

Chair Noose; Committee members,

My name is Benjamin Allen, and I am a district manager for Jacksons. Thank you for allowing me to share this evening why we are strongly opposed to HB3090. First, I would like to make sure that you don't confuse my opposition to this bill, with being in favor of underage tobacco use, I'm not. I do not use tobacco myself, nor do I want any of my three children to ever develop that habit. I do, however, want them to grow up in a country where they will be empowered to exercise their rights, as adults, to make decisions I disagree with.

Jacksons, the company I represent, owns and operates 58 convenience stores in this state and employs close to a thousand Oregonians. We believe that prohibiting the sale of all flavored tobacco products, while well intentioned, is not going to solve the issue of underage tobacco use. That tactic will only penalize law abiding citizens and businesses while simultaneously opening the door to illegal activity.

We work in concert with the OLCC, the Sheriffs department, and the BARS program to ensure that our own policy of restricting the sale of tobacco items to only those 21 years of age and older by checking the ID of everyone who appears to be under the age of 40, is successful.

We believe that enforcement of existing age restrictions and education are the most effective and evenhanded ways to continue the downward trajectory of underage tobacco use. Enforcement and education was enhanced in 2022 with the implementation of the statewide retail tobacco license program.

Over 40% of Jacksons total tobacco sales in Oregon are flavored items that would be outlawed by this bill. That's not a minor inconvenience, that would be a tremendous hardship for our business and others like ours.

Nicotine pouches, a much safer alternative to cigarettes or chew, have grown exponentially in the past few years and have helped countless people stop smoking and/or chewing. We sell 74 different nicotine pouch items in Oregon. This bill would eliminate all but 7 of them, leaving less than 10% of our nicotine pouch options available to adult consumers who desire a safer alternative or cessation method.

With a large population living so close to Washington, Portland is only a 17 mile drive to Vancouver, Oregon would see a huge amount of business lost to Washington to the north. On the east side, Ontario is right on the border of Idaho. Drive over the Snake River and all of these banned items will be available. Not only will Oregon small business owners suffer, but there will be a sharp reduction in Oregon tax revenue as a result of this flavor ban. We have seen estimations of \$100 million dollars in lost tax revenue annually if this bill passes.

Massachusetts implemented a flavor ban in June 2019. The first 12 months after the ban they saw cigarette tax stamp revenue drop by 24% while neighboring states saw similar gains. New Hampshire cigarette tax stamp revenue was up 22%, Rhode Island was up 18% and Vermont was up 6%. The Massachusetts flavor ban has been deemed a "Cautionary tale" by many articles highlighting the lost tax revenue due to cross-border shopping, and more importantly, the rise of black-market sales. The unscrupulous black-market vendors will not be paying taxes, checking IDs, or care if their customers are under 21.

There is a lot of focus on the very real problem of underage tobacco and vape use – rightfully so - but I urge you to take a deeper look at the path HB3090 takes. We think there are less damaging ways to help solve the underage tobacco problem than by making substances that are already federally restricted to this age group unavailable to responsible adults.

This concludes my remarks, I thank you for your time.

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