

Tobacco Control: Progress, Challenge & (Huge) Opportunity

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The ACS Center for Tobacco Control

- Vision: Accelerated reduction of tobacco use and elimination of tobacco-related cancers and death
- Purpose: To strengthen the Society's presence, influence and success, domestically and globally, by creating a coordinated, comprehensive approach to our tobacco prevention and control work
- Contact: ACSTobaccoCenter@cancer.org

The ACS Center for Tobacco Control: Priorities

- Combat disparities, with focus on low-SES, mental health disorders, LGBT and racial/ethnic minorities
- Proactively address e-cigarettes and new endgame strategies
- Enhance research and translate it into policy, advocacy and community interventions
- Expand support for and access to proven tobacco-cessation treatment
- Lead and support youth- and young adult-based initiatives (e.g., Tobacco-Free College Campus Initiative)
- Engage health system leaders and others in tobacco control efforts

Tobacco Control: A Story of Remarkable Progress

- In the last half century, lower smoking rates have saved about 8 million lives in the U.S.
- Average adult life expectancy has increased by about 10 years, almost 1/3 of which – about 3 years – is directly due to lower smoking rates
- This highlights why it is critical to focus on reducing tobacco use as part of our overall health promotion efforts



Source: Theodore R. Holford, Rafael Meza, Kenneth E. Warner, Clare Meernik, et al., Tobacco Control and the Reduction in Smoking-Related Premature Deaths in the United States, 1964-2012, JAMA 2014;311:164-171.

We've Come a Long Way

"I'm going to grow
a hundred
years old!"

... and possibly she may -- for the amazing strides of
medical science have added years to life expectancy

It's a fact -- a warm, wonderful
fact -- that this five-year-old child,
or your own child, has a life ex-
pectancy almost a whole decade
longer than was her mother's, and
a good 18 to 20 years longer than
that of her grandmother. Not only

the expectation of a longer life, but
of a life by far healthier.

Thank your doctor and thousands
like him -- smiling, graciously --
that you and yours may enjoy a
longer, better life.



According to a recent *Nationwide survey*:

More Doctors smoke **Camels**
than any other cigarette!

NOT ONE but three outstanding independent re-
search organizations conducted this survey. And
they added not just a few thousand, but 113,317, doc-
tors from coast to coast to name the cigarette they
themselves preferred to smoke.

Answers came in by the thousands... from general
physicians, diagnosticians, surgeons, nose and throat
specialists too. The most-named brand was Camel.

If you are not now smoking Camels, try them. Let
your "I-Zone" tell you (see right).

© A. Bennett Brown Co., Winston-Salem, N.C.

CAMELS *Coollier
Tobacco*

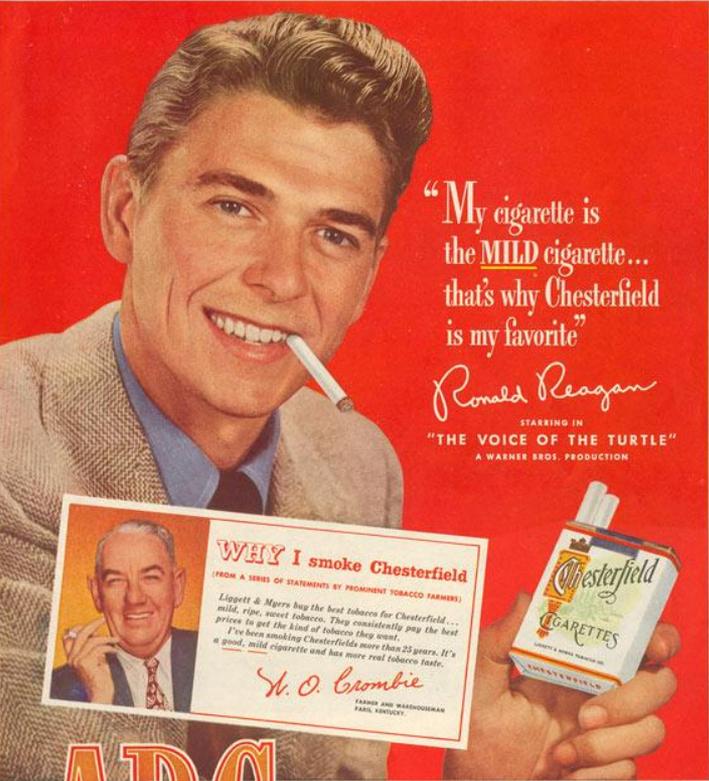


THE "I-ZONE" TEST WILL TELL YOU



The "I-Zone" -- I for
inner and Z for throat
-- is your own personal
ground for any ciga-
rette. Only 2,000 tests
and throat can decide
which cigarette tastes
best to you... how it
affects your throat.

A Really Long Way



“My cigarette is the **MILD** cigarette... that’s why Chesterfield is my favorite”

Ronald Reagan

STARRING IN
“THE VOICE OF THE TURTLE”
A WARNER BROS. PRODUCTION

WHY I smoke Chesterfield
(FROM A SERIES OF STATEMENTS BY PROMINENT TOBACCO FARMERS)

Liggett & Myers buy the best tobacco for Chesterfield... mild, ripe, sweet tobacco. They consistently pay the best prices to get the kind of tobacco they want. I’ve been smoking Chesterfields more than 25 years. It’s a good, mild cigarette and has more real tobacco taste.

W. O. Crombie
FARMER AND WASHINGTONIAN
FARM, LANCASTER

ALWAYS BUY ABC CHESTERFIELD
ALWAYS MILDER BETTER TASTING COOLER SMOKING

www.whitehouse.org

Copyright 1964, Liggett & Myers Tobacco Co.



I’M SENDING CHESTERFIELDS to all my friends. That’s the merriest Christmas any smoker can have — Chesterfield mildness plus no unpleasant after-taste

Ronald Reagan

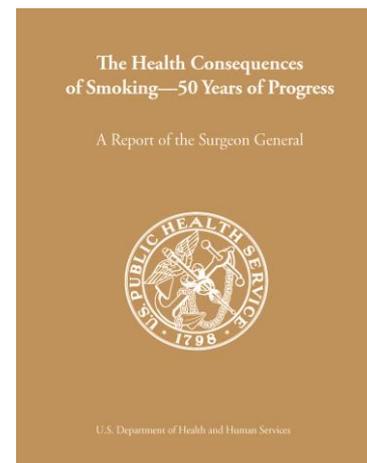
see RONALD REAGAN
starring in “HONG KONG” a Fine-
Thomas Paramount Production
Color by Technicolor

CHESTERFIELD Buy the beautiful Christmas-card carton

www.whitehouse.org

But ... The Challenge Remains

- Since 1964, cigarette smoking has killed more than **20 million Americans**, including **2.5 million nonsmokers** and more than **100,000 babies**
- Today 42 million adults and 3 million middle and high school students in the U.S. smoke cigarettes
- Smoking causes **480,000 deaths** in U.S. per year
- Tobacco costs the U.S. **\$132.5 billion** in health care expenditures and **\$156.4 billion** in lost productivity (\$150.7 billion for smokers; \$5.7 billion from secondhand smoke exposure), for a **total economic impact of \$288.9 billion per year**



Source: U.S. Surgeon General's Report, 2014,
<http://www.surgeongeneral.gov/library/reports/50-years-of-progress/full-report.pdf>.

Smoking Still Kills More Americans than All of these Combined



AIDS



Alcohol



Car crashes



Fires



Heroin

Cocaine



Homicide

Suicide



The Toll of Smoking in Arizona

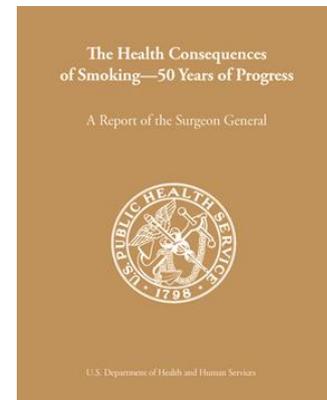
- 8,300 adults die each year from smoking
- 115,000 kids now under 18 projected to die prematurely from smoking
- \$2.38 billion in annual health care costs directly caused by smoking (\$382.7 million covered by state Medicaid program)

Source: Campaign for Tobacco-Free Kids,
https://www.tobaccofreekids.org/facts_issues/toll_us/arizona.



Major Conclusion from Surgeon General's Report, 2014

- “The burden of death and disease from tobacco use in the United States is overwhelmingly caused by cigarettes and other combusted tobacco products; rapid elimination of their use will dramatically reduce this burden.”



Three Populations Smoke at Highest Rates in U.S.

- The poor (>8 million smokers below poverty level)
- The least educated (>22 million smokers with a high school education, or less)
- Those with co-morbid mental health or addictive disorders (as many as half of all regular smokers)



“The Dirty Dozen” (of 70 carcinogens)

Acetone (*solvent and paint stripper*)

Ammonia (*poisonous gas and toilet bowl cleaner*)

Arsenic (*potent ant poison*)

Benzene (*poisonous toxin*)

Butane (*flammable chemical in lighter fluid*)

Cadmium (*carcinogenic chemical in batteries; lung & intestinal irritant*)

Carbon monoxide (*poisonous gas in auto exhaust*)

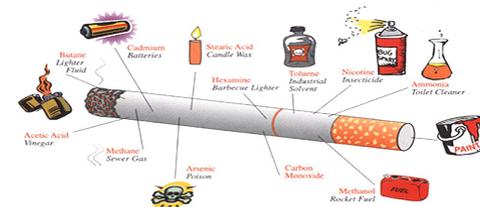
Formaldehyde (*dead frogs love it*)

Hydrogen cyanide (*deadly ingredient in rat poison*)

Methanol (*jet engine and rocket fuel*)

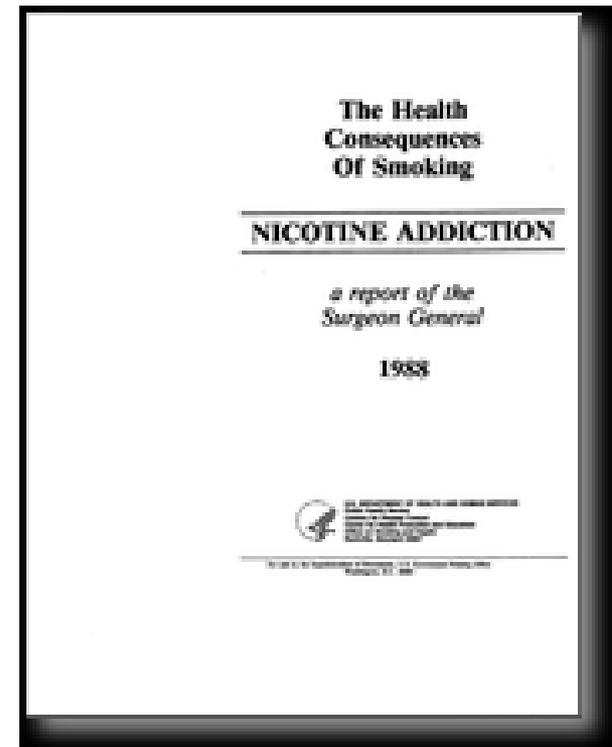
Polonium-210 (*radioactive element and spy-killer*)

Toluene (*poisonous industrial solvent*)



Nicotine = The Vector of the Epidemic

- Cigarettes and other forms of tobacco are addicting.
- Nicotine is the drug in tobacco that causes addiction.
- The pharmacologic and behavioral processes that determine tobacco addiction are similar to those that determine addiction to drugs such as heroin and cocaine.



Addiction is *Not* an “Accident of Nature “

Tobacco Manufacturers Manipulate Nicotine Content & Delivery with the Intent to Addict

1. Reconstituted Tobacco
2. Blended Tobacco
3. Ammonia Chemistry
4. Filter Technology
5. Ventilation Technology
6. Genetic Engineering
7. Psychoactive Additives



So How's Business?

October 26, 2015 (yesterday):

Wells Fargo Securities – Equity Research: "Tobacco Talk" -- Q3 U.S. Retailer Survey - The Renaissance In Combustible Cigs Continues - Manufacturers Poised For Robust Q3--Expect Double-Digit EPS [Earnings Per Share] Growth

Strong Industry Cig Volume and Pricing Likely Continued in Q3 - We recently conducted a survey of our tobacco retailer and wholesaler contacts representing 30,000 convenience stores in the U.S. According to our "Tobacco Talk" survey results, **the overall combustible cig environment continues to remain robust given: (1) a renaissance in combustible cigs** with industry volume expected to be down slightly (-0.9%) in Q3 lapping a relatively tough Y/Y comp; (2) continued strong manufacturer net price realization of around +6% in Q3 driven by continued uptrading to premium brands due to lower gas prices, a stronger tobacco consumer and lower promo spend; (3) a stable competitive environment according to the majority of our contacts but things should get interesting on Nov. 16th with RAI's new every-day low price (EDLP) contract which now includes Newport as we expected; and (4) moderating vapor category growth with several consumers being disillusioned by e-cigs, switching back to combustible cigs, again highlighting that stepped up innovation is critical for the long-term success of this category. Bottom line, we believe the risk/reward ratio is favorable ahead of both MO and RAI's Q3 results since we expect both companies will report low-mid double-digit EPS growth in Q3 given the continued strong industry trends. **We remain very bullish on the U.S. tobacco sector and believe the stars remain aligned for the industry.** We reiterate our Overweight tobacco sector rating and our Outperform ratings on both RAI (\$48.89) and MO (\$61.05) with RAI as our top stock pick.

Smokeless (“Spit”) Tobacco

- Contain nicotine and are addictive
- Not a safe alternative to cigarette smoking
- Most smokeless tobacco products in the U.S. cause oral, esophageal, and pancreatic cancer
- Use of these products causes gum recession, gum disease, and tooth loss
- Increase risk of fatal heart attacks and stroke



Tony Gwynn, 1960 - 2014

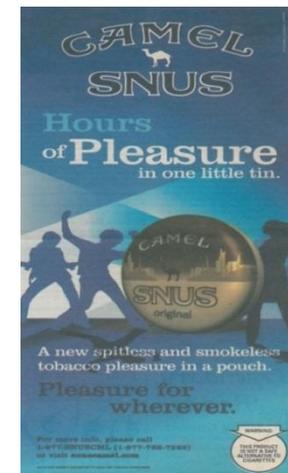


Industry Promotes Dual Use of Cigarettes & Smokeless Tobacco

- Ads promote use of smokeless tobacco products not to replace cigarettes but as a way for smokers to maintain addiction wherever they cannot smoke

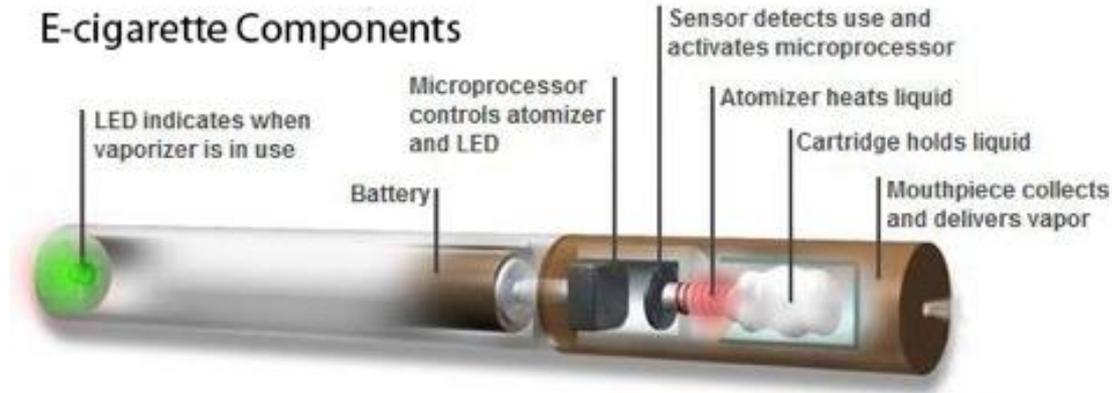
“There is a need to clearly position the [smokeless tobacco] product as a situational substitute for cigarettes rather than a replacement.”

- R.J. Reynolds spokesman, 2009



E-Cigarettes

E-cigarette Components



E-Cigarettes: Industry Strategies

Discourage Quitting



**WHY QUIT?
SWITCH TO BLU**

blu is the smart choice for smokers wanting a change. Take back your freedom to smoke when and where you want without ash or smell. blu is everything you enjoy about smoking and nothing else. Nobody likes a quitter, so make the switch today.

Visit blucigs.com

blu

** New blu Smart Pack

PREMIUM ELECTRONIC CIGARETTE

18+ only. CALIFORNIA PROPOSITION 65 - Warning: This product contains nicotine, a chemical known to the state of California to cause birth defects or other reproductive harm.

Encourage Evasion of Smoke-Free Laws



DEAR SMOKING BAN,

blu ELECTRONIC CIGARETTE

Take back your freedom to smoke anywhere with blu electronic cigarettes. blu produces no smoke and no ash, only vapor, making it the smarter alternative to regular cigarettes. It's the most satisfying way to tell the smoking bans to kiss off. Okay, maybe the second-most satisfying way.

blucigs.com

New blu Smart Pack

18+ only. CALIFORNIA PROPOSITION 65 Warning: This product contains nicotine, a chemical known to the state of California to cause birth defects or other reproductive harm.

E-Cigarettes: Some Pros and Cons

- **PRO:** E-cigarettes are likely considerably less harmful than conventional (combusted) cigarettes on a simple comparison basis
- **PRO:** E-cigarettes, or certain versions of e-cigarettes, may eventually be sanctioned for use in cessation
- **CON:** E-cigarettes are unregulated drug-delivery devices that are used to inhale nicotine and other substances, sometimes including illicit or legal but unregulated drugs (e.g., [Marijuana/THC](#), [Cloud 9](#))
- **CON:** E-cigarettes produce carcinogens, such as formaldehyde, acetaldehyde, lead, nickel, and chromium, and other hazardous substances such as PM2.5, acrolein, tin, toluene, and aluminum, with as yet unknown potential long-term effects
- **CON:** Use of e-cigarettes subjects bystanders to secondhand exposure and may renormalize the act of smoking
- **CON:** Dual use of e-cigarettes and conventional cigarettes can perpetuate addiction, impede cessation, and counteract potential harm reduction
- **CON:** E-cigarettes are aggressively marketed to young people

E-Cigarettes: FDA Regulation

- Any public health benefit to the mass-marketing of e-cigarettes requires effective regulatory oversight by the Food and Drug Administration, to ensure these new and varied products are safe and effective for helping smokers end the use of cigarettes, and to control their marketing to prevent the re-glamorization of smoking among young people



College Students and Tobacco

- It is projected that nationwide more than 1 million current college students will die from tobacco use

“If young people don’t start using tobacco by age 26, they almost certainly will never start.”

- U.S. Surgeon General



Smoke- and Tobacco-Free Campus Policies are Spreading Rapidly

- ❖ As of October 2, 2015, at least **1,620 campuses** are **100% smoke-free** indoors and outdoors, with no exemptions, including residential housing facilities
- ❖ Of those, **1,130 (*two-thirds*)** have a **100% tobacco-free policy**, and a rapidly growing number (**769**) **do not permit the use of e-cigarettes** (“vaping”) anywhere on campus
- ❖ Some examples of prominent campuses that have gone tobacco-free, indoors and outdoors:

- University of Kentucky
- University of South Carolina
- University of Oklahoma
- Ohio State University
- Emory University
- Montana State University
- University of Oregon
- University of California (all 10 campuses)
- City University of New York (all 24 campuses)
- University of Florida (“Gators don’t chew. They chomp!”)
- The entire Georgia public higher ed system (31 colleges & universities)

Since the launch of the national Tobacco-Free College Campus Initiative 3 years ago, the number of smoke-free college and university campuses has more than doubled

Source: American Nonsmokers’ Rights Foundation,
<http://www.no-smoke.org/pdf/smokefreecollegesuniversities.pdf>.

Arizona Colleges Lag Behind

In Arizona, the only campuses to have adopted comprehensive policies without disqualifying exemptions are as follows (and all of them, to their great credit, are 100% smoke-, tobacco-, and e-cigarette-free):

- A.T. Still University – Mesa
- Arizona Western College (10 campuses)
- Embry-Riddle Aeronautical University – Prescott Campus
- Maricopa Community College District (10 campuses)

Source: American Nonsmokers' Rights Foundation,
<http://www.no-smoke.org/pdf/smokefreecollegesuniversities.pdf>.

Resource: Tobacco-Free College Campus Initiative



TOBACCOFREE COLLEGE
CAMPUS INITIATIVE .org

Great American Smokeout – November 19, 2015



November 19
QUIT LIKE A CHAMPION™

Great American Smokeout®
cancer.org/smokeout



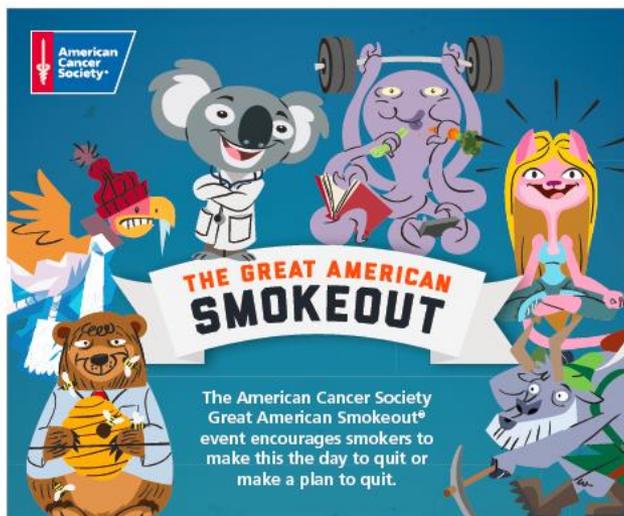
GASO Goals

- Leverage our annual awareness day to encourage smokers to quit
- Emphasize the use of safe and effective FDA-approved cessation resources/products

GASO Minority/Multicultural Support



GASO Focus on Youth and Young Adults



QUIT SMOKING ON NOVEMBER 19, 2015.
cancer.org/smokeout #GASO



**COLLEGE
TOBACCOFREECAMPUS.org
INITIATIVE**



Advocacy Works

If you think you're too small to be effective, you have never been in bed with a mosquito.





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