



May 24, 2021

To the All-Party Parliamentary Group on Vaping:

On behalf of National Taxpayers Union, a Washington, D.C.-based nonprofit dedicated to protecting taxpayers, limited government, and free market principles, I write to submit the following statement regarding the APPG's inquiry into new legislation for vaping products. Our comments will not focus on any specific legal or legislative approach surrounding UK vaping policy, but rather will highlight the consumer benefits of vaping and why any new legislation must be science-based. We again appreciate the inquiry's consideration of our submission.

The widespread availability of vapor products, also known as electronic cigarettes, is perhaps one of the most important innovations in tobacco-harm reduction policy so far into the 21st century. For decades, millions of Americans tried unsuccessfully to kick their addiction to cigarettes, but thanks in large part to technology developed by the free market such as smoking cessation products like vaping, millions of Americans have been offered a viable alternative to traditional tobacco. In America, there is a clear correlation between the rise in vaping and a decline in smoking rates among adults. Between 2010 and 2018, the percentage of adult U.S. smokers dropped from 22 percent to 16 percent, while the percentage of those vaping rose from less than one percent to four percent.

The documented decline in smoking is a public health achievement. Cigarette smoking is responsible for nearly 500,000 deaths in the United States annually, including more than 41,000 deaths resulting from secondhand smoke exposure. Millions more Americans also deal with deadly diseases associated with cigarette use. From a purely economic and fiscal perspective, cigarette use also harms the health of the U.S. economy and strains taxpayer funds, as it leads to more than \$156 billion in lost economic productivity and costs public and private health insurance programs nearly \$170 billion per year.

These statistics are widely cited by public health officials and economists to illustrate the harmful effects cigarette use can have on an individual level and a macro-level.

Much controversy has surrounded the use of vaping products, particularly among young adults and those still in high school, but they are a well-documented solution for smokers transitioning away from their harmful alternative, the cigarette. A landmark 2019 *New England Journal of Medicine* study documents that smoking cessation is two times more likely to occur in those who used e-cigarettes as compared to individuals using other nicotine replacement products. Additionally, there is a consensus in the United Kingdom among academics, scientists, and the medical community that reduced-risk tobacco alternatives such as vaping e-cigarettes are significantly less harmful than smoking combustible cigarettes. According to groundbreaking research by Public Health England and the Royal College of Physicians, vaping is up to 95 percent less harmful than regular combustible tobacco. Moreover, Public Health England recommends smokers switch to vaping, and the American Cancer Society concludes that, based on current available information, vaping is less harmful than smoking.

It is growing ever clearer that vapor products are an innovative and effective bridge for smokers transitioning toward significantly less harmful alternatives. While not completely safe, vapor products which do contain nicotine but not the chemicals and carcinogens found in traditional cigarettes, can be an effective tool for smoking cessation. For years, government officials have taken steps to reduce the prevalence of tobacco usage, and the free market has produced a solution to address this serious problem.

In terms of how tobacco-harm reduction products should be treated by the government, it's important to remember that these products are not tobacco products and should not be treated as such. Vapor products contain no tobacco; they only contain nicotine without the harmful chemicals found in traditional tobacco products. Therefore the merits of taxing or regulating vapor products as if they were tobacco products makes little logical sense.

Additionally, the e-vapor market remains in its infancy and is still extremely small compared to the overall tobacco market. It would be misguided to rush to action that could stifle innovation and suppress adult consumer interest in reduced-risk products.

In our view, less harmful vapor products represent the best opportunity for cigarette smokers to quit their addiction and live a healthier lifestyle. As such, the parliament should:

1. **Avoid banning flavored vapor products.** In their attempts to quit, adult tobacco smokers typically start with tobacco-flavored e-liquid, but research indicates many end up switching to other flavors that this legislation would prohibit. Cracking down on legal-age buyers of flavored e-cigarettes would limit access to less harmful alternatives that could potentially save hundreds of thousands of lives each year. Blanket prohibitions are seldom successful and often lead consumers to untaxed and unregulated black markets to access products.
2. **Avoid taxing vapor products at the same rate as tobacco products.** As stated previously, unlike traditional tobacco products, vapor products and e-cigarettes deliver nicotine without releasing thousands of harmful chemicals. These products also contain no tobacco, which is precisely why e-cigarettes should not be subjected to the same level of taxation as cigarettes, cigars, or any other type of smokeless tobacco. While that doesn't necessarily mean vapor and other nicotine delivery devices are entirely safe, the tax that is applied should reflect the appropriate level of risk - which is far less than that of cigarettes. Instead, a risk-based tax is a much more efficient approach to taxing vapor products.

Ensuring all residents of the UK have access to alternatives to cigarettes is important. Adults should have the ability to do their own research and make decisions that best serve their interests - whether it be sticking with traditional tobacco or transitioning to vapor. Taxing or regulating vapor to make it more expensive compared to cigarettes would unfortunately harm more people than it would help. We appreciate your consideration of our comments and look forward to answering any questions you may have.

Sincerely,

Thomas Aiello
Director of Federal Affairs