

Administration of Donald J. Trump, 2019

Remarks at a Listening Session on Youth Vaping and the Electronic Cigarette Epidemic and an Exchange With Reporters

November 22, 2019

The President. Please.

American Medical Association President Patrice Harris. Good afternoon, Mr. President. And thank you for this opportunity to engage in this very important matter. I am Patrice Harris. I am president of the American Medical Association. I am a child and adolescent psychiatrist.

The President. Thank you very much. I appreciate it.

Vapor Technology Association Executive Director Tony Abboud. Thank you, Mr. President. We do appreciate your leadership on this issue and bringing everybody together. My name is Tony Abboud. I'm the executive director of the Vapor Technology Association. We are a national trade association that represents companies throughout the entire industry. And we are looking and are urging an urgent solution to this issue of youth vaping.

The President. Do you have the solution?

Mr. Abboud. We do. And believe we do have the solution.

The President. That's good. Well, then, you'll say what it is. Okay?

Mr. Abboud. Yes, absolutely.

The President. Let's hear it. Go ahead, Matthew.

Campaign for Tobacco-Free Kids President Matthew L. Myers. Mr. President, it's a pleasure, and thank you for taking the time to do this. My name is Matthew Myers. I'm the president of the Campaign for Tobacco-Free Kids. I've been working on reducing death and disease from tobacco for 35 years. And I've never seen an epidemic this serious, this rapid, and this intense that's caused by the flavors of these e-cigarettes among our youth.

The President. And do you think you have a solution?

Mr. Myers. I do think we have a solution. And I think, in September, the solution that you posed is an extraordinarily powerful step in the right direction.

The President. Okay. We'll take a look at it. Good.

JUUL Labs, Inc., Chief Executive Officer K.C. Crosthwaite. Mr. President, thank you for having me here. I'm K.C. Crosthwaite. I became CEO of JUUL Labs 8 weeks ago. This is a very serious issue to discuss, and thank you for hosting us to have the discussion. I'm honored to be a part of it, and I look forward to engaging with everyone in the room on solutions to the problems.

The President. So did you know it was going to be so controversial?

Mr. Crosthwaite. Yes, sir. I knew I was stepping into a pretty intense environment. But happy to lead the company and honored to offer solutions here to this problem.

The President. Good. Thank you very much.

Mr. Crosthwaite. Thank you.

American Academy of Pediatrics President-elect Sally H. Goza. I'm Dr. Sally Goza. I'm a pediatrician from Fayetteville, Georgia. And I'm president-elect of the American Academy of Pediatrics. And thank you so much. The children are counting on us.

The President. Good. Thank you very much.

Americans for Tax Reform Executive Director Christopher Butler. Hi, I'm Christopher Butler. I'm Executive Director of Americans for Tax Reform. Thank you so much for having us. We're concerned both about the public policy implications of this for adult vapers, but also we view it as something as a prerequisite of keeping people in the liberty coalition that are necessary to us doing everything that we care so much about on economic acts and regulatory policy.

The President. Okay. Very good. Thank you very much.

American Cancer Society Chief Executive Officer Gary M. Reedy. Good afternoon, Mr. President. I'm Gary Reedy. I am CEO of the American Cancer Society and the American Cancer Society Cancer Action Network. And I want to thank you for making this public health epidemic a national priority.

The President. So where are you? What is your stance? It's a very important position you have. What is your stance on vaping, e-cigarettes? How are you—have you taken a stance?

Mr. Reedy. Yes, we have, and we are totally aligned and supportive with the position you took on September the 11th. We think that is a right step.

The President. That I put forward as a concept?

Mr. Reedy. That you put forward, correct.

The President. Yes. Okay. Okay. Let me take a look.

Domestic Policy Council Director Joseph J. Grogan. Joe Grogan, Director of the Domestic Policy Council.

American E-Liquid Manufacturing Standards Association President Scott Eley. Good afternoon, Mr. President. My name is Scott Eley. I'm the president of the American E-Liquid Manufacturing Standards Association. I know it's kind of a long—we call it "AEMSA." We were founded in 2012, and we open publish manufacturing standards for e-liquid products that anybody—any manufacturing industry may use.

The President. And if you don't have high standards, you're going to have some very dangerous things happen?

Mr. Eley. Yes.

The President. That's what been happening, right?

Mr. Eley. Absolutely.

The President. Where people are using devices and other things that are not good. Right?

Mr. Eley. They have that potential. Certainly, it does.

The President. I see. That's a problem. Thank you.

Concerned Women for America Chief Executive Officer and President Penny Young Nance. Mr. President, Penny Nance, CEO and president of Concerned Women for America. And we very much support what you put forward in September. We have half a million members, many of whom are moms that are very concerned. And in addition, they asked me, begged me, deluged me with notes to tell you that they love you and they support you all the way. We appreciate you.

The President. Thank you. That is very nice. Thank you. That's really nice.

Heritage Action Executive Director Tim Chapman. Mr. President, thank you for having me here. I'm Tim Chapman, the executive director of Heritage Action. We are very concerned about this issue. We want to play an active role in helping you get to the right solutions. More importantly, we are big supporters of many of the policies you've been pushing, so thank you for that.

The President. Well, thank you very much.

American Lung Association National President and Chief Executive Officer Harold Wimmer. Mr. President, thank you for the invitation to be here. My name is Harold Wimmer. I'm the president and CEO for the American Lung Association. And, on behalf of our organization, I want to thank you for your leadership with bringing this issue to the public light. That—it needed to be. And for—also for you to also help us focus this on the kids and to really work on this regarding the addiction that kids have on e-cigarettes now.

The President. And what is your position, may I ask?

Mr. Wimmer. It's similar—very similar to what you proposed on September 11: to ban all flavored e-cigarette products.

The President. Right. Good. Thank you.

Maryland State Senator Michael Hough. Thank you very much, Mr. President, for having me here. I'm Mike Hough; I'm a State senator from Frederick and Carroll County. We're actually home to Camp David——

The President. Good.

Sen. Hough. So we love to have you there. And I have—this is my part-time job. My other job: I'm the chief of staff for Congressman Alex Mooney from West Virginia, so we're both big fans of yours——

The President. Say hello to him.

Sen. Hough. ——probably second only to my wife, who was one of your original supporters after you came down the escalators.

The President. Thank you. And say hello. Thank you.

Sen. Hough. I will do that.

The President. Kellyanne, go ahead.

Counselor to the President Kellyanne Conway. Kellyanne Conway, Counselor to the President. Mr. President, thank you very much for not shying away and looking the other way at an emerging public health crisis and for the courage to invite people from both sides of the issue in the Cabinet Room to have this conversation. Thank you, Mr. President.

The President. Thank you, Kellyanne.

Mitt.

Senator W. Mitt Romney. Mr. President, I'm Senator Mitt Romney. Myself and Senator Merkley have authored—offered legislation that's very consistent with your policy from September—your discussion in September—which is to ban flavors so that we don't have kids getting hooked on nicotine products. We also insist that cartridges are tamper-proof so kids can't add contaminants to the cartridges. But that's very consistent with your point of view.

The President. Thank you, Mitt. Well, this is a very big subject, and it's a very complex subject, probably a little bit less complex than some people think. But I'm here to listen, and I have very divergent views.

Who would like to start? Maybe I'd ask Alex to start and give us a little bit of a background on where we are and what we're doing and what we're thinking about.

Secretary of Health and Human Services Alex M. Azar II. Oh, sure. Sure. Well, thank you, Mr. President. And thank you for your work and leadership on this issue. Your attention to it demonstrates your deep commitment to Americans' health and, in particular, the health and well-being of our youth.

While e-cigarettes can potentially be an offramp for adults that are addicted to combustible tobacco, we can all agree that we can't allow them to become an onramp to nicotine addiction and combustible tobacco use for our kids.

As the President said, we're here today to listen to you, individuals and organizations that represent many different aspects of this issue. The question of how to regulate e-cigarettes is highly complex. So it's vital to gather an array of perspectives to understand the best way to go about protecting America's youth.

So thank you, Mr. President, for organizing this gathering today, and we all look forward to hearing from our guests.

The President. Good. I do too. And I want to.

How about you start? You had an interesting point of view early on. Where do you stand?

Kentucky State Senator Julie Racque Adams. Well, I think that, you know, we clearly, in Kentucky, have a problem with teen smoking, but I think that having access to vaping products is not necessarily the answer. And it goes beyond just the flavors, in my opinion. It is—we shouldn't have access for any vaping product, I think, until you're 21 years of age.

Any—the more you introduce nicotine into a kid's brain, the more it has shown that they become addicted to other substances. So the longer that we can keep nicotine out of the hands of kids, I think it's in everyone's best interest.

The President. Well, one of the things we'll be talking about will be age, because age is a big factor. And we're going to be coming up with a number. I think we have to come up with a hard number at some point, so we'll be doing that.

Let me now—so you had something very interesting to say before. Go a step further, please. Yes, please.

Parents Against Vaping Cofounder Meredith Berkman. Well, again, I also want to amplify what others have said. You know, Mr. President, it is no secret that you have great instincts. And your first instinct on solving this problem of the youth vaping epidemic we—and I think many people in this room—believe is the right one, and that is ridding the market of all of these flavors, including menthol flavor and mint flavor, because it's the flavors that have hooked the kids and that kept the kids from perceiving harm in these products and the presence of nicotine.

And so, you know, I'm here; we've stayed up all night—we're a grassroots group representing families all across the country—and we went through the thousands of e-mails and letters and social media outreach that we've gotten from families in, you know, every State that I can think of: in Florida, in Ohio, Wisconsin, New York, Texas.

These are real-life stories—I'm happy to leave this for you—of families who have had their lives upended by the severe nicotine addiction that was caused by these flavored e-cigs. Kids are in pain, and we need you to help us.

The President. Well, a lot of people want to leave the menthol. They say, "Get rid of flavors, but leave the menthol." I've heard that from a lot of people.

Mr. Reedy. No.

The President. No? Go ahead.

Mr. Reedy. Well, I think what we have seen in the data is that if you leave the menthol, then they'll just start using menthol. So—and what we've seen so far is that even when the flavors—some flavors are eliminated, that they'll still keep on going to anything that's flavored. So we—that is not a good solution.

The President. So what are you suggesting? What are you suggesting?

Mr. Reedy. I'm suggesting exactly as what you suggested: that you take all flavored e-cigarettes off the market——

The President. Including menthol?

Mr. Reedy. ——including mint and menthol.

Counselor Conway. Well, the new JAMA data suggests that kids don't use menthol though. So——

National Association of Convenience Stores President and Chief Executive Officer Henry Armour. I think there's a problem, because in the cigarette category, a third of the category is menthol. And there is no question this country needs to solve the problem of youth access to vaping. I think we can do that. I think your comment about going to be 21 is a step there.

But I think on things like no direct access to vaping products—i.e. keeping them behind the counter—I think things like that are important. But menthol—if part of the reason why we have vaping is to try and help people that are smokers migrate to a lower risk product, a third of the smokers are menthol smokers.

The President. That's right.

Mr. Armour. And by eliminating that, I think that cuts off that path. But we have to really be very serious about preventing sales of vape products to any minor, and stores need to face the consequences if they do that. I mean, they should get their licenses pulled and so forth.

The President. So how many stores do you represent?

Mr. Armour. A hundred and fifty-three thousand. Two and a half million employees.

The President. That's a lot of stores.

Mr. Armour. So that conducts 160 million transactions a day.

The President. Now, were you higher in stores 5 years ago because of what's going on with the internet? I mean, you're losing stores now to the internet, wouldn't you say?

Mr. Armour. Not——

The President. Would you say you're losing stores?

Mr. Armour. Not—no. Not convenience stores.

The President. Not convenience stores?

Mr. Armour. No.

The President. That's good. That's a positive sign.

Mr. Armour. Remember that David Urban took you into a Wawa in Pennsylvania

The President. Right. That's right.

Mr. Armour. —during the campaign. So those are my people. And probably more importantly, they're your people.

The President. Okay. They are. And they're—everybody. They're great people. And what are they saying about the vaping phenomena? What are they saying?

Mr. Armour. They're saying the same thing as they say about our sales of beer, wine, cigarettes. You know, we're in every community in the United States. We have a reputational risk in those communities.

And it is super important for our members to be socially responsible retailers. So the focus we have on doing that—through training programs, through reprogramming POS terminals, to prohibiting the sales of products to people that are under age—super important. I mean, we need to have a very serious regulations about sales to underage people.

The President. So then, representing all of those stores—great people—what is your solution? What is their solution and your solutions?

Mr. Armour. So kind of six points. First, as I mentioned, prohibit direct access to the product, meaning put it behind the counter; only employees have access to it. Second is restricting sales to people 21 years and older.

The President. So 21.

Mr. Armour. Third is restricting the number of items they can purchase per transaction. So you can't—one of the problems you have is that adult-age people are buying multiple—more than they need, and then reselling it—social sales—to underage people. We need to restrict that by restricting the number of items they can buy in a transaction.

I think we need to require either a training program for employees or require reprogramming of POS terminals. The FDA has the authority to do that under the Tobacco Control Act and has never approved a training program. If they did, they could fine and restrict and pull licenses for people who don't train.

The President. And what about flavors?

Mr. Armour. You know, we—our most important thing is a level playing field that all retailers abide by the same laws, you know? We think flavors are——

The President. So are you saying—would you not restrict——

Mr. Armour. —probably good for adult smokers. They are horrible for anyone else. But if there's a label—level playing field, and you decide that this is what you're going to do——

The President. So what would you do with flavors?

Mr. Armour. We would abide by the law. If the law decided to ban flavors, we would abide by that law.

The President. Go ahead.

American Vaping Association President Gregory Conley. Mr. President, your instincts on September 11 were correct, but facts and the situations changed. On September 11, you were

under the impression what the CDC was saying was that vaping—vaping, in general—was killing people. But now we know, from the CDC, that their main focus of their investigation, it's not store-bought nicotine products. It's not the companies that Tony Abboud represents. It was illicit THC oil cartridges——

The President. Right. That's true.

Mr. Conley. ——sold by drug dealers.

And so right now it's important that you know: Michael Bloomberg, who is no friend to your Presidency, he is funding \$160 million to try to ban these flavors. And many people in this room are the recipients of those monies. So they are not here with the position of "we can come to a compromise." They have money specifically to get these products banned. And the 10,000-plus small businesses, they can't survive with just tobacco and menthol. They age restrict; they only allow adults in their store.

The President. So what would you do?

Mr. Conley. I think we need to raise the age to 21. We need bulk sales purchase limits. We need marketing restrictions. We—and also, most importantly, there is—in May of 2020, every single vaping product on the market has to go through what's known as a premarket review. That's going to cost several million dollars per product. So even if we solved this crisis today—which I hope we do—in 5, 6 months, we're back where we started with potentially only the largest multibillion dollar companies being able to survive.

The President. Because people can't afford that.

Mr. Conley. Exactly. And all these small businesses, they're the ones that are employing people—70,000, 80,000 direct jobs; 70,000 indirect jobs.

The President. So what are you recommending on flavors?

Mr. Conley. On flavors, we think we need at least a wide-open market in some places. So we would prefer only tobacco, 21; bulk sales limits—many things advocated by NACS. But at the worst, products that haven't undergone FDA review should be able to be continue to be sold in adult-only stores. But that's not the best. We want smokers to be able to access these products everywhere they can purchase a pack of Marlboros.

And if Senator Rand Paul, who is a doctor, just 2 weeks ago in the Senate, he said these products have likely saved hundreds of thousands of lives, and we can't forget about the adult smokers in this debate.

The President. Okay.

Mr. Conley. Thank you, Mr. President.

The President. Matthew.

Mr. Myers. Mr. President, thank you. You know, we have tried—you know, it's already illegal to sell these products to people under 18. And yet we have seen the largest increase in youth use of nicotine product in the last 4 years, literally in the history of our Nation. And at the same time, with the availability of the flavors, we have seen no increase whatsoever in the percentage of adults who use these products.

The flavors have fueled youth use of these products. And what's particularly concerning is, it led to a level of addiction that we have never seen, even with cigarettes, because these products deliver more nicotine more powerfully. So what we're seeing—and others here can talk to you about it in more detail—kids becoming addicted quicker, unable to quit, suffering extraordinary withdrawal symptoms as a result.

The President. Well, what would you do, Matthew? You've been working on this for a long time.

Mr. Myers. I think the answer is, having worked on this issue for 35 years, I would, in fact, eliminate the sale of any flavors that haven't been approved by the Food and Drug Administration. We're talking about a temporary step in order to prevent the continued, dramatic rise up there.

FDA has the authority then to review these products. And if any of them comply, you—and people can demonstrate that they actually help people quit and that they don't unduly appeal to kids, then they can be marketed.

What we've seen now, though, is just the opposite. We have seen an epidemic among our kids that I haven't seen in—ever before. We now have more kids using nicotine products than in any time in the last 20 years. And what's more disturbing about it is that 34 percent of the kids who use these products use them more than 20 days a month, which means they're hooked. They can't quit. We have stories of young people who say: "I started it because it was cool. And literally, within days, I lost control." Kids sleep with these products, because they need to wake up in the middle of the night.

This is something we can do something about. FDA has the authority to review these products. The question is: What should we do in the interim with it? And because we have seen no increase——

The President. So what would you do?

Mr. Myers. I would eliminate the flavors, all of them, except for——

The President. Menthol.

Mr. Myers. ——tobacco flavored.

The President. What about menthol?

Mr. Myers. Well, what we've seen is, 2 years ago, JUUL said they were going to make mango less accessible. Kids moved immediately to mint. Now, if we eliminate mint—what many people don't realize is, do know what the number-one ingredient in mint is? It's menthol. We already have some companies that have multiple versions of menthol, and many of them taste a lot like mint. And so, unless FDA actually constrains something very narrowly, it's one of those big Pandora's box that we can't get out of.

The President. Yes. Now, you're the head of JUUL.

Mr. Crosthwaite. Yes, sir, Mr. President.

The President. So what do you—what do you say?

Mr. Crosthwaite. Well, when I came into the job, we decided that action needed to be taken. We agreed this was a serious issue. So we have already removed our flavors from the market. Most recently, we removed mint.

The President. Right.

Mr. Crosthwaite. And, for us, that was 70 percent of our business. So it was a big step for us, but felt it was the right thing to do with this youth data that came out and to deal with this issue. Today, we're left with a tobacco and menthol portfolio. But ultimately, we are going to defer to the FDA——

The President. And that's regardless of age?

Mr. Crosthwaite. Excuse me, sir?

The President. It's just removed?

Mr. Crosthwaite. We took it out. We took out all of our flavor SKUs, including mint. We sell menthol and tobacco SKUs. But we will defer to the FDA. We said we're not going to——

The President. Who makes the flavors, then? I mean, you're the biggest of the group. Who makes the flavors? Different companies?

Mr. Crosthwaite. Different companies do.

The President. And they continue to make flavors?

Mr. Crosthwaite. Yes, sir.

NJOY Chief Executive Officer Ryan Nivakoff. And, Mr. President, look, we are the second largest vapor company in the country. For every three JUUL products that are sold, one NJOY is sold.

The President. Right.

Mr. Nivakoff. We had 1.2-percent youth use, versus 60 percent youth use for JUUL. It's not necessarily a flavor problem.

The President. So what are you—what are you saying?

Mr. Nivakoff. There are two unassailable facts: The youth problem is a huge problem, and flavors definitively contribute to it. But on the other hand, the other problem—which is macro to this situation—is that if you ban flavors—which there is some public health redeeming virtue to doing so——

The President. Right.

Mr. Nivakoff. A hundred thousand Americans are going to lose their jobs. It's not disputed by anybody in the public health——

The President. They're going to lose their jobs?

Mr. Nivakoff. Their community and the vape shop community——

Mr. Abboud. Actually, the number is higher, Mr. President. The number is 150,000——

The President. They're going to lose their jobs?

Sen. Romney. [Inaudible]—much lower.

Mr. Nivakoff. They will lose their jobs, sir.

Sen. Romney. In fairness.

Mr. Nivakoff. They sell—I'd like to finish. They sell exclusively flavors. So the question really is: I don't think we need to argue the virtue of youth not using these products. We all agree that they shouldn't. NJOY, Reynolds American, represent number two and three in the country. Eight with—in the absence of JUUL, represent the balance of the convenience store-channel electronic cigarette market had 1.2- and 2.4-percent youth use, respectively.

The President. Where is Reynolds?

R.J. Reynolds Tobacco Co. President and Chief Commercial Officer Joseph P. Fragnito. We believe that you can market flavors responsibly, Mr. President. Ninety percent of our abuse consumers are above the age of 25.

The President. You're still doing flavors?

Mr. Fragnito. Yes, we are.

The President. So JUUL is not doing it, and they are both doing it. That's interesting, right?

Mr. Nivakoff. And, sir, I think that the issue or the opportunity here is to make a deal for the industry to come here and say——

The President. Well, that's why I have you here. I mean, I'd like to see if we——

Mr. Nivakoff. We recognize that youth use is a problem.

The President. ——can do something for everybody, where everybody is happy.

The one thing I see though—and you watch prohibition, you look at—you know, with the alcohol, you look at cigarettes, you look at all—if you don't give it to them, it's going to come here illegally, okay? They're going to make it.

But instead of Reynolds or JUUL or, you know, legitimate companies, good companies making something that's safe, they're going to be selling stuff on a street corner that could be horrible. That's the one problem I can't seem to forget. I mean, I've seen it. You just have to look—you have to look at the history of it. And now, instead of having a flavor that's at least safe, they're going to be having a flavor that's poison. That's a big problem.

Mr. Abboud. [*Inaudible*]*—*thousands of companies, Mr. President. And there are very large e-cigarette companies at this table, but most of the members of our trade association are small mom-and-pop shops. They're small manufacturers; they're small businesses that have built this industry from the ground up, not from the top down.

The President. So what are you saying?

Mr. Abboud. And we say, you have to implement—as you said, this is complex problem, so you need a sophisticated plan. A flavor ban will not work. And you've articulated one critical reason why it will not work: People will just go to the black market. And that's because adults are demanding these flavors——

The President. But doesn't that happen——

Mr. Abboud. This is the first product.

The President. Let's say you ended—okay, you just ended the flavors, right?

Mr. Crosthwaite. Except for tobacco and menthol.

The President. Isn't that going to be—yes. Isn't that going to be just sold, you know, illegally, or somebody is going to open up a shop in China and ship it in with flavors, and you don't know what standard you're getting? Isn't that a problem?

Mr. Nivakoff. We already see that. In——

Mr. Crosthwaite. It is. And unfortunately, today——

Mr. Nivakoff. ——New York City, if you go to a bodega to buy the JUUL pods, you can buy 15 different versions of JUUL mango, which have been off the market since September.

The President. And that's where the deaths are coming in. It's, really, not from your product, it's from product that's made illicitly. Right?

Mr. Abboud. On the black market.

Mr. Conley. Copycats from China, Mr. President.

Mr. Crosthwaite. We have China counterfeit products on the market today. What we're very focused on is enforcement to get these products off the market. But, yes, Mr. President, it's an issue.

The President. What do you call it? "China counter?"

Mr. Crosthwaite. Excuse me?

The President. What is it called?

Mr. Crosthwaite. Counterfeit products that are—that we're not producing that are on the market today. It's an issue, and it's something——

The President. And how bad are they?

Mr. Crosthwaite. ——we're very focused on.

The President. How bad are they? Bad product, right?

Mr. Crosthwaite. They're bad products.

The President. In some cases.

Mr. Crosthwaite. The issue is, you just—you just don't know, Mr. President.

Mr. Myers. Mr. President, we have 5.3 million kids who are addicted, and it's separate from the lung disease—5.3 million kids. A million kids a day are using these products repetitively with addiction.

Since the flavors have been introduced, we have seen a meteoric rise in use by kids. We have seen no increase whatsoever. Before flavors were marketed so heavily, candidly, by JUUL, the number-one flavor of e-cigarette on the market was tobacco flavor. We're not talking about removing all e-cigarettes. What we're talking about doing is removing the flavors that have fueled the epidemic among our kids.

The President. I understand what you're saying, Matthew. I'm saying this: If we take out flavors, won't they just be made illegally, the same flavor, but maybe unsafe?

Mr. Myers. No. The answer to that, I think, is: What you'll see is, last year, we saw a million and a half more kids become addicted. We can close that onramp. You said it correctly in September; former Commissioner Gottlieb has said the same thing. We can close the onramp. As long as flavors are legally available——

Mr. Butler. The onramp you're going to close is the onramp from adult smokers to vapor. People need flavors in order to do it. You're asking addicts——

Sen. Romney. Most adults are not using flavors.

Participants. Yes, they are.

Mr. Butler. That's not accurate. You're going to ask people that are using flavors today—you're going to ask people that are using flavors today to go back to using the flavor of the product that almost killed them.

Mr. Myers. Mr. President, can I send you two charts?

Mr. Nivakoff. Senator Romney, we represent the second largest e-cigarette company in the country. Ninety-two percent of my revenue is flavors, and I had 1.2 percent of U.S. use.

Sen. Romney. And his is the largest company, and none of his are flavors.

Mr. Nivakoff. We're different companies. We——

Sen. Romney. I understand. His is the largest.

Mr. Nivakoff. We are not JUUL. We are not JUUL, sir.

Sen. Romney. His is the largest.

Mr. Abboud. Over 9,000 people——

Mr. Nivakoff. Seventy percent of youth, according to the National Youth Tobacco Survey, get their vapor products from social sources: friends, family, or other people that are 18 years or older.

Sen. Romney. You have 10,000 stores——

Mr. Nivakoff. Only 8.4 percent get them from convenience stores.

Sen. Romney. You have 10,000 stores selling these things. Ten thousand stores. The kids are overwhelmingly being able to get these by virtue of 10,000 stores selling flavors.

Mr. Abboud. Not the vape shops.

Truth Initiative Chief Executive Officer and President Robin Koval. Sixteen-point-five percent——

Mr. Abboud. The vape shops are typically adult-only shops, Mr. President. And that's——

Mr. Myers. And it turns out, the most recent——

Mr. Abboud. Hold on one second. So it's very important for you to realize, it's the——separate and apart from the convenience stores and the gas stations where kids typically frequent, there is a whole separate distribution chain that has grown up, which is a vape shop that is supplied by a distributor, that is supplied by a manufacturer. And this is the new vapor industry, not the old tobacco industry.

Ms. Koval. And that is the number-one outlet where young people purchase their vapes.

Mr. Abboud. And when you—that is not accurate.

The President. What did she say?

Ms. Koval. The CDC issued a report just last week that said, yes, kids get their vapes from social sources. That's to be expected. The number one—16.5 percent of 9- to 17-year-olds get their vapes from a vape shop. It is the number-one retail source. And in the same study, it also said that these kids are refused only 25 percent of the time.

If a vape shop is willing to sell a 9-year-old a vape, 18 to 21 is not going to help.

Mr. Nivakoff. That suggests we should change the rules if somebody illegally sells a product. It shouldn't suggest that we should limit adults from access.

Participant. We need to punish people who are selling to youth.

The President. Go ahead. What?

Mr. Armour. The convenience store industry, as the lady here just said, has a much better compliance record than adult-only stores. We sell a lot of age-restricted products to make from—as I said earlier—beer, lottery tickets, and vape products, e-cigarettes. It is vitally important to our members to do age-restricted product sales properly. And that's one of the reasons why our compliance rates are much better than just adult-only stores.

The President. And with flavor or without flavor?

Mr. Armour. Well, with anything. If it's age restricted, we take it very, very seriously. I think this whole debate over flavor says, they—you know, half the audience here firmly believes—and I think there's some strong evidence that flavors help adult cigarette smokers to reduce their risk. There are also a huge concern about youths being attracted to vapor because of the flavors. We have to do——

The President. So why did JUUL end flavors?

Mr. Armour. We have to double down and do really——

The President. Yes.

Mr. Armour. ——well on age-restricted products.

The President. Okay. I got it. I got it. Why did JUUL end flavors then? You're the biggest——

Mr. Crosthwaite. Mr. President, when the data came out and we saw the youth usage—it was a serious problem. We felt we needed to act quickly, and we removed the flavors in our business.

The President. So you think flavors are dangerous——

Mr. Crosthwaite. Well, when we——

The President. ——essentially?

Mr. Crosthwaite. When we saw the youth data, we felt the responsible thing to do, as the leader in the industry, was to remove the flavors, given that youth were getting access to flavors.

The President. And yet you think we should have flavors?

Mr. Nivakoff. Yes, sir. I do. I think that we've demonstrated through our business model, which is unique to JUUL, that we can build an adult audience of smokers without creating—of former smokers—without creating a new audience of youth users. And it's been demonstrated through the data.

Over the last 12 months, NJOY has been the second largest electronic cigarette company in the country. The FDA has conducted 146,000 inspections of retail establishments. We've had 29 violations. By way of comparison, JUUL has had 60 times more violations than us—60 times. They sell three times more products than us and has had 60 times more violations.

The President. And why is that?

Mr. Nivakoff. It's because of the way that we have implemented self-policed policies that limit youth access. There's no—nobody can intellectually, honestly tell you that you can permanently eliminate youth access.

The President. What would you say about that?

Mr. Crosthwaite. What we're focused on doing, Mr. President, is getting this back to science-based argument. And we're going to fully support the FDA in this process. Flavors have demonstrated playing an important role for an adult to make an important choice, which is to put down using a cigarette if they can't quit and switch to a product that has less risk, in e-vapor.

We think the science argument is very important. That's what we're focused on. We think the FDA is most appropriate to determine that—what's appropriate for public health.

The President. So do you think you have it right, now? You're okay? You have—essentially, you've gotten rid of the flavor?

Mr. Crosthwaite. I think we've made the right decision, and we're looking forward to filing our PMDA with the FDA.

Mr. Nivakoff. JUUL removed mango in September 2018, and youth use rose. It was the number-one most popular product on the market. Flavors are an issue; they are attractive to youth.

Sen. Romney. The kids. How about the children?

Mr. Nivakoff. Yes, sir.

Sen. Romney. We've got almost 6 million kids addicted to nicotine. And they're getting addicted to nicotine because of flavors. Sixty-six percent of the kids addicted to these products are saying they didn't even know it had nicotine in it. They thought it was just a candy-type product. It's a—it's the flavor that's drawing the kids in. It's a health emergency. I salute the fact that JUUL has said, "We're taking these products off the market because we care about our kids."

The kids—the adults——

Mr. Nivakoff. JUUL is saying——

Sen. Romney. ——and the adults have access. The adults have access to menthol products through JUUL. They have tobacco-flavored products.

The President. So that's why you're here.

Sen. Romney. By putting out cotton candy flavor and—what is it? "Unicorn Poop" flavor. [Laughter] I mean, look, this is kid product. We have to put the kids first.

Mr. Abboud. Sir—[inaudible]—explains why marketing has not been addressed yet. And that's why in our plan, "21 & DONE!," Mr. President, not only have we called for increasing the age to 21—that's a no-brainer; that has to be done. It has to be done because——

The President. I think we're going to be doing that.

Mr. Abboud. ——that keeps it away from the 18-year-olds.

The President. We're going to be doing that. Twenty-one, we're going to be doing. Go ahead.

Ms. Berkman. But that's a first step.

Mr. Abboud. But on top of that, we've—we've laid out 21 different marketing restrictions: banning advertising on television, banning advertising on——

Mr. Nivakoff. We should ban advertising all together. That there's no virtue——

Mr. Abboud. ——banning advertising of the kind that Senator Romney is complaining about. Everybody has criticized the industry for their marketing, but nobody is talking about actually putting in marketing restrictions.

The President. What do you think of the Senate bill?

Mr. Abboud. Well, we think it's the wrong approach, frankly. And I think the better approach would be to raise the age to 21, put severe restrictions on how you market the product. Then, on top of that, you have to increase penalties for retailers, because our retailers are fine with the increasing penalties, because they do know that they are age-gating and keeping these products out of the hands of kids.

So we say, "three strikes and you're out." Today, the FDA can allow you to have seven strikes before you're actually told to stop selling tobacco products. That's unacceptable. And that's perfectly okay from our perspective.

On top of that: age verification. We are in the day—age of technology. And that is what this is; this is a technology product that is helping people quit smoking. And unfortunately, for some people——

The President. Well, in some cases. Not in all.

Mr. Abboud. In some cases, it is.

Participant. Where is the evidence? Do you have all the evidence for that?

Mr. Abboud. It is extremely important. And that's why people are so devoted to this particular product.

But third-party age verification is important.

Counselor Conway. Let's hear from some of the doctors, Mr. President.

Dr. Goza. Mr. President——

The President. Yes, please.

Dr. Goza. I'm a pediatrician, and I take care of children every day. I saw children yesterday. And this is a crisis. We have over 5 million children addicted to e-cigarettes. And these parents and these children are counting on our help. I had a teenage boy in my office crying, telling me: "I was just dumb. I was dumb. I don't know how to get off of this. I cannot get off of it." It is a crisis.

Children tell us they sleep with their JUULs under their pillows so that when they wake up in the middle of the night they can take a vape. And these children—nicotine is so addictive, we really have nothing in arsenal to help them, except for behavioral——

The President. So what are you suggesting, Sally? Do you have a suggestion?

Dr. Goza. I'm suggesting—and the Nation's doctors are here, and we're all of the same message—is that we need to take all flavors off the market, pending FDA investigation of that. And then, we are worried that if we leave one flavor on the market—even menthol—that the children will go to that, because they're going to want something to help—they—they're going to want something. And that's why action is so desperately needed here.

The President. How do you solve the counterfeit problem, if you do that? Okay, so they're not going to—one of these guys are going to do it. They're all legit companies.

Dr. Goza. So my—I would hope our——

The President. How do you solve the fact that it's going to be shipped in from Mexico?

Dr. Goza. I'm looking at Secretary Azar and hoping he has the great solution for that, because I do believe the FDA is able to——

The President. Well, it's the problem. I think you have the same problem with drugs and everything else.

Dr. Goza. But our big thing is that—and this really is where it goes back to the children, is that we have 5 million children addicted now, but what we don't want to do is have another 5 million addicted by leaving the flavors on the market.

Because children like flavors. We flavor medicines—amoxicillin in liquids in bubble-gum flavor—because it tastes good. And medicine is good for children. But e-cigarettes are not, so they should not have flavors.

Ms. Koval. If I may, on the counterfeit issue: We know, actually, that many of these kids want to quit. They need help quitting. We asked kids, "What would you do if all the flavors were taken off the market, including menthol?" Sixty percent—the number-one answer was "quit."

We've introduced a quit vaping program; you use it on the phone. Kids like to—they text in. Since January, with almost no promotion, 60,000 kids have signed up for it. These kids are angry. They didn't sign up for this. They thought it was all fun and flavors until——

The President. You mean they get addicted. And they didn't know about that.

Counselor Conway. [Inaudible]—a doctor. Dr. Harris?

Dr. Harris. Thank you, Mr. President.

The President. Yes, Patrice.

Dr. Harris. The American Medical Association commends you for the stance you took. And I think you have an opportunity here to save a generation from addiction. We know that the youth are attracted to these flavored cigarettes.

And to those who argue that e-cigarettes are effective smoking cessation, the U.S. Preventative Services Task Force has not found the evidence. They examined the evidence and has not found the evidence among adults that these products work for smoking cessation. And if they had the evidence, then they should take it to the FDA, where we can evaluate—the FDA can evaluate, and we can all make decisions based on science and the evidence.

The President. Well, wouldn't you say it's a lesser problem than smoking cigarettes? I mean, they say that—you know, the e-cigarettes, you stop smoking, and that's better. You don't think so, Sally?

Dr. Goza. No, sir. Thank you, Mr. President. No, it—nicotine addiction is not good. It's bad for the children's brains. It affects them with their attention. It affects their——

The President. So it's a similar thing? Okay, how does that compare to, let's say, to normal smoking of cigarettes—what you're talking about?

Dr. Goza. Neither one are good.

Mr. Conley. They don't want to answer that question, because they don't want to admit that if an adult smoker switches to vaping that they greatly benefit their health. The Royal College of Physicians, Public Health England; even your own former Commissioner, Scott Gottlieb, has stated, "smokers who switch improve their health."

Sen. Romney. That's right. That's right. It helps adults.

Mr. Myers. But the difference is, the data shows that the kids who are using these products are not kids who are smokers and they're very often not kids who would have become smokers. So that the measurement of the risk for this kids is——

Mr. Butler. No, your smokers are down——

Mr. Myers. It is consistent with all of the Government studies.

Mr. Abboud. That's not accurate.

Mr. Myers. These are not our figures.

The President. All right. Tony, go ahead.

Mr. Abboud. I'm sorry, that's just not an accurate statistic. It's less than 1 percent. Most of the kids who have tried this product have already tried cigarettes or some other tobacco product. These are kids that have at-risk behaviors. And that is why, yes, we had to——

The President. But they do get people off smoking.

Secretary Azar. I'm sorry, but that's a false statement.

Sen. Romney. Half the kids in my high schools——

Secretary Azar. I'm sorry, but that is a completely false statement.

Sen. Romney. Utah is a Mormon state. Utah is a Mormon State. Half the kids in high school are vaping. All right? [*Laughter*] They wouldn't have used these products——

Mr. Abboud. [*Inaudible*]—why we have a complex solution that also preserves the adult's ability to get off of cigarettes.

Participant. And all the jobs.

The President. Go ahead. Tell me about lungs. Come on. What do you think?

Mr. Reedy. Well——

Counselor Conway. The other gentleman, American Lung Association.

The President. Yes. Then, we'll do that. But go ahead.

Mr. Reedy. Well, no. I was going to say, you know, the American Cancer Society is an evidence-based organization like all of the public health groups in here.

The President. Well, what is your public stance on this?

Mr. Reedy. Our public——

The President. It's a new, modern-age problem that, 5 years ago, I guess—when did this really begin?

Participant. About 10 years.

Secretary Azar. About 2 years ago——

The President. I mean, really—but, really 2 years ago——

Secretary Azar. ——is when it exploded.

The President. Go ahead. Tell me what your stance is.

Mr. Reedy. Our stance is very aligned with what you suggested on September the 11th. We fully support that position to take all flavored e-cigarettes off of the market. And it—I'll tell you——

The President. Regardless of age?

Mr. Reedy. Yes, absolutely.

The President. What about flavoring over 21, no?

Participant. There's no way to do it. There's no way to do it.

Mr. Nivakoff. Mr. President, again, the debate is not whether there is a virtue in youth using these products. It's an epidemic of youth use. Nobody disputes that in the industry. It's a matter of—if we accept——

The President. But wouldn't they use it a lot less if they didn't have flavors?

Sen. Romney. Of course.

Mr. Nivakoff. Youth would. They——

The President. Then, you get back to the counterfeits, still. You still—you're always going to have that problem.

Mr. Nivakoff. They would. Then, the counterfeit market would take place. And if flavors didn't exist, their category, their entire industry would disappear. Our business would be—would get severely damaged.

The President. If what? Disappear if what?

Mr. Nivakoff. If flavors disappeared. Youth use product——

The President. And yet the biggest company doesn't have flavors.

Mr. Nivakoff. In 2000, 20 percent of American youth smoked cigarettes.

The President. So why doesn't the biggest company——

Mr. Nivakoff. Cigarettes aren't flavored.

The President. All right, I got it. So why doesn't the biggest company have flavors?

Mr. Conley. Because they're playing a long-term goal. I think they have—make an excellent product for adult smokers. But they're long-term play is sit out, file applications with the FDA, let the small- and medium-sized businesses go the way of the dinosaurs, and then they can come back have 90 percent of the market.

The President. Sounds like Rockefeller. [*Laughter*] Rockefeller did that.

Mr. Abboud. Well, we're talking about a 151,000 jobs. An economic impact analysis that we just put out this morning from John Dunne and Associates concluded that over 13,000 small businesses would close if you implement a flavor ban. And 150——

The President. A flavor ban?

Mr. Abboud. Correct. And if you would do that, they would also eliminate 151,000——

Sen. Romney. That's just not—that's just not right. That number is just not——

Mr. Abboud. Well, that's the analysis.

Sen. Romney. I'm sorry, that's just not right. I'm sorry.

Mr. Abboud. I'm an accountant, so—I'm not an economist——

Sen. Romney. That's terrific. I've looked at data. And the data says there are approximately 10,000 vaping shops. All right? So you've got 10,000 shops. Four employees—all right? Four employees per. All right? Four full-time-equivalent employees per. That's 40,000 employees. It's not——

Mr. Abboud. You're leaving out the manufacturers and distributors.

Sen. Romney. Well, hold on. The convenience stores—they sell a lot of products. They're not going to go out of business because they don't have flavors. All right. So it's the vaping shops. They're not all——

Mr. Abboud. That's factual. [*Inaudible*]—the manufacturers and distributors, Senator.

Sen. Romney. May I finish, please? So those—they're not all going to go out business because they can't sell flavors. They're not all going to go out of business. Some may. That would be unfortunate, but some may.

But don't—recognize, if there are 50,000 employees—full-time equivalents—at vaping shops, you've got 5½ million kids. You're talking about 100 kids addicted for one employee, typically minimum wage. I put the kids first. All right? That's a 100—over 100 kids per full-time-equivalent employee.

Mr. Abboud. But these are the shops—and this is the sector of the industry that has grown up to compete with cigarette companies. You have a new industry that's competing, for the first time, for the cigarette smoker, trying to yank them off of that cigarette. And so we have to do both things. There is no reason we can't do both things in this country.

But if you eliminate flavors, according to this report—because flavors make up about 85 to 90 percent of their sales——

The President. It will destroy the business.

Mr. Abboud. They will go out of business. There is no question about that because no small-business owner could take that kind of hit to their revenue.

The President. How does JUUL feel about that? He is saying you're going out of business. Basically, you're saying JUUL——

Mr. Abboud. JUUL won't got—no. No. It's the small business.

The President. Why is JUUL not going out of business if he doesn't do flavors?

Mr. Abboud. They're the big guys.

Mr. Conley. Investment capital. They can wait it out. They can wait a year, 2 years to go back to having the market share they have today.

The President. So what's your game? [Laughter]

Mr. Crosthwaite. Like I said earlier, I think this is a science-based evidence argument that we look forward to making. We think preserving this opportunity for adult smokers who can't quit to have an option is really important work. That's the mission of our company.

Sen. Romney. He's right. He's right.

Mr. Crosthwaite. This youth issue, we felt—and we were a part of it—we had to address it. As a leader, we took the tough steps to change our portfolio.

The President. So you really think flavors are very dangerous then, in terms of addiction and other things.

Mr. Crosthwaite. I think flavors can play a role for adults to make a transition. The issue is, kids get access to the flavors. The data supported it. That's why we eliminated them.

The President. So if you're out of it and if we take them out of it, who's going to take your place?

Participant. Nobody. Counterfeit.

The President. Counterfeit. Counterfeit. No. You're going to have counterfeiters, and that gets dangerous, right?

Mr. Myers. Mr. President, I think what we'll see is, if that—first of all, we have not seen it grown—a growth in adults using these products, with the introduction of flavors. So, there's a lot of myth going on here.

If you look at the——

Mr. Nivakoff. Excuse me, the category—[inaudible].

Mr. Myers. Let me finish. I did not interrupt you all with that.

The President. It's a little difference, right? Go on.

Mr. Myers. What you will have is: You will have companies who produce products that have tobacco flavor—which used to be the most the popular and may still be among adults, although not among kids.

And then, second, what we're talking about here and what your proposal was: For the companies that then have data to show that they have a product, with or without a flavor, that actually promotes cessation and is doesn't unduly appeal to kids, can go to the Food and Drug Administration for the review.

We're not talking about a permanent ban. What we're talking about is making them develop the science, produce it to the agency that has the authority to review it, and then have a science-based decision made about what's in the public's interest. And that's what we're really talking about.

And what do you do in the interim? If we do nothing in the interim, we're going to wake up 6 months from now, and another million and a half kids are going to be addicted, and they're not going to be able to quit. And they——

The President. So let me ask you this: the concept of letting States make their own decision. We talked about that the other day. What about that? A State. We put a 21-limit on it because everyone seems to agree on that. Right? Do you agree on 21?

Participants. Absolutely.

The President. You agree. So let's say, 21. We put age limit: 21. What about the concept of every State decides?

Mr. Myers. I think, nationwide, we need protection for our kids wherever they live. And it shouldn't be that if you live in the State that doesn't address this issue, your children are at risk. That's what worries me about this——

The President. And then, they're going to go buy it and go back home.

Mr. Myers. And you know, that's why FDA has this authority. We have a governmental agency that has the authority to address the complicated questions that exist and put in place rules and make science-based decisions.

Mr. Nivakoff. Every company in the country—every company in the country—including small vape shops, large companies, JUUL—has to do that by May of this year anyway. And the FDA is under a statutory obligation to provide an answer within 6 months thereafter.

The President. That's true. Right.

Mr. Nivakoff. So what we're really weighing is this near-term solution that's being proposed—and I value what Matt says, and I value what Meredith says. I have children. I wouldn't want them using these products, too. But are we—are we—we're valuing a 6- to 10-month solution, where the FDA has to make the decision by December of next year anyway, versus 100,000 jobs.

It's—by the way, for the record——

The President. But you know—you know it's going to be a much longer term solution. Yes. Go ahead. Please.

Ms. Berkman. So, Mr. President, I would just like to say: I understand this is an important conversation about jobs, but I'm here because our group represents millions of families of moms all across this country and dads across this country and grandparents. You can go to any State in this country and ask people with children; this is what people are worried about.

The President. So what do you like as a solution?

Ms. Berkman. So I will tell you that this is a generation of children that would otherwise not have been initiated into tobacco use. And we know that because the youth-use figures were at the lowest they'd ever been before JUUL came on the market with their patented nicotine salt technology, with huge amounts of nicotine going to the brain so quickly. That's why the kids talk about the head rush.

This addiction is severe addiction. This is enormous amounts of nicotine, so much more than in combustible cigarettes. And parents are terrified. We hear this every day from people all across the country, all walks of life—in cities, in suburbs, in the country. And they feel like they've lost their kids. Straight-"A" students are flunking out of school. Athletes—star athletes can't run a mile.

And what I hear over and over—what we hear all the time is—"I don't recognize my child." The bouts of anger, the pain—parents are in pain. And we need you.

The President. So what are your—what is your solution?

Ms. Berkman. I am—our solution is your solution.

The President. I mean, your solution is just ban it, right?

Ms. Berkman. No. No. Because we are not——

The President. No, no. But if you had the real solution, just ban it, right?

Ms. Berkman. No, that's not correct.

The President. All right. What's your solution?

Ms. Berkman. My solution is what you had the right instinct for at the beginning, which is, the flavors have hooked the kids. So take the flavors—leave tobacco flavor for adults.

The President. My original suggestion.

Ms. Berkman. Your original suggestion——

The President. Go ahead.

Ms. Berkman. ——instinct was right.

The President. Go ahead.

Ms. Berkman. Leave tobacco—you know, we're not prohibitionists. Leave tobacco flavor for adults. Because, in the end—it's not there yet, but if the science ultimately proves that, "Yes, this is going to help people quit," then they should have that right. We have no interest in telling adults what to do.

The President. You don't think it does help people quit?

Ms. Berkman. I don't think the science is there yet. I think that we need more data.

The President. A lot of people—[inaudible]—

Secretary Azar. It's actually—I do want to clarify for everyone's benefit. A lot of statements have been made about e-cigarettes and those as harm-reduction devices. There has been no evidence presented to the FDA to that fact. Any manufacturer who makes that claim will be enforced against. And so you may think there is that evidence. That evidence does have to—that is exactly the process the Tobacco Control Act requires is bringing forth that evidence in the context of the premarket authorization.

The President. And we're doing that—we're doing that anyway, right? We're doing that.

Secretary Azar. That would be part of that process.

The President. What do you think?

Ms. Nance. Mr. President, I—it's a little hard to take all of the virtue-signaling going on around, because you've got to remember the history of this. We all were excited that there was an opportunity—and by the way, I come from Appalachia. I came from—I come from blue-collar world. My brother is a smoker. I mean, like, I understand; it is a very addictive behavior.

And it was exciting at the beginning to think: "Oh, look. There's an opportunity for people to get off of tobacco." And, at that point, we were winning when it came with [to]* kids. The people who were buying their product were aging out. Right? They didn't have a generation coming up behind them until they came up with e-cigs. And then, the truth is, they targeted kids. They paid influencers on social media to make it look cool. And suddenly, we had a youth problem again.

And by the way, many of these same people are in cahoots with the marijuana industry and the tobacco industry.

So we get money from nobody. We just care about the kids.

The President. So what do you like as a solution?

Ms. Nance. I like your original solution. I think we ban all flavors, I think we take it to 21, and we ban advertising.

And you can say—what you said—your point earlier was correct. There's always—when you make something illegal, there's always the black market. We could say that about anything. We could say it about heroin, right? We could make it legal. We could say that about opioids—that we could just sell it to whoever wants it. There's always going to be something illegal.

The President. Yes.

Ms. Nance. So I don't know if that works.

The President. All right. Good. Thank you.

Go ahead.

Mr. Wimmer. Mr. President, I'm from the American Lung Association. And I certainly want to echo our public health partners, but, on a day-to-day basis, the number-one concern that we hear from our communities, from parents, from schools is that—how do we really address this epidemic that we're facing?

So all of us are looking to you—your leadership role—in terms of really helping to create the next generation that's going to be free of addiction.

The President. From American Lung, what is your recommended solution?

* White House correction.

Mr. Wimmer. It is to ban all flavors——

The President. All flavors.

Mr. Wimmer. ——including menthol.

The President. In other words—including menthol?

Mr. Wimmer. Mint and menthol.

The President. That's a big statement.

Participant. Mr. President——

The President. That's a very big statement though, right?

Mr. Reedy. And the American Cancer Society absolutely agrees with that.

Mr. Wimmer. I mean, it's certainly an important step, Mr. President. But it's one that you were putting out, in September, as—so.

Mr. Conley. These groups have 160 million reasons from Michael Bloomberg to not come to the table and compromise on anything—\$160 million to Michael Bloomberg. Across from you.

Ms. Berkman. I'm a volunteer. Our whole group is volunteer parents around the country. We are parent-advocates, volunteers, because parents are in pain. I sat at a table, just on Monday, with 13 families from the State of Massachusetts. Everyone's story was individual to them, but also the same. People who said their kids were no longer recognizable. Their kids couldn't focus in school. Their kids were having trouble breathing. Their kids were angry.

This is not a small thing. This kind of nicotine addiction, at these levels—people are in pain. And parents across this country—all parents—care. And we know that you care.

The President. So you want to ban all flavors?

Ms. Berkman. We want to ban all flavors——

The President. Including menthol?

Ms. Berkman. ——including menthol and mint. Because, as was said earlier, that—if you get rid of just the mint, the kids will go to menthol. The kids are addicted. Only now, when kids are frightened, do they understand they're not in control.

And to the point about the predatory behavior, the reason that we started our group is because our sons came home from school one day, in 2018, and said there was a mixed-message presentation about JUULing and that, in their school, with no other adults in the room, someone who came from an anti—an outside, anti-addiction group—but, in the end, turned out to have been a JUUL representative—told the kids that JUULing was not for kids, but was totally safe, and that it would receive FDA approval any moment. And both those statements were—and remain—untrue.

And that's why a group of moms started doing their own research and understood that this was an epidemic of enormous proportion and, as you said earlier, that the kids were targeted. These are not—this is not about risk-taking kids. This affects all families, all kids. There are 5 million kids doing this. That means there are millions of families who are in pain and that they need you to save our generation of kids.

The President. So how many children will do it if you get rid of the flavors?

Ms. Berkman. I'm sorry, I didn't hear that.

Ms. Koval. Ninety-seven percent use flavors.

The President. How many children will do it? Let's say you don't have flavors.

Ms. Berkman. Okay, so right——

The President. So now you have 5 million. How many children will do it if you don't have flavors?

Ms. Berkman. Well, so here's the thing: 97 percent of kids who are vaping are using flavored vapes. So it is—you know, it is——

The President. Do you agree with it?

Participant. Youth numbers are certainly indicating that kids are getting access to flavors.

Ms. Berkman. Well, it's a C—it came from the CDC.

Ms. Koval. It came from the CDC data. It's 97 percent—[inaudible].

Ms. Berkman. It came from the Government. So it's 97 percent. Really, what we're talking about it——

The President. Will they put their own flavors in? Let's say you can't get flavors. Are they going to inject it with flavor? Will they put their own flavors in?

Sen. Romney. You can't.

Mr. Crosthwaite. Our product is a single-use——

The President. You can't do it?

Mr. Butler. I think it's worth pointing out that a hundred percent of the deaths are the result of counterfeit—of counterfeit products.

Sen. Romney. That's a different issue.

Mr. Butler. But I think it's worth pointing out.

Sen. Romney. Yes, that's a different issue, but it's important. It's an important issue.

The President. It's an important issue though. In other words—because I've been reading about a lot of death. And the death, really, is from counterfeit, right?

Sen. Romney. Right.

The President. It's not from JUUL; it's not from you.

Secretary Azar. From using marijuana, not—[inaudible].

The President. Yes, it's also using other things with it.

Mr. Abboud. It's not even counterfeiting, it's cannabis products. It's not nicotine products; it's cannabis products that have been legalized in certain States

The President. That's another discussion. That's another discussion.

Mr. Myers. Although CDC has also been careful to say that they're not a hundred-percent sure that that's the only cause. There may be multiple causes out there.

The President. Yes.

Mr. Myers. So I think that's important to—[inaudible].

The President. Yes. But it seems to be—it seems to be counterfeit.

Mr. Nivakoff. We've already done a trial period. JUUL took the most popular flavor in the world off of the market on November 13.

The President. What was the most popular?

Mr. Nivakoff. Mango. JUUL mango.

The President. There are? Most popular.

Mr. Nivakoff. November 13, 2018. And youth use has increased. It's—yes, flavors are a conduit.

Participant. [Inaudible]—mint there——

Mr. Nivakoff. Flavors taste better than tobacco.

The President. So when JUUL took it off—you had all flavors. You took it off. What's your business now, compared to what it was when you had flavors?

Mr. Nivakoff. It's three times bigger.

Ms. Koval. Mr. President, here is——

The President. You—has your business gotten bigger?

Mr. Crosthwaite. Business grew, but we recently took mint off the market, which was 70 percent of our business. So——

The President. So your business grew even without the flavor?

Mr. Crosthwaite. It grew without——

Mr. Nivakoff. They kept mint.

Secretary Azar. They went from mango to mint.

Counselor Conway. "Recently" is last week, right? So we don't really know——

Mr. Crosthwaite. Look—yes, very recently we took it off. Very recently. We don't know yet. We just—we just took it out.

Mr. Nivakoff. Nobody is disputing children like—youth prefer flavors. So do adults. Ninety-three percent of adults use flavors as well. That's not the point.

Sen. Romney. Yes, it is.

Mr. Nivakoff. Here's the point, Mr. President: There are four companies——

The President. Do you agree with that?

Sen. Romney. No. That's not the case.

Mr. Nivakoff. There are four companies that will remain standing if you ban flavors.

The President. Go ahead.

Mr. Nivakoff. JUUL, NJOY, Reynolds, and Imperial Tobacco, which owns Blu. Every other small—it's not bad for my business for you to ban flavors; it centralizes an oligopoly for me and three other brands that exist on shelves in 153,000 convenient stores.

I'm not arguing for the bottom line of my company.

The President. So why are you fighting for flavors?

Mr. Nivakoff. Because adults—just like flavors help as a conduit for kids to use it, it's a conduit for adults to switch from tobacco—which tastes terrible—and use the vapor product.

And I believe—I'm not speaking as a representative of the company making a cessation claim—that if I was an adult smoker or if my daughter, God forbid, was an adult smoker, I would prefer her to use a vapor product. And if that vapor product was flavored and it gave her a seven-times greater chance of making the switch from combustible cigarettes—to me, as an individual, not as a representative of my company, that is a public-health virtue.

Nobody is——

Ms. Berkman. But your daughter is 6. Let's——

Mr. Nivakoff. Yes, my daughter is 6, but it doesn't matter.

Ms. Berkman. Your daughter is 6.

Mr. Nivakoff. If your child smoked Marlboros, you would give your child a JUUL. I guarantee it.

Ms. Berkman. No, but what I'm saying—no, no, no. Your daughter is 6.

Mr. Nivakoff. I guarantee it.

Ms. Berkman. And so, God forbid she should ever use any tobacco product—God forbid. And I mean that sincerely.

Mr. Nivakoff. Yes, I do too.

Ms. Berkman. But that's not what we're talking about. We're talking about 5 million kids who are currently using these flavored vapes.

Mr. Nivakoff. Not currently using. Five million is a misrepresentation. And I'm not trying to trivialize it.

Ms. Berkman. So the CDC's numbers are a misrepresentation?

Mr. Nivakoff. No. "Five million" is "ever tried."

Ms. Harris. [Inaudible]—have reported using in the last 30 days. Last 30 days.

Mr. Nivakoff. No, it's not. Five million is not——

American Academy of Family Physicians President Gary Leroy. So what is the number then? What is the number if it's not 5 million?

Ms. Berkman. What is—if it's not what the CDC says——

Mr. Nivakoff. It's 34.4 percent of 27.2 percent. Nine percent of youth are using electronic cigarettes more than 20 days a month.

The President. What percentage of your business is e-cigarette?

Secretary Azar. The vapors. The vaping—the vape shops.

The President. Oh, the vape——

Mr. Crosthwaite. The vape shops.

Mr. Abboud. One hundred percent.

Secretary Azar. Are e-cigarettes—nicotine e-cigarettes. Not THC, not CBD—nicotine-delivery—nicotine-delivery devices. What percent of your revenue?

Mr. Abboud. Sorry. Eighty-five-point-seven to ninety percent.

Secretary Azar. And what percent are cartridge versus open tank or—sort of the non-USB-type cartridges?

Mr. Abboud. They have a mix. But the—at vape shops, it's primarily the open systems. They do sell closed systems as well.

Secretary Azar. But mostly—it's mostly the open systems and the mix and the—but not the cartridges?

Mr. Abboud. No, no, no—I'm not sure what the mix is.

Secretary Azar. They're not—where you would homebrew it. Homebrew—sort of mix and—

Mr. Abboud. That's not homebrew. All of the—as you know, all of the e-liquids that are being sold in vape shops have already been registered with the FDA, with their ingredients already on file with the FDA. And those ingredients haven't been able to change for the last 3 years, since the deeming regulation went into effect.

Secretary Azar. But what percent are cartridge-based, nicotine-delivery devices, like NJOY or JUUL, of your revenue?

Mr. Abboud. I don't have the number for it. I can get that for you, but——

Secretary Azar. Okay. So would they go out—would your shops go out of business——

Mr. Abboud. Most certainly.

Secretary Azar. ——based on cartridge—flavored-cartridge products.

Mr. Abboud. If you want to sell just flavored-cartridge products, then you are literally cutting off the entire industry—the vape-shop industry.

Secretary Azar. Well, no, I'm sorry—no, the—you just said—you just said you don't know what percent of vape shops' business is flavor cartridges.

Mr. Abboud. Well, I don't know the——

Participant. It's a small percentage.

Mr. Abboud. I don't know the exact number—it is a small percentage.

Counselor Conway. Just say that. Just say it's a small percentage.

Secretary Azar. Thank you. Just say it.

Mr. Nivakoff. Both systems are very rarely—both systems are infrequently sold in vape shops.

Secretary Azar. Right. Right.

The President. Thank you very much, everybody. Thank you very much. Thank you.

Q. Mr. President——

Hong Kong Human Rights and Democracy Act of 2019

Q. Will you sign the Hong Kong bill, Mr. President?

The President. It's being sent over. We're going to take a very good look at it. Okay? Thank you.

Thank you very much, everybody. Thank you.

Q. President Trump, are you concerned about black market——

Q. Any response to Fiona Hill? Mr. President, Fiona Hill says that the idea that Ukraine meddled in 2016 is false. Can you respond—[inaudible]?

Q. President Trump, should marijuana—[inaudible]—be regulated?

E-Cigarettes Sales Regulations

Q. On vaping, sir: Does your initial instinct from—does your initial instinct of September 11—is that still your position today?

The President. We're going to be announcing very soon. We did have an instinct, but we'll be announcing. And we're going to continue this meeting for a little while.

E-Cigarettes Sales Regulations

Q. Do you know which way you're leaning, Mr. President, on this issue?

The President. It's going to be very interesting. We'll let you know pretty soon.

Sen. Romney. It's interesting: All the public health people have the same point of view. All the——

Q. Are you concerned about—[inaudible]?

Sen. Romney. All the——

The President. We want to take care of our kids. We've got to take care of our kids.

Thank you very much, everybody.

NOTE: The President spoke at 1:58 p.m. in the Cabinet Room at the White House. In his remarks, Sen. Hough referred to his wife JoeyLynn. Mr. Armour referred to political commentator and former Donald J. Trump campaign adviser David Urban. Mr. Conley referred to former Mayor Michael R. Bloomberg of New York City. Mr. Myers referred to former Commissioner of Food and Drugs Scott Gottlieb. A reporter referred to former National Security Council Senior Director for European and Russian Affairs Fiona Hill.

Categories: Addresses and Remarks : Youth vaping and electronic cigarette epidemic, listening session; Interviews With the News Media : Exchanges with reporters :: White House.

Locations: Washington, DC.

Names: Abboud, Tony; Adams, Julie Racque; Armour, Henry; Azar, Alex M., II; Berkman, Meredith; Butler, Christopher; Chapman, Tim; Conley, Gregory; Conway, Kellyanne; Crosthwaite, K.C.; Eley, Scott; Fragnito, Joseph P.; Goza, Sally H.; Grogan, Joseph J.; Harris, Patrice; Hough, Michael; Koval, Robin; Leroy, Gary; Mooney, Alexander X.; Myers, Matthew L.; Myers, Matthew L.; Nance, Penny Young; Nivakoff, Ryan; Reedy, Gary M.; Romney, W. Mitt; Wimmer, Harold.

Subjects: Drug abuse and trafficking : Foreign narcotics traffickers; Health and Human Services, Department of : Secretary; Health and medical care : E-cigarette use and vaping, reduction efforts; Health and medical care : Smoking cessation programs; Legislation, proposed : Hong Kong Human Rights and Democracy Act of 2019; White House Office : Assistants to the President :: Counselor; White House Office : Assistants to the President :: Press Secretary; White House Office : Domestic Policy Council.

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