

Policy Tip Sheet



Policy analysis from
The heartland insTiTuTe

Tobacco Harm Reduction 101: Alaska

Since their introduction to the U.S. market in 2007, e-cigarettes and vaping devices—tobacco harm reduction products that are 95 percent safer than combustible cigarettes—have helped more than three million American adults quit smoking.

1. Economic Impact

According to the Vapor Technology Association, in 2018, the industry created 196 direct vaping-related jobs, including manufacturing, retail, and wholesale jobs in Alaska, which generated \$6 million in wages alone.¹ Moreover, the industry has created hundreds of secondary jobs in the Last Frontier, bringing the total economic impact in 2018 to \$40,454,800. In the same year, Alaska received more than \$1.7 million in state business taxes attributable to the vaping industry. These figures do not include sales in convenience stores, which sell vapor products including disposables and prefilled cartridges. In 2016, average national sales of these products eclipsed \$11 million.²

2. State Health Department Data

As of December 3, 2019, the Alaska Department of Health and Social Services (ADHSS) has reported one case of vaping-related lung illness.³ The patient was in their teens and reported using a tetrahydrocannabinol (THC)-containing vapor product. *The Heartland Institute gives ADHSS a grade of A for information available on vaping-related lung illnesses.*

3. More Information Needed

The most recent report on youth e-cigarette use in Alaska is from the 2017 Alaska Youth Risk Behavior Survey.⁴ According to the survey, in 2017, 15.7 percent of Alaska high school students reported using a vapor product on at least one day during the 30 days prior to the survey. This is a decrease from 17.7 percent in 2015. There is no data on frequent and/or daily e-cigarette use. More data is needed to understand the effects of public health campaigns on youth e-cigarette use.

4. Youth Sales Miniscule

From January 1, 2018 to September 30, 2019, the U.S. Food and Drug Administration (FDA) administered 464 tobacco age compliance inspections in Alaska, in which the agency used a minor in an attempt to purchase tobacco products.⁵ Of those, 41, or 8 percent, resulted in a sale to a minor. Of the violations, 5 (12 percent of violations and 1 percent of all compliance checks) involved the sale of e-cigarettes or vaping devices. The number of violations involving sales of cigars and cigarettes were 2 and 34, respectively, during the same period.

5. Misspent Money

In 2019, Alaska received an estimated \$83.2 million in tobacco taxes and tobacco settlement payments. In the same year, the state spent only \$9.1 million, or 10 percent on funding tobacco control programs, including education and prevention.⁶

Policy Solution

Electronic cigarettes and vaping devices have proven to be tremendous tobacco harm reduction tools, helping many smokers transition away from combustible cigarettes. Despite recent fearmongering, their use is significantly safer than traditional cigarettes, as noted by numerous public health groups including the Royal College of Physicians,⁷ Public Health England,⁸ and the American Cancer Society.⁹ Rather than restricting their use, and undoubtedly reducing public health gains and millions of dollars in economic output, lawmakers should dedicate existing tobacco funds on programs that actually reduce youth usage.

Key Points

- 1 Alaska's vaping industry provided more than \$40 million in economic activity in 2018 while generating 196 direct vaping-related jobs. The national average of sales of disposables and prefilled cartridges exceeded \$11 million in 2016.
- 2 As of December 3, 2019, ADHSS has reported one case of vaping-related lung illness, with the patient reporting use of a THC-containing vapor product. ADHSS earns an **A** for its reporting on vaping-related lung illnesses.
- 3 In 2017, 15.7 percent of Alaska high school students reported using vapor products on at least one day in the previous 30 days. There is no information on frequent and/or daily use. More data is needed.
- 4 Only 1 percent of FDA retail compliance checks in Alaska resulted in sales of e-cigarettes to minors from January 1, 2018 to September 30, 2019.
- 5 Alaska spends very little on tobacco prevention. In 2019, Alaska dedicated only \$9.1 million or 10 percent of what the state received in tobacco settlement payments and taxes.

Notes

Tobacco Harm Reduction 101: Alaska

References

- ¹ Vapor Technology Association, “The Economic Impact of the Vapor Industry ALASKA,” 2019, <https://vta.guerrillaeconomics.net/reports/8c07329b-0926-4f52-ab3a-0657a485c917?/>
- ² Teresa W. Wang et al., “National and State-Specific Unit Sales and Prices for Electronic Cigarettes, United States, 2012-2016,” *Preventing Chronic Disease*, Centers for Disease Control and Prevention, August 2, 2018, https://www.cdc.gov/pcd/issues/2018/17_0555.htm.
- ³ Alaska Department of Health and Social Services, “Alaska reports its first case of EVALI,” December 3, 2019, http://dhss.alaska.gov/News/Documents/press/2019/DHSS_PressRelease_AlaskaEVALIcase.pdf.
- ⁴ Centers for Disease Control and Prevention, “High School YRBS Alaska 2017 Results,” 2017, <https://nccd.cdc.gov/youthonline/App/Results.aspx?LID=AK>.
- ⁵ U.S. Food and Drug Administration, “Compliance Check Inspections of Tobacco Product Retailers,” September 30, 2019, https://www.accessdata.fda.gov/scripts/oc/inspections/oc_insp_searching.cfm.
- ⁶ Truth Initiative, “Tobacco use in Alaska,” June 28, 2019, <https://truthinitiative.org/research-resources/smoking-region/tobacco-use-Alaska-2019>.
- ⁷ Royal College of Physicians, Nicotine without Smoke: Tobacco Harm Reduction, April 2016, <https://www.rcplondon.ac.uk/projects/outputs/nicotinewithout-smoke-tobacco-harm-reduction-0>.
- ⁸ A. McNeill et al., “Evidence review of e-cigarettes and heated tobacco products 2018,” Public Health England, February 2018, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/684963/Evidence_review_of_e-cigarettes_and_heated_tobacco_products_2018.pdf.
- ⁹ The American Cancer Society, “What Do We Know About E-Cigarettes?” June 19, 2019, <https://web.archive.org/web/20190806152535/https://www.cancer.org/cancer/cancer-causes/tobacco-and-cancer/e-cigarettes.html>.

For More Information, please refer to:

Tobacco Harm Reduction 101: A Guidebook for Policymakers

<https://www.heartland.org/publications-resources/publications/latest-heartland-policy-booklet-addresses-vaping-myths>

This booklet from The Heartland Institute aims to inform key stakeholders on the much-needed information on the benefits of electronic cigarettes and vaping devices. *Tobacco Harm Reduction 101* details the history of e-cigarettes, including regulatory actions on these products. The booklet also explains the role of nicotine, addresses tax policy and debunks many of the myths associated with e-cigarettes, including assertions about “popcorn lung,” formaldehyde, and the so-called youth vaping epidemic.

Nothing in this *Policy Tip Sheet* is intended to influence the passage of legislation, and it does not necessarily represent the views of The Heartland Institute. For further information on this and other topics, visit the *Budget & Tax News* website, [The Heartland Institute’s website](#), and *PolicyBot*, Heartland’s free online research database.

The Heartland Institute can send an expert to your state to testify or brief your caucus; host an event in your state; or send you further information on a topic. Please don’t hesitate to contact us if we can be of assistance! If you have any questions or comments, contact Heartland’s government relations department, at governmentrelations@heartland.org or 312/377-4000.