



Councilmember David Ryu
Chairman
Health, Education, Neighborhoods, Parks, Arts and River Committee
200 N. Spring Street
Los Angeles CA 90012

Re: Council File 18-1104 – Flavored Tobacco

Dear Chairman Ryu,

Since my testimony was limited to 1 minute at the March 27 Committee hearing, I am submitting my written testimony for the record on behalf of the American Petroleum and Convenience Store Association (APCA). APCA represents hundreds of the 4,500 license tobacco retailers in the City of Los Angeles that will be directly impacted by a sales restriction on flavored tobacco products.

The motion before your committee directs the City Attorney and Chief Legislative Analyst to report on a proposed strategy to restrict the sale of flavored tobacco to youth and report on the way and means of how other cities are addressing this issue.

As retailers who have friends and family in San Francisco, Oakland, San Leandro and other cities that have passed flavor bans, we can tell you that flavor bans have been devastating to small businesses and have created a robust black market for menthol cigarettes and flavored cigars.

We can also tell you that in every community that has passed a flavor ban that the retail community has been ignored and elected officials have dismissed their concerns.

We believe Los Angeles can and must do better. The majority of the businesses that will be impacted are minority-owned, small businesses.

Public hearings and public testimony do not allow for an exchange of information and ideas and by the time hearings are held, our experience has been that it is too late to address concerns of the small business community.

There are fiscal impacts to the city and to the licensees that must be examined prior to moving forward. Neither the health department nor the City Attorney has the expertise to undertake this type of analysis.

The Chief Legislative Analyst should be directed to analyze the fiscal impact that a flavored tobacco ban would have on existing businesses and the city's finances. In San

Francisco, the budget analyst estimated a \$50 million impact. We believe the impact in LA will be much greater.

It makes no sense to us that the city would seek to ban the sale of flavored tobacco at licensed tobacco retailers. A flavored tobacco ban would dismantle the regulatory system keeps these products off of the black market and out of the hands of minors.

Even public health officials acknowledge that local flavor bans are problematic. Samir Soneji, an associate professor of health policy at the Dartmouth Institute recently stated that locally based flavor ban policies would quickly hit a ceiling because they create a potential for a black market. He noted that a San Francisco resident could pick up e-cigarettes in neighboring Oakland, for instance.

We have heard from colleagues and family members who own stores in San Francisco, Oakland, Contra Costa County and San Leandro that menthol cigarettes and other flavored tobacco products are being sold on the street at ridiculous prices.

At a hearing in San Pablo on its flavored tobacco ban, a resident told the City Council of his observations in the financial district in Downtown San Francisco. He said the black market is thriving. There are people selling cartons of menthol cigarettes and packs of flavored cigars to people who can no longer purchase these products in licensed tobacco retailers since the City banned all flavored tobacco.

Packs of menthol cigarettes are being sold for \$15 in San Francisco and single menthol cigarettes are going for \$2 a piece on the illicit market.

We look forward to beginning a discussion of how we can strengthen the already successful tobacco retail license program to keep flavored tobacco products in licensed retail outlets.

Sincerely,

Money Samra
Chair, LA Chapter

Cc: LA City Clerk
LA City Councilmembers