



TESTIMONY OF GREGORY CONLEY

NEW HAMPSHIRE HOUSE FINANCE COMMITTEE

MARCH 5, 2015

Chairman Kurk and distinguished members of the House Finance Committee:

I am writing in regard to Governor Maggie Hassan's 2016-2017 budget bill, HB 2, on behalf of the American Vaping Association (AVA), a nonprofit organization that advocates for small- and medium-sized businesses in the vapor product and electronic cigarette markets. The AVA urges you to reject Gov. Hassan's proposal to define these smoke-free and tobacco-free products as "tobacco products" and subject them to a newly raised 'other tobacco products' tax of 73.94% of wholesale price.

This bill poses a grave threat to small businesses in New Hampshire that are creating jobs, paying taxes, occupying what may otherwise be empty storefronts, and offering an effective smoke-free alternative to New Hampshire's 170,000-plus adult smokers. There is no evidence-based justification that supports imposing this brand new tax on vapor product retailers and their customers.

When considering any legislation that would make vapor products less affordable or accessible to adults, policymakers should consider the words of Mitch Zeller, the Deputy Director of the FDA Center for Tobacco Products. "If we could get all of those people [who smoke] to completely switch all of their cigarettes to noncombustible cigarettes [i.e., vapor products], it would be good for public health," said Zeller when speaking before a U.S. Senate committee last year. Discouraging the use of vapor products by adult smokers is not sound policy.

Thousands of smokers in New Hampshire will make a quit attempt this year. Regrettably, among those using traditional – and often state-subsidized – therapies like the nicotine patch or gum, approximately 93-97% will be smoking again within one year. Every month, more studies emerge showing that vapor products are far less hazardous than smoking and effective at helping smokers kick the habit. With that in mind, imposing a new excise tax seems counterproductive to the vital public health goal of helping smokers quit.

If this tax is enacted, jobs and public health in New Hampshire will suffer. More smokers will continue to smoke and those smokers who do try vapor products will be more inclined to purchase them online or out-of-state.

We ask you to please oppose the new tax on vapor products in HB 2. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads 'Gregory Conley'.

Gregory Conley, J.D., M.B.A.

President

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