

SUMMARY: Meeting with Imperial Brands / Fontem Ventures

Subject: *Tobacco and Smoking Reduction Act* (TSRA) Review

Location: McDougal Centre, Calgary Alberta

Date: November 13, 2019

Participants:

Meeting Chair

- Mr. Jeremy Nixon, MLA for Calgary-Klein, appointed to conduct the TSRA review

Alberta Health

- Ms. Jessica Carlson, Executive Director, Health and Wellness Promotion Branch
- Ms. Kim Schmidt, Manager, Health and Wellness Promotion Branch
- Mr. Richard Thorne, Senior Policy Lead, Health and Wellness Promotion Branch

Office of the Chief Medical Officer of Health

- Dr. Andre Corriveau, Deputy Chief Medical Officer of Health

Alberta Treasury Board and Finance:

- Ms. Irene Chan, Executive Director, Strategy and Client Services
- Mr. Lyndon Epp, Senior Manager, Tax Policy
- Mr. Geoffrey Durocher, Tax Policy Analyst

Industry

- Mr. Rob Norris, General Manager, Imperial Brands / Fontem Ventures
- Mr. Richard Mullin, Public Affairs Associate, Impact Canada

Introduction:

A meeting was held with representatives from Imperial Brands / Fontem Ventures to discuss the review of the *Tobacco and Smoking Reduction Act* (TSRA). The Chair opened the meeting with round table introductions. The privacy key messages and tobacco disclaimer were read and acknowledged.¹

Background:

The chair indicated that the TSRA review will assess the effectiveness of the current legislative framework to address tobacco-related harms and to address issues including the recent surge in youth vaping and harms from use of tobacco-like products. He specified the scope of the review:

¹ To meet the transparency and openness requirements of Article 5.3 of the World Health Organization Framework Convention on Tobacco Control (FCTC), please be advised that this meeting will be subject to disclosure. Information, views and opinions intended to inform the development of regulations and related initiatives, as a part of a submission to a formal consultation will not be treated confidentially by Alberta Health and the Government of Alberta. Furthermore, in keeping with Article 5.3 of the FCTC, the Government of Alberta must protect public health policies from the vested interests of the tobacco industry. Alberta Health will conduct this meeting with tobacco Industry Representatives only to the extent necessary to enable the department to effectively regulate the industry and its products

- In scope: Issues related to tobacco, vaping and tobacco-like products; potential policy options to inform possible changes in legislation; review of legislation of other Ministries to identify and reduce potential overlap, inconsistency or conflict.
- Out of scope: Ceremonial use of tobacco by First Nations; policy recommendations that fall under the authority of municipalities, First Nations or the federal government; issues related to cannabis; health care cost recovery litigation against tobacco manufacturers; the decision to impose a tax on vaping products.

Feedback will be used to inform potential changes to the TSRA for the Spring 2020 session.

Subjects:

The topics discussed during the meeting included:

- Background
- Preventing youth access to vaping products

The participants in the meeting offered the Review the following opinions on the policy issues discussed:

Preventing youth access to vaping products

The Imperial Brands / Fontem representatives indicated that they believe that youth access to vaping products is a major issue. They stated that their company's focus is on helping adult smokers switch from combustible tobacco. The Imperial Brands / Fontem representatives indicated that strict enforcement policies enacted in the United Kingdom have resulted in lower youth uptake of vapour products.

The Imperial Brands / Fontem representatives discussed age verification system for online sales. They described their third party run system, which requires age verification at the time of purchase and at the time of delivery.

Retail and Vaping Products

The Imperial Brands / Fontem representatives expressed their belief that product placement in the retail environment is key to reducing youth interest in vaping products while informing adult smokers of an alternative. The Imperial Brands / Fontem representatives identified what they considered to be an appropriate level of advertising in a convenience store. This included the following measures: vaping products should be kept behind the counter and that they be out of reach to the consumer. However, the Imperial Brands / Fontem representatives maintained that they be visible and that marketing material be available in order to begin a conversation with adult smokers looking to switch from combustible tobacco. In addition, the Imperial Brands / Fontem representatives stated that their pod system vaping products do not need extensive education to use.

The Imperial Brands / Fontem representatives expressed that the convenience store sales channel needs to remain open and collocation, with traditional cigarettes at convenience store locations, is an important consideration for providing adult smokers with an alternative. Marketing materials are important in this sales channel, as sales clerks in these locations may not be able to speak to the harm reduction qualities of vaping products.

The Imperial Brands / Fontem representatives identified their support for a ban on minors selling vaping products.

Flavours and vaping products

The Imperial Brands / Fontem representatives indicated that they consider flavours in vaping products an important component for current smokers to switch to vaping products. They mentioned that they carry six flavours. Furthermore, the Imperial Brands / Fontem representatives indicated that they did

not believe a wide array of flavours was required to assist adult smokers with switching to vaping products. Representatives support limited restrictions on flavours and did not support candy or dessert flavours.

Nicotine in vaping products

The Imperial Brands / Fontem representatives stated that they do not support a further cap on the nicotine levels in vaping products.

Vaping products tax

The Imperial Brands / Fontem representatives stated that the vaping tax should be a specific tax on the milliliters of fluid sold. The Imperial Brands / Fontem representatives asserted that a tax on nicotine levels would be very difficult to administer. Additionally, the Imperial Brands / Fontem representatives maintained that a tax should only apply to consumable vaping products (the “e-juice”) rather than the devices and that a differential rate, between open and closed systems, would be appropriate. The Imperial Brands / Fontem representatives raised concerns about the distortion of the market through the tax rate favouring one category of vaping products over another and that a tax would encourage the black market or DIY markets, which could lead to unintended consequences.

Prohibited Places

The Imperial Brands / Fontem representatives indicated that they were supportive of expanding the number of prohibited places and aligning prohibited places restriction for vaping products with current tobacco and cannabis regulations.

Retailer Licensing

The Imperial Brands / Fontem representatives indicated that they were supportive of licensing retailers that sell vaping products.

Conclusion:

No definitive conclusions were reached or commitments made concerning any possible future changes to Alberta’s tobacco and smoking legislative framework.