

May 12, 2025

The Honorable Donald Trump President of the United States of America The White House 1600 Pennsylvania Ave., NW Washington, DC 20500

RE: Urgent Action Needed to Address the Explosive Growth of Illicit Chinese E-Vapor Products

Dear President Trump,

I write as President and Chief Executive Officer of the Convenience Distribution Association (CDA), the national trade organization working on behalf of convenience product distributors in the United States. CDA distributor members represent more than \$102 billion in U.S. convenience product sales, serving a wide variety of small retail formats. Typical products sold by convenience distributors include candy, snacks, food service, tobacco and tobacco-related products, beverages, beverage programs, groceries, health and beauty care, and general merchandise. Convenience distributors directly employ nearly 59,000 people and support over 173,000 jobs annually. The convenience distribution sector contributes billions in economic and fiscal activity in the U.S. economy including \$2.3 billion in local, state, and federal tax revenue and \$30 billion in local, state, and federal tobacco excise taxes.

Distributor's businesses serve as the bridge between manufacturers and retailers, bringing needed products to communities. According to the National Association of Convenience Stores (NACS), 93 percent of Americans live within 10 minutes of a convenience store. For many Americans their closest source of groceries, over-the-counter medicines and supplies is a convenience store served by wholesale distributors.

Ensuring the responsible handling of age-restricted products is a key aspect of compliance and responsible business practices. CDA is a longstanding supporter of the "We Card" program that trains and educates retailers to prevent attempts by minors to purchase age restricted products.

CDA members engage with federal elected officials and regulators on a range of issues. As the Trump Administration and Congress evaluate federal government programs, there are several key issues which are important to CDA members.

First, the Center for Tobacco Products (CTP) within the FDA must process the year's long backlog of up to 369,000 pending Premarket Tobacco Applications (PMTAs). These applications, if granted, would give adult tobacco consumers authorized, regulated products that the FDA determines are "appropriate for the protection of the public health." It is critical to national security, the protection of the public health, and the safety of our citizens that CTP process the outstanding PMTAs in an expeditious fashion and expand

authorized alternatives available to adult consumers. In the previous Congress, there was bipartisan interest in exploring and correcting the PMTA review delays at CTP. CDA strongly supports that continued endeavor. A critical next step is selecting an effective CTP Director, as this appointment is urgently needed.

Second, the failure to process these PMTAs timely has given rise to a thriving illicit vape market of unauthorized, untaxed, unregulated illicit products that are not safe and not age restricted. Enforcement against this multi-billion-dollar illicit market is a must.

Since 2020, the illicit e-vapor market has displaced the legal, regulated one and it is estimated that over 80% of e-vapor products sold in the U.S. today are illicit. CDA met repeatedly with the prior administration to ask for enforcement and offered our perspective on the issue. Despite these efforts, the prior administration failed to take any meaningful action to stem the supply of these illicit e-vapor products into the US stream of commerce. While we were encouraged by last June's announcement of the Federal Multi-Agency task Force to Curb the Distribution and Sale of Illegal E-Cigarettes² and applaud the Department of Justice's (DOJ) inclusion, the new administration must accelerate this work. The Multi-Agency Task Force and DOJ must use their enforcement powers to address the illicit vape market that has infiltrated our country. A market stacked in favor of companies that break the law is unsustainable and represents a significant danger to public health and protection of minors.

Nearly all illicit flavored disposable e-cigarettes are smuggled into the U.S. from China. While some manufacturers are U.S.-based, six of the top 10 flavored disposable e-vapor manufacturers by market share are Chinese. These six companies represent over half of the flavored disposable e-cigarettes sold in the U.S.³ As we understand, the Chinese government and the governing Chinese Communist Party fund and oversee, if not entirely control, all aspects of e-vapor product manufacturing in China. It is estimated that illegal disposable products imported into the U.S. generate over \$5.3 billion annually for companies that are part of China's State Tobacco Monopoly Administration. Ironically, these flavored products are banned for sale in China.⁴

We do not know what is in these illicit products nor the risks they pose to users. An independent lab conducted an analysis of 11 leading brands of illicit e-cigarettes and found that each of the brands tested mislabeled their contents, including their nicotine level and nicotine type. Other published studies suggest that illicit e-cigarettes may contain "very high levels" of dangerous metals including

¹ Truth Initiative, Press Release, <u>U.S. Retail Sales Data Show 86% of E-cigarette Sales are for Illegal Products</u> (11/6/24).

² FDA, Press Release, <u>Justice Department and FDA Announce Federal Multi-Agency Task Force to Curb the Distribution and Sale of Illegal E-Cigarettes</u> (6/10/24).

³ Altria, Circana Projected data – Multi-Outlet & Convenience, 13 weeks ending 12/29/2024 (4Q 2024); *All flavors excluding Tobacco & Menthol.

⁴ The Guardian, <u>China Bans Fruity Vapes – but not their Export to the UK</u> (10/16/22); Global Times, <u>China Releases National</u> Standards for E-cigarettes, After 5 Years Waiting (4/13/22).

⁵ Altria, Illicit E-Vapor Products Widely Mislabel their Nicotine Composition (accessed 3/28/24).

lead, ⁶ sweetening agents that are toxic and potentially carcinogenic, ⁷ and nicotine analogues that are more potent, more toxic, and more cytotoxic than nicotine. ⁸

Alarmingly, these illicit manufacturers directly target American youth. According to the 2024 National Youth Tobacco Survey, 7 out of the 10 most popular e-vapor brands with youth who vape are illicit flavored disposable brands. Moreover, these unregulated products are heavily promoted on social media platforms. Chinese manufacturers have recently introduced illicit e-vapor products featuring digital touchscreens, mobile apps, video games, and social media integration, undoubtedly intended to be marketed to underage users.

This *status quo* is unsustainable. The explosive growth in illicit e-vapor products harms law-abiding businesses and those they employ, rewards the Chinese government, and puts underage youth and adult users at risk. DOJ and the Bureau of Alcohol, Tobacco, Firearms and Explosives have critical responsibilities to enforce our laws.

CDA stands ready to serve as a resource if you would like additional information about any of these issues. Please don't hesitate to contact me or CDA's policy advisor Kathee Facchiano (kfacchiano@capitoldecisions.com) with any questions or comments.

Respectfully,

Kimberly Bolin
President and CEO

Kimberly Bales

Cc: The Honorable Pam Bondi, Attorney General

U.S. Department of Justice 950 Pennsylvania Avenue, NW Washington, DC 20500

The Honorable Daniel Driscoll, Acting Director Bureau of Alcohol, Tobacco, Firearms and Explosives 99 New York Avenue, NE Washington, DC 20226

⁶ See, e.g., Andrew Turner, John W. Scott, Thomas Backshall-Kennedy, Maya C. Dabrowski. <u>Deconstructing Contemporary Disposable Vapes: A Material and Elemental Analysis</u>. Science of The Total Environment, 2024(954), 176292.

⁷ See, e.g., El-Hage R, El-Hellani A, Haddad C, Salman R, Talih S, Shihadeh A, Eissenberg T, Saliba NA. <u>Toxic Emissions</u> <u>Resulting from Sucralose Added to Electronic Cigarette Liquids</u>. Aerosol Sci Technol. 2019;53(10):1197-1203.

⁸ See, e.g., Felix Effah, Yehao Sun, Alan Friedman, Irfan Rahman, Emerging Nicotine Analog 6-Methyl Nicotine Increases Reactive Oxygen Species in Aerosols and Cytotoxicity in Human Bronchial Epithelial Cells, Toxicology Letters, 2025.
⁹ See Park-Lee E, Jamal A, Cowan H, et al. E-Cigarette and Nicotine Pouch Use Among Middle and High School Students — United States, 2024 ("any brand" use).

¹⁰ See, e.g., Yale School of Medicine, How Social Media Promotion of Vaping Targets Teens (11/22/24).

¹¹ See, e.g., Rich Calder, New 'Smart Vapes' have Built-in Video Games to Attract Teens, Critics Warn New York Post (8/10/24); Bokie Muigai, Vaping Devices with Video Games Keck School of Medicine of USC (10/11/24).