



Mike Hannon  
President, Portland  
Core Mark

Committee Chair Representative Nathan Sosa and members of the House Committee on Commerce & Consumer Protection,

Core Mark supplies food and non-food items to 1,000 convenience and food locations throughout the state of Oregon, 90% of these locations are single store operators (mom and pop stores) and locally/regionally owned chains. We employ 191 Oregonians from our warehouse in Clackamas. In addition to food, we are licensed and bonded warehouse selling cigarette and tobacco items, while collecting taxes for the state.

Our objections, as well as grave concerns, with HB 2528 are twofold. First as proposed, provisions contained in Section (1), subsection (4) provide:

*“(4) The authority may adopt rules to regulate the wholesale or retail sale of tobacco products or inhalant delivery systems in this state to protect the public health and safety of the residents of this state.”*

Such language serves to provide the Oregon Health Authority with unrestricted authorities to regulate the wholesale and retail sale of tobacco products and inhalant delivery systems. As presented, this degree of authority would allow the Oregon Health Authority to outright ban certain categories of tobacco products or prohibit the sale of any and all tobacco products within the State of Oregon. Simply, we believe the expansive nature of this rulemaking authority is exceedingly too broad and all encompassing.

We encourage the committee to review existing regulations regarding tobacco products at both the state and federal levels. In 2009, the enactment of the Family Smoking Prevention and Tobacco Control Act provided the federal Food & Drug Administration (FDA) with the authority to regulate the manufacture, distribution and marketing of tobacco products.

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Subsequently, the FDA has taken myriad actions concerning the regulation of tobacco products on a national scope.

In addition, we encourage the committee to review existing state regulations with respect to tobacco products. We believe with an objective review of existing state regulations, one may acquire an appreciation for the extensive nature of state regulation.

Second, we strongly encourage the committee to reject efforts to extend Oregon's existing tax on "other tobacco products" to products representing oral nicotine pouches. Individuals frequently use such products as a "harm reduction" tool to curtail the use of traditional tobacco products. When deemed to represent a harm reduction product, it would seem prudent for the state to avoid the taxation of this product line. In the event such products are subjected to the current OTP tax of 65 percent of wholesale, retail prices will unquestionably increase and certain consumers will revert to their traditional products. This result seems counter to federal, state and independent efforts to curtail tobacco use.

In summary, we encourage the committee to reject HB 2528 for the above stated reasons.

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