

## **SUMMARY: Meeting with JUUL Labs**

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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

- Ms. Melisa Foster, Senior Regional Manager, Government Affairs, JUUL Labs
- Mr. Michael Solberg, Director, New West Public Affairs

### **Introduction:**

A meeting was held with representatives from JUUL Labs 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.<sup>1</sup>

### **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:

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<sup>1</sup> 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 amendments to the TSRA, for the spring 2020 session.

### **Subjects:**

The topics discussed during the meeting included:

- Taxation
- Advertising
- Social Reference Pricing
- Education

The JUUL Labs representatives stated that they operated in Canada based on two principles: that existing adult smokers have access to a products offering less health harms compared to combustible tobacco and ensuring that youth do not have access to vaping products.

### **Taxation**

The JUUL Labs representatives stated that they believe vape products should retain a tax advantage over combustible cigarettes. They indicated that their preferred tax system for vaping products would be applied at point of sale and that it should be a volume based tax system. Additionally, JUUL Labs representatives indicated that they did not have any issues with a bifurcated tax system that treated open and pod vaping products systems differently.

### **Advertising**

The JUUL Labs representatives stated that JUUL Labs has only been advertising in Canada within the last six months. Additionally they stated that JUUL Labs has not utilized social media or lifestyle marketing in Canada.

The JUUL Labs representative indicated that advertising in convenience stores needed to be maintained to communicate with smokers considering transitioning to vaping products. The JUUL Labs representatives did acknowledge that they would be open to aligning vaping products advertising with current tobacco advertising restrictions to ensure access for smokers looking to transition to vaping products. Additionally, the JUUL Labs representative indicated that they were comfortable with the adoption of restrictions on vaping advertising that have been utilized in other provinces.

The JUUL Labs representatives stated that alternative means of communicating with adult smokers looking to transition to vaping products needs to be available in retail locations including signage relaying messages related to pricing, product availability, and health harms and benefits.

### **Social reference pricing**

The JUUL Labs representatives recommended a minimum product pricing for vaping products to ensure that low cost and low quality products do not enter the market, create a price barrier to entry for youth and would also eliminate free promotions or hand outs of vaping products.

### **Education**

The JUUL Labs representatives discussed their efforts to provide education for the market. For retailers, JUUL Labs indicated that they are providing training to retailer that are carrying its products.

Additionally, the JUUL Labs representatives stated that they supported compliance efforts, including secret shopper programs and retailer licensing, to ensure retailers adhere to existing regulations. The JUUL Labs representative described their own third party secret shopper program and their age verification system. They stated that the implementation of their age verification system will be mandatory for retailers selling their products by 2021 in the United States. In addition, the JUUL Labs representatives described how they worked to prevent bulk purchasing of its products as a means to reduce social sourcing of their products.

The JUUL Labs representatives discussed the flavours that they sell. They stated that they sell seven flavours and three nicotine strengths. They stated that they believe flavours are important to assist smokers with transitioning from combustible tobacco to vaping products. Additionally, they expressed a concern that, when United States restricted flavours, they noticed the substitution of their products for black market products.

**Conclusion:**

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