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TOBACCO MARKETING UPDATE

Reducing Youth Exposure to Tobacco Advertising and Promotion

Vuse E-Cigarette Sales “Exceed Expectations”

By Betsy Brock

R.J. Reynolds, the company that makes Camel cigarettes, launched test marketing for the Vuse “digital vapor” cigarette in August of 2013. In 16 weeks, the Vuse captured more than 50 percent of electronic cigarette market share in Colorado, which is the only place that Vuse is currently available. Daniel Delen, the president and CEO of Reynolds said, “We are still in the early days, but the results are significantly exceeding our expectations.”

Sales are going so well that Reynolds plans to expand Vuse availability to Utah in early 2014. A national rollout seems on the horizon, as well. Stephanie Cordisco, president of the subsidiary R.J. Reynolds Vapor Co. said, “We have all intentions to be running national as soon as possible. The results in Colorado have been phenomenal. They have exceeded our expectations. We can't be more pleased with what we are seeing. This has been one of the most successful launches we

have ever had, with the highest level of both clerk and consumer advocacy.”

The Vuse line includes two products. The Vuse Solo, which sells for approximately \$10, is pre-charged and ready to use. The Vuse System, which retails for \$30, comes with three flavor cartridges, a rechargeable power unit, and a carrying case.

Reynolds plans to continue to support the Vuse rollout with TV commercials, print ads, web advertising, and direct mail marketing. Reynolds also plans to continue to implement point-of-sale “education centers,” which are countertop displays that educate consumers about the e-cigarette category and the benefits of Vuse, in particular. ■



Above: The Vuse System is on the left and the Vuse Solo is on the right. Below: The components included in a Vuse System.



Chicago City Council Votes for Cigarette Tax Increase

In late November, the Chicago City Council voted to increase the city’s cigarette tax by \$0.50. The increase was included in Mayor Emanuel’s 2014 budget. Once the increase is in place, Chicago will have the highest cigarette tax in the nation at \$7.17 in taxes per pack. Emanuel advocated for a tax increase for the health benefits, rather than the increased revenue. Emanuel has publicly said he plans to tackle e-cigarettes next. A proposal to include e-cigarettes in Chicago’s clean indoor air ordinance is expected sometime soon. ■



TOBACCO MARKETING UPDATE

Passage of Groundbreaking Tobacco Control Measures in NYC

By Betsy Brock

On November 19, New York City Mayor Michael Bloomberg signed landmark tobacco control legislation into law. The two new laws: 1) raise the legal age to buy tobacco from 18 to 21; 2) prohibit discounts on tobacco products; 3) require a minimum price of \$10.50 per pack of cigarettes and little cigars; 4) require that cheap cigars and cigarillos be sold in packs of at least 4; and 5) expand enforcement authority and penalties for retailers who evade tobacco taxes and sell tobacco without a license. New York City is now the largest city in the country with a legal age required to buy tobacco as high as 21.

Mayor Bloomberg and the New York City Council are facing backlash from the tobacco companies, who claim these new laws will increase black market smuggling. Additionally, a coalition of corner store owners, funded by the tobacco industry, has been vocally opposed to the new laws, particularly the prohibition on tobacco discounting. Bloomberg had the following response to such criticisms: "People always try to put things like selling cigarettes in the context of jobs and whether or not it helps or hurts stores. ... I think that's so outrageously misplaced. This is an issue of whether we're going to kill people."

It is likely these new laws will be challenged in court. However, two Providence, RI ordinances with many similar provisions were recently upheld by the U.S. Circuit Court of Appeals. The Providence City Council passed these ordinances in January of 2012. The largest tobacco companies responded by filing a federal lawsuit to have the ordinances overturned. So far, Providence has been successful in keeping the ordinances intact. ■

Questions or Comments?

Please contact Betsy Brock at

651-646-3005 or betsy@ansrmn.org

FDA Misses E-Cigarette Deadline

By Chris Farmer-Lies

After years of anticipation by public health advocates, lawmakers and the e-cigarette industry, the FDA missed its goal of releasing a proposed e-cigarette rule to the public by the end of October. The partial government shutdown likely contributed to this missed deadline.

The FDA did submit a proposed e-cigarette rule to the Office of Management and Budget (OMB) in mid-October, however. Once the OMB completes review of the rule, it will be made available for public comment. Until then, the contents of the proposed rule are a mystery. ■

Timeline: E-Cigarettes and the FDA

2006/2007: Electronic cigarettes are first imported to the United States.

2009: The FDA seizes incoming shipments of electronic cigarettes as "drug delivery devices." This classification is based on examining the products and product labeling, as well as claims made by the industry.

April 2009: Soterra, Inc., the company that makes NJOY, sues to allow the sale of electronic cigarettes, calling them "non-therapeutic alternatives to traditional cigarettes." Therapeutic classification would require proof that electronic cigarettes are a safe and effective treatment for tobacco addiction.

January 14, 2010: Judge Richard J. Leon rules that the FDA cannot regulate electronic cigarettes as drug delivery devices. However, provisions of the 2009 Family Smoking Prevention and Tobacco Control Act may grant it the authority to regulate them as tobacco products.

2013: The FDA announces that proposed regulations will be publicly announced by the end of October.

October 1-16, 2013: The federal government shuts down for 16 days, slowing down the process.

Mid-October 2013: FDA submits a proposed e-cigarette rule to the Office of Management and Budget (OMB).