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**Michigan Vape Shop Owners request that lawmakers please consider the following points when deliberating on this important issue:**

- Our industry has weathered an onslaught of storms in the last year.
- The flavored nicotine e-liquid ban last fall.
- False blame for the EVALI sickness and death, caused by black market THC cartridges.
- Being shutdown for nearly 3 months as non- essential.
- The daunting task of navigating and complying with the myriad of Covid-19 regulations that have been decreed.
- The economic patient must be considered. Prudent decisions by lawmakers are essential if our industry and the economy as a whole are to recover.
- We understand and support fair taxation.
- Given the current precarious economic reality, please consider that poorly timed taxation and regulation represents a dangerous burden: to an already beleaguered industry.
- The dead pay no taxes. Nor do closed businesses or those that leave Michigan.
- We support fair and necessary licensing, used only to maintain standards. Michigan's economy has suffered from over licensing and misuse of licensing.
- In the best of times, too high a tax could send adults back to deadly combustibles leading to increased health care costs. Michiganders are far from the best of times.
- **The MVS0 has spoken with many of you and we stand ready to work with you to craft balanced regulation.**



## **The Michigan Vaping industry is not Big Tobacco**

- We are members of and engaged in our communities. During Covid-19 we supplied masks and hand sanitizer to our customers and police stations and first responders via carry out service. Even though we were deemed non-essential.
- Our customers are our neighbors and friends. We work in our shops, face to face with the public every day.
- For many of us this is not just a business. Vaping saved our lives or the lives of family members, and this industry became our calling.
- According to a September 2019 Washington Post article “Mom-and-pop vape shops are the fastest-growing retail segment of the past decade”, as well as the one with the highest share of employees at small businesses.
- Two thirds of vape-shop workers are employed by the 93 percent of businesses with fewer than 10 employees — a higher rate than for any other retail segment.
- Michigan Vape shops employ an estimated 2,500 direct and another 2,000 indirect job positions.
- A government ban on flavored vapes and increased regulation could wipe them out and leave an opening for Big Tobacco and big tech to dominate the fast-growing industry.
- Rules that make running a vape shop more expensive will accelerate a classic cycle in which a few major players muscle out their small-business competition as an industry matures, University of Notre Dame economist Benjamin Pugsley said. “When you have regulations that are increasing the entry cost of any particular industry, that tends to favor the large incumbents,
- State lawmakers like yourselves have the power to give our industry to big tobacco. These companies are responsible every year for 480,000 American deaths and 8 million worldwide.
- Vape shops already previewed the process once, in August 2016, when the FDA began regulating e-cigarettes and associated items as tobacco products. The change coincided with a sharp drop in vape-shop employment.
- Vape Shops experienced a similar sharp decline in the fall of 2019, due to the ill considered Michigan flavor ban.



- Preserving the vaping industry for small business, benefits both public health and Michigan's economy.
- Michigan Vape shops have a total economic impact of over 600 million dollars. Indirectly vape shops help reduce smoking related health care costs, which in a recent year topped \$4.59 billion in Michigan.

Vaping is not harm *elimination!* Vaping is harm reduction!

- Centers for Disease Control and Prevention (CDC): "E-cigarettes have the potential to benefit **adult** smokers who are not pregnant if used as a complete substitute for regular cigarettes and other smoked tobacco products." Source
- The U.S. Department of Health and Human Services (HHS): "E-cigarettes present an important, potentially lifesaving opportunity to help currently addicted adult smokers quit combustible cigarettes." Source
- Royal College of Physicians "Large-scale substitution of e-cigarettes, or other non-tobacco nicotine products, for tobacco smoking has the potential to prevent almost all the harm from smoking in society," Source
- Dr Scott Gottlieb , the former FDA Commissioner "If we could take every adult smoker and fully switch them to e-cigarettes, that would have a substantial health impact"

