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Testimony by Jeff Stier, Senior Fellow, National Center for Public Policy Reserch, Director, Risk Analysis Division. Jeff's Amtrak train to Providence was cancelled and he is stuck in New York City.

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The Governor's budget includes an 80% tax on the manufacturer's price of e-cigarettes. This would have the effect of making the most commonly purchased e-cigarettes more expensive than real cigarettes.

If this tax is included in the final budget, it may have the unintended consequence of discouraging smokers to switch to the dramatically less harmful e-cigarettes.

There has been much debate about the wisdom and efficacy of excise taxes, also known as sin taxes, to change behavior. Certainly here in Rhode Island, sin taxes are likely to lead to more out-of state sales, where there are no excise taxes on e-cigarettes. As such, the likely result of this e-cigarette tax would be lower revenue for the state, while yielding little or no impact on the use of e-cigarettes.

Supporters of the tax argue that the tax will have the desired effect of reducing sales of e-cigarettes. Even if true, the consequence of fewer e-cigarette sales is a deadly one. The vast majority of those who purchase e-cigarettes are adult smokers trying to quit. So discouraging the use of e-cigarettes, the stated purpose of the excise tax, would actually incentivize smokers to continue smoking.

Proponents of e-cigarette taxes also claim such as tax would prevent youth sales, since minors are more price sensitive. If the Governor truly wanted to prevent the sale of e-cigarettes to minors, he would not have vetoed 2013 S 633 Substitute A last July. That bill would have simply banned the sale of e-cigarettes to minors.

It is critical to note that e-cigarettes are attractive alternatives to cigarettes, in part because, like the FDA-approved gum and patch, they provide nicotine. Nicotine, while highly addictive, is not particularly harmful at the levels at which it is consumed.

While nobody should initiate use of any nicotine products, be they pharmaceutical, e-cigarettes or certainly tobacco-burning cigarettes, legislators should know that it's not the nicotine that makes cigarettes dangerous. It's the burning tobacco that makes traditional cigarettes harmful to users and those exposed to the smoke. E-cigarettes contain no tobacco.

Using taxes to influence behavior is a a tricky concept. But if the state wanted to think creatively about using taxes to "nudge" behavior and improve public health, it should consider a zero excise tax on e-cigarettes and reducing the sales tax on e-cigarettes by half to encourage cigarette smokers to quit.

The Food and Drug Administration is in the final stages of preparing e-cigarette regulations. The FDA, as is required by law, is weighing any risks of e-cigarettes against the potentially game-

changing benefits of e-cigarettes as a dramatically less harmful alternative that appeals to adult smokers.

The legislature should follow the FDA's lead and fully weigh the potential benefits of e-cigarettes before instituting an excise tax with potentially deadly unintended consequences. When thinking about e-cigarette regulations, the legislature should remember what doctors are taught: First, do no harm.

Jeff Stier is a Senior Fellow at the National Center for Public Policy Research in Washington, D.C., and heads its Risk Analysis Division.

Mr. Stier is a frequent guest on CNBC, and has addressed health policy on CNN, Fox News Channel, MSNBC, as well as network newscasts.

Jeff's National Center op-eds have been published in top outlets including The Los Angeles Times, The New York Post, Newsday, Forbes, The Washington Examiner, and National Review Online.

Stier has testified at FDA scientific meetings, met with members of Congress and their staff about science policy, and has testified at state and city legislative hearings.

Mr. Stier worked both in the office of the Mayor and in Corporation Counsel's office in the Giuliani administration in New York City. His responsibilities included planning environmental agency programs, legal analysis of proposed legislation, and health policy.

Mr. Stier is Chairman of the board of the Jewish International Connection, NY. While earning his law degree at the Benjamin N. Cardozo School of Law, Mr. Stier served two terms as Editor-In-Chief of the Cardozo Law Forum.