



Rhode Island House Committee on Health and Human Services

- **H. 6396 This act would prohibit the sale of flavored tobacco products and electronic nicotine-delivery systems.**

TESTIMONY FROM KYLE FELDMAN - OPPOSED

June 28, 2021

My name is Kyle Feldman and I am a Vice President at National Convenience Distributors (NCD).

NCD is a full-line convenience store distributor in the Northeast, selling grocery, frozen and refrigerated food, beverage, school supplies, health and beauty products, general merchandise, as well as cigarettes and e-cigarettes.

We have always recognized the value of our services, so it is not surprising that during pandemics and crisis we are deemed an “essential business”, providing the very essential services and products to our customers who supply communities for their needs. We also find ourselves navigating the recent events that have led to nationwide civil unrest across America, which also has put pressure on our businesses in obliging curfew orders for safety precautions.

NCD is one of the largest privately held companies in the Northeast. Over the last 100+ years, we have grown to thousands of customers which includes close to 1,000 customers in Rhode Island. We have over 1,600 employees, many of whom are union members and live and vote within Rhode Island. In addition to all of this, we are also a very large tax collector in the state. Proudly remitting upwards on 60 Million dollars a year in support of the state that enables us to employ so many individuals and touch many lives in a positive way.

This background is necessary for you to understand so that you realize I am not just some fly-by-night individual wanting my voice heard. Or we, as an organization, are not only worried about revenue.

Banning the sale of menthol cigarettes from Rhode Island will lead to thousands of employees losing their jobs, many of which are union employees with health benefits and pensions; hundreds of millions of dollars in lost tax revenue to the State of Rhode Island; tax collectors going into bankruptcy; the State won't have anyone to stamp cigarettes; Rhode Island will encounter hundreds, if not thousands, of people selling menthol cigarettes from lower tax jurisdictions; crime will be out of control.

The wholesale distribution industry understands the concern of banning the sale of flavored tobacco and vape products to the younger generations, but Rhode Island already has a 21-year old restriction for these products. Our organization is only requesting a ***dismissal*** on the potential ban of menthol/flavors to the adult market. Bear in mind, these menthol/flavor purchases account for an average of 35% of total sales at local convenience stores and represents hundreds of millions of dollars in tax collections to the State.

These wholesale distributors, are also the very important tax collectors for the State. Should this ban move forward, many will be forced into bankruptcy especially in the midst of the COVID-19 pandemic. A postponement would be a lifeline to many of these “essential” small businesses that can ill afford to lose at least 35% of their sales at this critical time, not to mention what the state has to lose in excise taxes in those lost sales.

In a perfect world, this would solely be a public health issue. However, we all know that we do not live in a perfect world, and therefore it is also now a business and societal issue. A serious issue, nonetheless, that needs to be handled with care, thought and responsible action.

The marketplace has changed in just the last several months with many manufacturers voluntarily withdrawing most flavored e-cigarettes from the market. Are you aware of what the FDA is doing in regard to flavored products and Pre-Market Tobacco Application (PMTA) submissions? The tobacco industry is working diligently with the Federal Government. We ask you to be patient while the Federal Government comes out with new legislation for **all States that’s truly fact and evidence-based**. We also ask that traditional products, like menthol cigarettes and smokeless tobacco be addressed at a later date, as these products have seen historic lows amongst youth and are the choice of many hard-working adults, making adult choices.

Respectfully, we think you need to call a “time out” so you can hear from the affected retailers, wholesalers, and the community as a whole and investigate whether a sales ban would actually keep the product away from kids and take the time to better understand all the regulatory and market forces at play here. We are dealing with a pandemic and civil unrest....please don’t make it worse.

I am available to discuss the subject at hand with you at any time. My contact information is below.

I thank you for your time and consideration.

Respectfully,

Kyle Feldman

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