

Honorable Members of the Oregon House Behavioral Health & Health Care Committee-

I am here today representing wholesale distributor, National Convenience Distributors, in opposition to the state's proposal to ban all flavored tobacco products.

Record high inflation, fuel prices, labor costs, and a national labor shortage has put an enormous burden on our business and, frankly, many of our customers have had to close their doors. Appreciating the nobility of your intentions, now is not the time to put additional strain on an already ravaged business community. From my perspective, I'll tell you why.

I come to you with a unique perspective as my company, National Convenience Distributors, services upwards of Two thousand locations in Massachusetts. Banning menthol cigarettes did not work in Massachusetts and it will not work in Oregon. In the 20 months following the flavor ban that went into effect in June 2020, we saw sales move from Massachusetts to New Hampshire, Rhode Island, Connecticut, and also New York. In fact, industry data shows approximately 70% of Massachusetts menthol volume moved to bordering states while at the same time **non-menthol products grew by nearly 30% in Massachusetts netting no public health benefits.** Also, Massachusetts's state excise revenue plummeted 24%, costing the state well north of \$100 million per year. New Hampshire residents aren't smoking twice as many menthol cigarettes. Instead, the flavor ban has created an illicit criminal market. I have seen pictures and videos from my customers with individuals selling menthol cigarettes in their parking lots. If it didn't work for Massachusetts, respectfully, how can you expect the same proposal to work in Oregon? Oregon residents will just cross state lines and will buy their legally preferred products from neighboring Washington State, Idaho, or Nevada.

Electronic age verification, education, and moving the legal age to purchase to 21, have resulted in underage usage of cigarettes to an all-time low. It seems ill-advised to throw that all away. If this legislation goes into effect, Oregon will lose jobs, cigarette excise taxes, sales taxes, master settlement agreement (MSA) payments from the cigarette manufacturers, and a regulated age restricted distribution network. However, Oregon will gain illegal trafficking, an unregulated criminal market, and increased youth usage. That said, I believe a better approach that Oregon could take is to prioritize continued education of cessation programs for youth and enforcement efforts.

I strongly urge you to oppose House Bill 3090.

Thank you for your consideration.

Sincerely,
Kyle Feldman-EVP
National Convenience Distributors

