

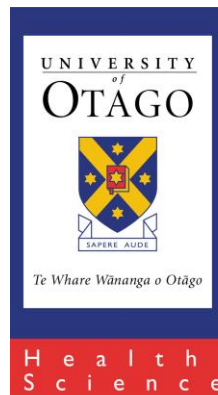
Wilson N, Thomson G, Edwards R, Blakely T. A Sinking Lid on National Tobacco Supply for the Tobacco Endgame. Workshop on Endgame Strategies in Tobacco Control, 19-21 June 2012. Ann Arbor: University of Michigan School of Public Health.

A Sinking Lid on National Tobacco Supply for the Tobacco Endgame

Nick Wilson, George Thomson, Richard Edwards,
Tony Blakely

Department of Public Health,
University of Otago, Wellington,
New Zealand

(Email: nick.wilson@otago.ac.nz)

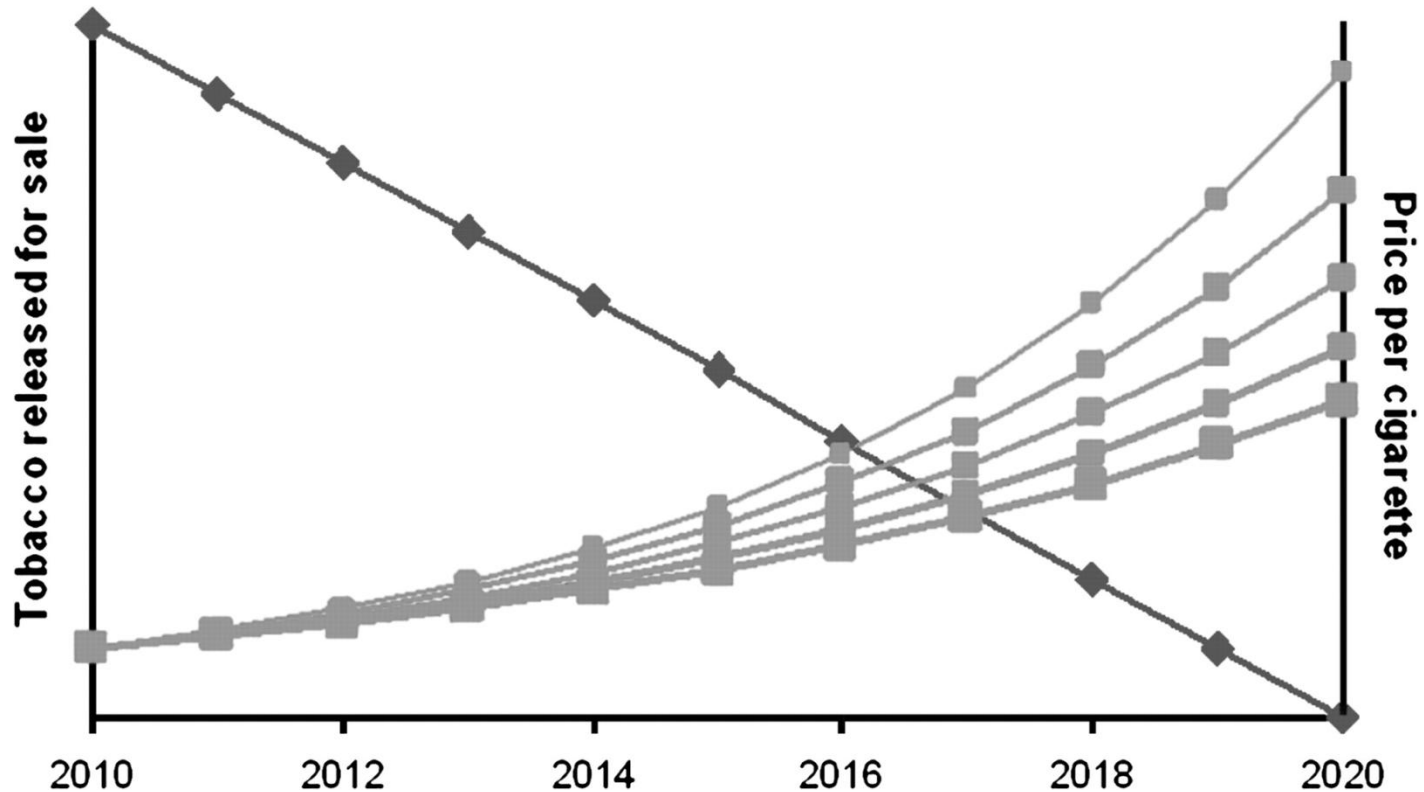


Sinking lid – the proposed process

- Annually reducing quota of tobacco supplied to a national market (eg, to zero in 10 years).
- Would require a law that enabled a government to:
 - o Run auctions for (reducing) annual quota to tobacco companies (as per annual EPA pollutant permit auctions for SO₂, NO_x; some fishing quota systems).

Or:

- o Enforce annual % reductions for each tobacco company's quota (from baseline market share).



- At the final point, any residual nicotine dependent individuals (some possible options):
 - switch to NRT / minimal harm nicotine sources
 - grow-your-own tobacco (within legal limits)
 - licensed smoker system (government supplied tobacco)?

Promotion and responses



- Senator Michael Enzi (R-WY), “Help End Addiction to Lethal Tobacco Habits Act. S. 1834. US Senate, 2007”
- Further arguments for: Laugesen et al (*NZ Med J* 2010;123(1314):55-67); Thomson et al (*Tob Control* 2010;19:431-5)
- Maori Affairs Select Committee of the NZ Government (2010) – recommended further consideration – but not operationalized

Sinking lid – Advantages

- Likely to be **synergistic** with many other tobacco control interventions & some other endgame strategies (eg, reducing nicotine levels)
- **Good analogies** that work (reducing quota & air pollutants, fishing quota, phased elimination of leaded gasoline)
- Can be linked to a **defined end date** for all sales – helps focus the health sector & smokers can't easily self-exempt.
- Extra auction **revenue** – may provide funds for tobacco control enhancements

Sinking lid – Disadvantages

- Passing the **enabling law** – a hurdle facing tobacco industry opposition (less so in small jurisdictions)?
- As price goes up → **political pressure** from smokers/industry → risk of slowing down/abandoning policy.
- As price goes up → cross-border **smuggling** (less of an issue for some countries).

Sinking lid – Disadvantages (Contd)

- In producer countries → **illegal diversion** of tobacco from growers.
- Risk of **auction rigging** in countries with high corruption levels and collusion between companies (may require governments to pre-arranged reserve supply agreements from government-owned companies eg, China NT Corp)
- Risk of **supply disruptions near end** (companies pull out early?)

Sinking lid – Next Steps?

- **Further Review** – experience with other quota systems (pollutants, fisheries)
- **Modelling** comparisons – with other endgame scenarios (HALYs saved)
- **Acceptability** – key informant interviews (eg, government officials and politicians)
- **Test out** in an island jurisdiction (eg, NZ, the Australian State of Tasmania, a Pacific Island eg, Guam has had recent large tobacco tax increase)