



**Before Ohio Senate Finance Committee
Testimony of James Jarvis, Ohio Vapor Trade Association
Am. Sub. House Bill 166
May 28, 2019**

Chairman Dolan, Vice Chair Burke and Ranking Member Sykes thank you for allowing me to present opponent testimony on a portion of House Bill 166. My name is James Jarvis and I am the President of the Ohio Vapor Trade Association.

The Ohio Vapor Trade Association (OHVTA) is a statewide association of stand-alone vapor stores, stores that believe it is their mission to provide a safer alternative to those who do or have smoked traditional tobacco. Additionally, OHVTA promotes common sense regulations on the vapor industry and along with our national association the Vapor Technology Association promotes marketing standards.

Like myself, many store owners in our association went into business because of some personal connection to the consequences of smoking traditional tobacco. I myself lost my Grandmother, who played a significant role in my life, to smoking. The Vice President of our association got in to the business after he found vapor which enabled him to finally quit smoking after thirty plus years. This was after his doctor told him he had a year to live due to the damage cigarettes had caused. And as an aside, he is still alive nine years later and healthier than he has been in decades thanks to making the switch to vapor.

OHVTA is extremely concerned with the proposal to raise the legal age of buying vapor products from 18 to 21.

However, I cannot state it clearly enough that OHVTA and our members strongly believe that vapor products are adult only products and should not be used by those under eighteen.

OHVTA members strive to uphold all laws and in doing so have multiple points of age verification throughout the buying process. Most of our stores do not let anyone under the age of eighteen through the door, and they ID at the door. Secondly, if a customer wishes to sample a flavor, they are again IDed. And finally, at the point of sale customers are IDed again through a third-party verification system. Many of our stores are also putting a limit on how much product one person can buy to prevent reselling or gifting by others.

We know that those under eighteen are getting vapor products, however we do not believe that raising the legal age to purchase these products will stop teenagers from getting them or using them.

Currently, you can go to many retail sites on the internet, including many of the largest internet retailers, and purchase, most likely a knock off of a popular vapor device. During this process the only age verification is to check a box stating that you are over the age of 18. Until internet sales are regulated to prevent underage purchases youth using the product will still be bought by those under eighteen and/or twenty-one.

Additionally, all of our stores experience parents coming in and trying to buy for their kids. This is not the scenario advocates of Tobacco 21 will have you believe is happening. Just a few weeks ago I had a mother and her two young daughters come into my store. Upon checking IDs when they walked in, I discovered the girls were not eighteen. After leaving them to wait at the door I asked the mother what she was looking for. She then turned to the girls and asked them what they wanted. I asked if she was buying for them, she answered yes, and I notified her that I would not sell to her if she was going to give the product to underage minors. This happens on an almost daily basis in our stores. While certainly older friends do try and buy for those that are underage, the increase of parents trying to buy for their children has exploded in popularity.

On a side note, current Ohio law allows for a parent or guardian to purchase tobacco products for their children. If Tobacco 21 becomes law, it will also allow for parents and guardians to purchase vapor products for their children. Why?

As I stated in the beginning of my testimony, many of us got in to this business to help people switch off of traditional tobacco. According to the Royal College of Physicians in the United Kingdom (essentially their FDA) we know that vaping is 95% less harmful than smoking. We also know that studies have shown that vaping is NOT a gateway to teen smoking. Further, thanks to a study in the New England Journal of Medicine we know that vapor products have been proven to be more effective for smoking cessation. And right here in Columbus, researchers at The Ohio State University have found that the impact on vaping on lung disease and cancer is less than smoking.

By taking away the ability for those 18, 19, and 20 to switch to vapor products from traditional tobacco you are setting them up to continue to use products which we know are harmful. We know that in places where Tobacco 21 has been enacted those three age groups are twice as likely to return to traditional cigarettes, they don't stop using the product all together. Why would the state limit the access of adults who want to switch to a product that we know doesn't cause cancer but that we do know can help people make the switch?

The American Heart Association, The American Cancer Society, Tobacco Free Kids, and the Truth Initiative have all admitted that vapor products can help smokers off traditional tobacco products. Again, vapor products are 95% less harmful. Further, top officials at the FDA, CDC,

Surgeon General and Center for Tobacco Products agree the nicotine found in vapor products to do not present the problem that traditional tobacco does.

In addition to the Tobacco 21 language, OHVTA is extremely concerned about language that was inserted in the Substitute version of the bill which seeks to expand the definition of “tobacco product” (Line 19581).

While OHVTA understands the perception that vapor products could be classified along with traditional tobacco products like cigarettes and chewing tobacco, we fundamentally believe that while vapor products contain nicotine, they are not a tobacco product.

First and foremost, vapor does not contain tobacco. I know that may sound contrite and trivial, but it is reality. While vapor products contain nicotine, which is classified the same way caffeine is by the FDA, our products are limited to four ingredients and nothing burns or combusts. Therefore, there is no comparable justification for including vapor products in the definition of tobacco products or cigarettes.

Additionally, classifying vapor products as a tobacco product sends the message to those looking to switch off of traditional tobacco that vapor products are just as dangerous and that there is no benefit to switching. This simply not true and a dangerous precedent for the state to set.

Finally, including vapor products in the definition of tobacco products will have long lasting consequences beyond the Tobacco 21 provision. Vapor products should be regulated in their own classification given their fundamental differences from tobacco products.

On one last note, the vapor industry and OHVTA very much wants to work with state regulators on the issues surrounding vaping but we have not been afforded the opportunity to do so. It’s incredibly alarming, and frankly a slap in the face to an industry that provides over \$900 million dollars in economic impact to the state of Ohio that those trying to regulate us will not grant us a meeting to sit down and discuss these issues.

Thank you, Mr. Chairman, for allowing me to testify today. We urge Senate to remove the language increasing the age to buy vapor products from 18 to 21. And we strong urge the Senate to remove the expanded definition of tobacco products. I’d be happy to answer any questions.



THE VALUE OF VAPOR

The vapor industry's economic impact in Ohio

The U.S. vapor industry is a major part of the modern economy

TOTAL ECONOMIC IMPACT

THE GLOBAL E-CIGARETTE & VAPOR MARKET SIZE IS PROJECTED TO REACH \$47.1 BILLION BY 2025¹



THE VAPOR INDUSTRY GENERATES **\$ 907,464,600** FOR THE OHIO ECONOMY

THE VAPOR INDUSTRY IS PROUD TO CREATE **6,998** JOBS FOR OHIO'S WORKFORCE



JOBS CREATED

A WIDE RANGE OF INDUSTRIES & SMALL BUSINESSES BENEFIT FROM JOBS DERIVED FROM THE VAPOR MARKET

TOTAL WAGES EARNED IN OHIO



VAPOR BUSINESSES PAID OVER **\$ 278,906,300** IN WAGES AND BENEFITS TO THEIR EMPLOYEES



VAPOR BUSINESSES GENERATED **\$ 80,497,900** IN STATE AND LOCAL TAXES





VAPOR TECHNOLOGY
ASSOCIATION

The Economic Impact of the Vapor Industry 2018 OHIO

DIRECT ECONOMIC IMPACT	Jobs	Wages	Output
Vape Store Retail Jobs	2,780	\$ 54,554,500	\$ 108,805,100
All Other Retail Jobs	658	\$ 18,454,400	\$ 43,645,200
Wholesale Jobs	317	\$ 25,409,900	\$ 72,458,500
E-Liquid Manufacturing Jobs	122	\$ 11,894,000	\$ 77,225,900
Component Manufacturing Jobs	53	\$ 3,940,100	\$ 10,507,400
Total	3,930	\$ 114,252,900	\$ 312,642,100

SUPPLIER ECONOMIC IMPACT	Jobs	Wages	Output
Agriculture	15	\$ 435,100	\$ 2,006,500
Mining	18	\$ 790,000	\$ 4,497,500
Construction	22	\$ 1,251,400	\$ 3,306,400
Manufacturing	165	\$ 13,651,200	\$ 103,721,900
Wholesale	64	\$ 5,165,900	\$ 14,510,400
Retail	17	\$ 569,000	\$ 1,397,000
Transportation & Communication	193	\$ 13,901,900	\$ 48,291,300
Finance, Insurance & Real Estate	162	\$ 6,372,700	\$ 39,657,300
Business & Personal. Services	457	\$ 31,807,900	\$ 61,703,900
Travel & Entertainment	59	\$ 1,382,200	\$ 3,679,600
Government	24	\$ 2,173,900	\$ 4,259,500
Other	0	\$ 0	\$ 0
Total	1,196	\$ 77,501,200	\$ 287,031,300

INDUCED ECONOMIC IMPACT	Jobs	Wages	Output
Agriculture	27	\$ 519,800	\$ 2,402,800
Mining	6	\$ 283,000	\$ 1,568,200
Construction	20	\$ 1,137,700	\$ 3,103,600
Manufacturing	118	\$ 8,546,700	\$ 64,351,300
Wholesale	54	\$ 4,248,100	\$ 12,087,100
Retail	252	\$ 7,675,400	\$ 21,150,900
Transportation & Communication	97	\$ 7,127,600	\$ 31,586,700
Finance, Insurance & Real Estate	205	\$ 9,515,800	\$ 75,519,300
Business & Personal Services	749	\$ 38,392,000	\$ 71,781,100
Travel & Entertainment	278	\$ 6,428,700	\$ 18,604,100
Government	20	\$ 1,728,800	\$ 4,405,900
Other	46	\$ 1,548,600	\$ 1,230,200
Total	1,872	\$ 87,152,200	\$ 307,791,200

	Jobs	Wages	Output
TOTAL ECONOMIC IMPACT	6,998	\$ 278,906,300	\$ 907,464,600

TAX IMPACT	TAXES GENERATED
Business Taxes Generated	\$ 119,434,100
Federal	\$ 62,296,200
State	\$ 57,137,900
Consumption Taxes Generated	\$ 23,360,100
Total Taxes	\$ 142,794,100