in smokeless tobacco have been found to cause cancer (1). The most harmful chemicals in smokeless tobacco are tobacco-specific nitrosamines, which are formed during the growing, curing, fermenting, and aging of tobacco. The level of tobacco-specific nitrosamines varies by product. Scientists have found that the nitrosamine level is directly related to the risk of cancer.

In addition to a variety of nitrosamines, other cancer-causing substances in smokeless tobacco include polonium-210 (a radioactive element found in tobacco fertilizer) and polynuclear aromatic hydrocarbons (also known as polycyclic aromatic hydrocarbons) (1).

3. Does smokeless tobacco cause cancer?

Yes. Smokeless tobacco causes oral cancer, esophageal cancer, and pancreatic cancer (1).

4. Does smokeless tobacco cause other diseases?

Yes. Using smokeless tobacco may also cause heart disease, gum disease, and oral lesions other than cancer, such as leukoplakia (precancerous white patches in the mouth) (1).

5. Can a user get addicted to smokeless tobacco?

Yes. All tobacco products, including smokeless tobacco, contain nicotine, which is addictive (1). Users of smokeless tobacco and users of cigarettes have comparable levels of nicotine in the blood. In users of smokeless tobacco, nicotine is absorbed through the mouth tissues directly into the blood, where it goes to the brain. Even after the tobacco is removed from the mouth, nicotine continues to be absorbed into the bloodstream. Also, the nicotine stays in the blood longer for users of smokeless tobacco than for smokers (2).

The level of nicotine in the blood depends on the amount of nicotine in the smokeless tobacco product, the tobacco cut size, the product's pH (a measure of its acidity or basicity), and other factors (3).

A Centers for Disease Control and Prevention study of the 40 most widely used popular brands of moist snuff showed that the amount of nicotine per gram of tobacco ranged from 4.4 milligrams to 25.0 milligrams (3). Other studies have shown that moist snuff had between 4.7 and 24.3 milligrams per gram of tobacco, dry snuff had between 10.5 and 24.8 milligrams per gram of tobacco, and chewing tobacco had between 3.4 and 39.7 milligrams per gram of tobacco (4).

6. Is using smokeless tobacco less hazardous than smoking cigarettes?

Because all tobacco products are harmful and cause cancer, the use of all of these products should be strongly discouraged. There is no safe level of tobacco use. People who use any type of tobacco product should be urged to quit. For help with quitting, refer to the NCI fact sheet *Where To Get Help When You Decide To Quit Smoking*.

As long ago as 1986, the advisory committee to the Surgeon General concluded that the use of smokeless tobacco “is not a safe substitute for smoking cigarettes. It can cause cancer and a number of noncancerous oral conditions and can lead to nicotine addiction and dependence” (5). Furthermore, a panel of experts convened by the National Institutes of Health (NIH) in 2006 stated that the “range of risks, including nicotine addiction, from smokeless tobacco products may vary extensively because of differing levels of nicotine, carcinogens, and other toxins in different products” (6).

7. **Should smokeless tobacco be used to help a person quit smoking?**

No. There is no scientific evidence that using smokeless tobacco can help a person quit smoking (7). Because all tobacco products are harmful and cause cancer, the use of all tobacco products is strongly discouraged. There is no safe level of tobacco use. People who use any type of tobacco product should be urged to quit. For help with quitting, ask your doctor about individual or group counseling, telephone quitlines, or other methods.

8. **How can I get help quitting smokeless tobacco?**

NCI offers free information about quitting smokeless tobacco:

- Call NCI’s **Smoking Quitline** at **1-877-44U-QUIT (1-877-448-7848)**. Talk with a smoking cessation counselor about quitting smokeless tobacco. You can call the quitline, within the United States, Monday through Friday, 8:00 a.m. to 8:00 p.m., Eastern time.
- Use **LiveHelp online chat**. You can have a confidential online text chat with an NCI smoking cessation counselor Monday through Friday, 8:00 a.m. to 11:00 p.m., Eastern time.

The National Institute of Dental and Craniofacial Research, the NIH agency that supports dental, oral, and craniofacial research, offers a guide for quitting called *Smokeless Tobacco: A Guide for Quitting* and other information about smokeless tobacco.

For other resources, you may be interested in the NCI fact sheet *Where To Get Help When You Decide To Quit Smoking*.

Selected References

1. International Agency for Research on Cancer. *Smokeless Tobacco and Some Tobacco-Specific N-Nitrosamines*. Lyon, France: World Health Organization International Agency for Research on Cancer; 2007. IARC Monographs on the Evaluation of Carcinogenic Risks to Humans Volume 89.

2. National Cancer Institute. *Smokeless Tobacco or Health: An International Perspective*. Bethesda, MD: National Cancer Institute; 1992. Smoking and Tobacco Control Monograph 2.
3. Richter P, Hodge K, Stanfill S, Zhang L, Watson C. Surveillance of moist snuff: total nicotine, moisture, pH, un-ionized nicotine, and tobacco-specific nitrosamines. *Nicotine and Tobacco Research* 2008; 10(11):1645–1652. [PubMed Abstract]
4. Djordjevic MV, Doran KA. Nicotine content and delivery across tobacco products. *Handbook of Experimental Pharmacology* 2009; 192:61–82. [PubMed Abstract]
5. U.S. Department of Health and Human Services. *The Health Consequences of Using Smokeless Tobacco: A Report of the Advisory Committee to the Surgeon General*. Bethesda, MD: U.S. Department of Health and Human Services, 1986.
6. NIH State-of-the-Science Panel. National Institutes of Health State-of-the-Science conference statement: tobacco use: prevention, cessation, and control. *Annals of Internal Medicine* 2006; 145(11):839–844. [PubMed Abstract]
7. The Clinical Practice Guideline Treating Tobacco Use and Dependence 2008 Update Panel, Liaisons, and Staff. A clinical practice guideline for treating tobacco use and dependence: 2008 update. A U.S. Public Health Service report. *American Journal of Preventive Medicine* 2008; 35(2):158–176. [PubMed Abstract]

BIG TOBACCO'S NEXT FRONTIER

Sustaining Addiction & Hooking Kids with Other Tobacco Products

Tobacco product manufacturers are gaining traction in attracting a whole new generation of replacement tobacco users while they fight to sustain current smokers' addiction. As sales of cigarettes stagnate, tobacco companies are adjusting business models to move toward selling other addictive tobacco products. Evidence also suggests that the industry is marketing its products to youth and minority communities – much like was previously done with cigarettes.

In the last decade, two of the largest tobacco companies, R.J. Reynolds and Philip Morris, purchased smokeless and/or cigar manufacturing companies to expand into the other tobacco products market. Advertising by the five largest smokeless tobacco manufacturers, some of which are now owned by these companies, more than doubled from approximately \$251 million in 2005 to \$548 million – \$1.5 million dollars per day – in 2008.¹ While consistent data does not exist on advertising and marketing by cigar manufacturers, a recent CDC study found that the sale of cigars and loose tobacco increased 123 percent and the sale of large cigars specifically increased by 233 percent from 2000 to 2011.²

Throughout this issue brief, we'll often refer to "other tobacco products." For this brief, that definition includes tobacco products other than cigarettes including cigars, smokeless tobacco and roll-your-own tobacco.

TABLE 1: **Parent Companies of Selected Other Tobacco Product Manufacturers**

PARENT COMPANIES	MANUFACTURERS OF OTHER TOBACCO PRODUCTS
Altria Group	<ul style="list-style-type: none"> • Middleton Cigars • U.S. Smokeless Tobacco LLC (UST)
North Atlantic Trading Company, Inc	<ul style="list-style-type: none"> • National Tobacco Company LP
Reynolds American, Inc.	<ul style="list-style-type: none"> • American Snuff Company LLC • R.J. Reynolds Tobacco Company
Swedish Match North America, Inc.	<ul style="list-style-type: none"> • SMPM International
Swisher International Group, Inc.	<ul style="list-style-type: none"> • Swisher International Inc.

Advertising for other products, including flavored tobacco products and cigars, targets young smokers.^{3,4} Fruit- and candy-like flavors, such as strawberry and chocolate, may no longer be characterizing flavors of cigarettes, but are common in little cigars and other types of tobacco products.⁴ Flavored tobacco products are especially attractive to youth and can disguise the taste of tobacco.^{3,5}

While most tobacco products are highly addictive,⁶ the public perception (especially among younger users) is that tobacco products like cigars are less likely to cause harmful health effects.⁴ Industry marketing contributes to these misperceptions through advertisements that encourage cigarette smokers to switch to smokeless tobacco products rather than quitting, or to use them in smokefree environments, which is referred to as dual use.^{7,8} Public education and more aggressive regulation of these products are needed to ensure continued progress in reducing tobacco use.

Dangerous Attraction—Other Tobacco Products

Other tobacco options include various forms of cigars and smokeless products. Among the new tobacco products are dissolvables: a flavored, finely milled tobacco product that melts in the mouth. Dissolvables are being marketed for use in places where smoking is prohibited and as an alternative to cigarettes for smokers who want to quit.⁹ However, the products themselves and their packaging are designed to look like candy and appeal to young people.¹⁰ (The American Lung Association will address novel tobacco products including dissolvables in a forthcoming issue brief.)

Smokeless tobacco products include traditional dip, snuff, and chewing tobacco. Other products that are smoked include little cigars, cigars, pipes, bidis, kreteks, and roll-your-own tobacco used to make cigarettes. Hookahs can also be included among attractive, yet dangerous alternatives to cigarettes. More details about these products are provided in the glossary on page 4.

Between 1997 and 2007 sales of little cigars, which often look very similar to cigarettes, more than doubled.¹¹ Little cigars are often less expensive than cigarettes due to unequal tax laws, enhancing the appeal to youth as this population is sensitive to prices.¹² According to the 2010 Substance Abuse and Mental Health Services Administration (SAMHSA) National Survey on Drug Use and Health, more than one out of every 10 Americans from the age of 18 to 25 had smoked a cigar within the last month.¹³ Smokeless tobacco product advertising expenditures more than doubled between 2005 and 2008.¹⁴










The use of some non-cigarette tobacco products appears to be increasing especially among certain segments of the population. Smokeless tobacco use is typically higher among male students (12.8 percent) compared to females (2.2 percent).¹⁴ In

2011, smokeless tobacco use among high school boys exceeded 20 percent in ten states, including Arkansas, Kentucky, Montana, North Dakota, Oklahoma, South Carolina, South Dakota, Tennessee, West Virginia, and Wyoming.¹⁴

According to recent surveys, in 2009, 10.9 percent of U.S. high school students and 3.9 percent of middle school students reported using cigars.¹⁵ Overall, the percentage of high school boys using cigars (17.8 percent) is on par with their cigarette use (19.9 percent).¹⁴ Individuals who use cigar products are more likely to use multiple tobacco products when compared with cigarette smokers.⁶ For example, one study found 12.8 percent of adult cigarette smokers in Cuyahoga County, Ohio used multiple products versus 63.9 percent of cigar smokers and 80.5 percent of little cigar smokers.¹⁶ This dual use was especially true for African Americans and low income smokers.¹⁶

There is a notable gap in data on the use of other tobacco products among lesbian, gay, bisexual and transgender (LGBT) communities. As the American Lung Association highlighted in *Smoking Out a Deadly Threat: Tobacco Use in the LGBT Community*, LGBT individuals are especially vulnerable to tobacco use as a result of heavy targeted marketing to this group; however, few states report data on smoking patterns and sexual orientation. Findings from states that track these data reveal smoking rates are consistently higher among LGBT people.¹⁷ A national survey of college students confirmed higher rates of smoking in the LGB community when compared with straight peers.¹⁸ [The American Lung Association has urged](#) the Department of Health and Human Services to move forward with its 2011 proposal to expand data collection standards, including adding questions regarding LGBT status, in part to remedy this lack of data.

American Lung Association's Glossary of Other Tobacco Products

<p>BIDIS</p>		<p>Bidis are thin cigarettes wrapped in leaves. Bidis come in many flavors and are similar in size to cigarettes, but have no filters. More nicotine, tar and carbon monoxide may be in bidis than in conventional cigarettes. Users may also puff more frequently. Health effects may include an increased risk of cancer of the lips, mouth and throat.^{19,20}</p>
<p>BLUNTS</p>		<p>Blunts are hollowed out cigars filled with marijuana.</p>
<p>CHEWING TOBACCO</p>		<p>Chewing tobacco can be purchased in wads, leaves or plugs. It is placed between one's gum and cheek. When the tobacco comes in contact with saliva it releases nicotine that is absorbed directly through the skin.²¹</p>
<p>CIGARS</p>		<p>Cigars are tobacco products that are rolled in a tobacco leaf or a substance containing tobacco, and come in varying sizes. Smaller cigars are sometimes called little cigars or cigarillos.²² Smaller cigars are available in a variety of flavors and those that are similar in size to cigarettes are sold in packs of 20 or individually. Because these products are often taxed less than cigarettes, they often cost less. Health effects are similar to cigarettes—e.g. increase in risk of cancers of the lips, mouth and throat and an increased risk of heart attack and stroke.^{6,23} Cigars are not currently regulated by the U.S. Food and Drug Administration (FDA), but FDA can assert authority to regulate them at any time.</p>
<p>HOOKAHS</p>		<p>Hookahs are water pipes used to pass charcoal-heated air through a tobacco mixture and ultimately through a water-filled chamber. The charcoal or burning embers are placed on top of a perforated aluminum foil and the tobacco mixture is placed below. The user inhales the water-filtered smoke through a tube and mouthpiece. The water lowers the temperature of the smoke.^{24,25} The American Lung Association has issued a policy brief on hookah smoking entitled "Hookah Smoking – A Growing Threat to Public Health."</p>
<p>KRETEKS</p>		<p>Kreteks are clove-containing cigarettes mostly imported from Indonesia. They may contain more nicotine, tar and carbon monoxide than conventional cigarettes.²⁶ The clove and tobacco mixture has a pungent smell. Harmful health effects may include direct damage to the lungs.²⁶ The sale of kreteks in cigarette form was prohibited in the Family Smoking Prevention and Tobacco Control Act and has been the subject of a World Trade Organization dispute.</p>
<p>SNUFF</p>		<p>Snuff or dip is a finely ground, cured form of tobacco. It can be purchased as a dry powder or in moist forms. It is placed between one's gum and cheek. The tobacco releases nicotine and the nicotine is absorbed directly through the skin.²¹</p>
<p>ROLL-YOUR-OWN OR LOOSE TOBACCO</p>		<p>Roll-your-own or loose tobacco is tobacco that does not come wrapped in paper or tobacco leaf but is used by consumers to make cigars or cigarettes. Federal taxes on roll-your-own tobacco are identical to cigarettes but are often less at the state level. Recently, roll-your-own machines that smokers can use to quickly turn loose or pipe tobacco into cigarettes have been proliferating in retail establishments in some states. These machines produce generic cigarettes that can be sold for much less than manufactured tobacco products.</p>
<p>PIPE TOBACCO</p>		<p>Pipe tobacco has historically been used in pipes, but many manufacturers have begun to label roll-your-own tobacco as pipe tobacco to avoid higher federal taxes and to make cheaper cigarettes for their customers. This has caused sales of pipe tobacco to increase substantially – from 240,000 pounds in January of 2009 to over 3 million pounds as of September 2011.²⁷</p>

Addressing Public Health Concerns

The rise in use of other tobacco products has alarming implications for public health. Successful efforts to regulate the sale and marketing of cigarettes have proven that reducing tobacco use is a winnable battle. However, with other tobacco products often subject to lower state taxes and less regulation, public health achievements to reduce the burden of tobacco use are threatened. Much like cigarettes, consumers of other tobacco products tend to be younger with more potential to become addicted.⁴ These products may also serve as gateway products, facilitating later and dual use of cigarettes at the same time as other tobacco products.^{15,16} To effectively counter the dangerous trend of the growing use of other tobacco products, public health efforts should consider the following:

Some tobacco products are perceived to be safer than cigarettes.

A number of users of cigars and other tobacco products mistakenly believe they are safer and less likely to cause the significant health effects associated with cigarette smoking.^{3,4} Smokeless products, cigars and cigarillos contain a form of nicotine that is more readily absorbed through the lips and the skin inside the mouth. These products can deliver a dose of nicotine that is equivalent to what would be absorbed through the lungs during cigarette smoking,^{23,28} and are just as addictive. Moreover, use of cigars, cigarillos and smokeless products can lead to cancers of the mouth and esophagus.^{23,29} Little cigars are more likely to be inhaled than traditional cigars,³⁰ and inhaling cigar smoke can expose smokers to similar health risks as cigarettes such as coronary heart disease because cigar smoke contains the same toxic substances.^{6,23} Hookahs also have similar health risks.^{24,25}

Deceptive marketing techniques increase the appeal of other tobacco products.

Manufacturers have employed various marketing techniques to increase the use of other tobacco products. Manufacturers have added flavorings to tobacco, which may make it more appealing.^{4,5} Kreteks, for example, contain cloves combined with tobacco.²⁶ Products are now available in many flavors.^{4,5}

Smokeless tobacco products also provide an alternative way of marketing to youth and adults in a world of increasing smokefree environments, as tobacco companies often encourage the use of smokeless tobacco in smokefree settings. Tobacco companies have also started to encourage smokers to switch to smokeless tobacco products rather than quit smoking. For example, during the American Cancer Society's Great American Smoke-Out in 2011, R.J. Reynolds ran an [advertisement](#) that encouraged smokers to switch to smokeless tobacco instead of quitting.

Industry targeting of youth, women and minorities poses a serious threat to public health.

Other tobacco products have the potential for harm—a reality not often highlighted in advertisements or products targeted to young people. These ads often attempt to lure youth and young adults by linking the use of tobacco products to increased popularity, luxury, status or success.^{12,22} Industry advertising has helped to encourage young people to start smoking.²³ Tobacco advertising has also prominently featured women, especially women smoking cigars, in an attempt to increase the adoption of cigar smoking among women.²³

Tobacco companies also aggressively market tobacco products to racial and ethnic minorities. Studies have shown that advertising of tobacco products occurs more often in African American neighborhoods.^{31,32} Moreover use of cigars is more common among African Americans than Whites. Data from the 2010 National Survey on Drug Use and Health show that African-American adults are significantly more likely to smoke cigars (8.0 percent) compared to Whites (5.3 percent).¹³ The top cigar brands are consistently Black and Mild, Swisher Sweets, Phillies, White Owl, and Garcia y Vega. When controlling for gender, age and education, African Americans were still more likely than Whites to smoke cigars of any brand and even more likely to smoke one of the five most popular brands.⁴

Fruit flavorings increase the attractiveness of little cigars.

National sales data from recent years have shown that flavored cigars make up a significant portion of sales at convenience stores.⁵ The list of flavorings that are added to these cigars are quite extensive as well.⁵ Flavored products can mask the taste and smell of tobacco, making them more appealing to youth and young adults.⁵ Advertisements for these products include terms like mild and sweet, which when used on cigarette packaging has led to the perception of lower risk for users.^{11,33,34}

Recommendations

Despite decreases in overall tobacco use, especially among young people, much work remains to be done. Action is needed to sustain and avert a reversal of the nation's progress in reducing tobacco use. Reducing the threat of other tobacco products can be achieved through the actions outlined below.

- 01 Reduce the consumption of flavored other tobacco products.** While most flavorings are prohibited in cigarettes, the FDA has not put in place a regulation to prohibit flavorings in smokeless tobacco products, or asserted jurisdiction and regulatory control over many other tobacco products. Because flavored tobacco products have been shown to be used more by youth, restrictions on flavored tobacco products should be pursued at the federal, state, and local level.
- 02 Reduce youth access to other tobacco products at the state and local level.** Policies often prohibit access to cigarettes and smokeless tobacco by youth, like requiring these products to be kept behind the counter in retail stores, but sometimes these policies do not apply to other tobacco products. As part of a comprehensive approach to limiting use of other tobacco products, access should be restricted for all tobacco products.
- 03 Expand comprehensive tobacco-free facilities such as campuses and workplaces.** In some communities, workplaces and campuses are becoming tobacco free. These practices and programs can limit exposure to secondhand smoke. They also incentivize quitting behavior by limiting tobacco users' access to places where they can use tobacco products.
- 04 Equalize taxes on all tobacco products to reduce use by youth and encourage quitting.** Increasing the price of tobacco products has been shown to reduce tobacco use especially among youth. However, taxes on other tobacco products are often lower than taxes on cigarettes at the federal and state level, which makes these products cost less. For example, little cigars and cigarillos are very similar to cigarettes in their size and the way they are packaged, and with their cheaper price and lower risk perception, they are a popular substitute for cigarettes.⁴ In its report to Congress on tobacco tax disparities, the Government Accountability Office included in its recommendation that "Congress may wish to consider equalizing tax rates on roll-your-own and pipe tobacco and, in consultation with Treasury, also consider options for reducing tax avoidance due to tax differentials between small and large cigars."²⁷
- 05 Increase availability of resources to help people quit tobacco use.** Resources and services to help people quit tobacco are limited in states that are not properly funding cessation services and where cessation coverage benefits are not comprehensive. Even fewer resources are available for smokeless tobacco users.³⁵ For people living in rural areas these resources may be even less available than in urban centers.³⁶ To make it easier to quit, tobacco prevention and cessation programs should be funded at the Centers for Disease Control-recommended levels. All tobacco users also need comprehensive cessation benefits.
- 06 Conduct research on how to help people quit smokeless tobacco.** Compared with smoking cessation guidelines, there is little data on how to effectively assist individuals who want to stop using non-cigarette tobacco products.
- 07 Increase availability of tobacco cessation programs to youth.** More evidence is needed concerning the effectiveness of tobacco cessation treatment among youth.³⁷ Additionally, tobacco use reduction programs should be more widely available. One approach is to focus on settings where youth congregate. Research suggests behavioral interventions can be effective in reducing tobacco use when delivered in school settings.³⁷ The use of counseling and other behavioral interventions, some with the additional use of cessation aids, have been effective in other settings.³⁸

Conclusions

Public health officials and policymakers must be made aware that other tobacco products pose a real risk to the health of young people and to public health as a whole. Some of these products are not cigarettes, but share cigarette characteristics like size, shape and packaging while lacking the higher prices and regulations that apply to cigarettes. This has contributed to the popularity of these other tobacco products as replacement products for cigarettes that lead youth to begin a lifelong addiction to tobacco.

Other tobacco products are for the most part not yet subject to the Tobacco Control Act. Other tobacco products are also often taxed at lower rates than cigarettes, which only increases their popularity. Despite these obstacles, there are opportunities at the federal, state and local levels to reverse these trends. A more aggressive regulatory approach, coupled with measures to change the public perception that these products are less harmful than cigarettes, are necessary steps if the U.S. is to continue its efforts to reduce tobacco use. If the popularity and misperceptions about the health effects of using other tobacco products is not reversed, there could be a continued increase in the use of other tobacco products, as well as dual use, which has been seen for some products over the past decade. This is especially problematic for youth because introduction to tobacco products at younger ages can translate to a lifetime of use and addiction.

Key Resources

Campaign for Tobacco-Free Kids

[The Rise of Cigars and Cigar-Smoking Harms](#). 2009.

Campaign for Tobacco-Free Kids

[Tobacco Company Marketing to African Americans](#). 2011.

National Cancer Institute

[Cigars: Health Effects and Trends. Smoking and Tobacco Control Monograph No. 9](#).

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Substance Abuse and Mental Health Services Administration

[Results from the 2010 National Survey on Drug Use and Health: Detailed Tables](#).

Centers for Disease Control and Prevention.

[Tobacco Use Among Middle and High School Students—United States, 2000–2009](#). *Morbidity and Mortality Weekly Report* 2010;59(33):1063–8.

Federal Trade Commission

[Nationwide Labeling Rules for Cigar Packaging and Ads Take Effect Today](#). 2001.

Legacy

[Answers About Black and Milds, Swisher Sweets, and Other Little Cigars and Cigarillos](#).

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