Remarks by Billy Gifford, Altria's CEO at the Global Tobacco & Nicotine Forum
September 22, 2021

How We Get to Moving Beyond Smoking

Thank you for the kind introduction. And thank you to everyone who is attending GTNF this year, whether in person or virtually. This is an important forum, and I want to extend my appreciation to Elise and the organizers for putting together another great event.

If we're going to make progress in harm reduction, it's critical to bring together diverse perspectives in an inclusive and respectful conversation. I know the best work at my company comes when we have diverse thinking and open debates, and I welcome this opportunity today.

A lot has changed in the world and our industry since the last GTNF conference. FDA is reviewing PMTA applications as we speak, the role of science in public policy has emerged as a key theme from the pandemic and we know that social equity must factor into all the work we do.

Despite the upheaval over the past year, at Altria we've remained laser-focused on our Vision to responsibly lead the transition of adult smokers to a smoke-free future. Our teams have continued their commitment to *Moving Beyond Smoking* by deepening their understanding of adult tobacco consumer preferences, expanding the awareness and availability of our smoke-free product portfolio and amplifying our voice on harm reduction within the scientific and public health communities.

Today I am going to talk about why I think we can make more progress in harm reduction in the next 10 years than we have in the past 50. And I am also going to talk about some of the headwinds that can impede our success.

I'm optimistic about the future for tobacco harm reduction in the U.S. I see signs of progress every day:

- As we speak, scientists at the FDA are reviewing and deciding applications for novel products, an important part of a regulated framework to advance harm reduction for adult smokers.
- FDA is also reviewing several MRTP applications, which would allow manufacturers to communicate critical, science-based information to adult smokers.
- We hear more voices in public health coming out in support of harm reduction policies. In fact, 15 tobacco control experts - all former presidents of the Society for Research on Nicotine and Tobacco - published an article in August recognizing the benefits of e-vapor products.
- Data from the National Youth Tobacco Survey suggests that underage e-vapor use, while still high, shows signs of decline.
- Underage usage rates for traditional tobacco products remain at historical lows and, in the U.S., the minimum legal age to purchase any tobacco product is now 21.
- Also, in the US, more states are considering and implementing lower taxation rates for FDA-authorized lower risk products. This is important because making taxes equal among all tobacco products, including smoke-free and MRTP products, is bad policy. It could reduce consumer access to potentially harm-reducing products. And it may stand in the way of consumers switching, too.

These are just a few examples.

But all of us here know there are also headwinds. I believe we need to make progress in four key areas:

- Correcting the deeply held **nicotine misperceptions** among smokers and key stakeholders;
- Ensuring that harm reduction is **equitable**;
- Allowing for real and meaningful **scientific engagement** between industry and public health; and,
- Remaining vigilant that harm reduction is an off-ramp for adult cigarette smokers and not an **on-ramp** for underage tobacco use.

Let me talk a little more about each area.

Those of us here understand that nicotine, while not benign, is not the primary cause of disease and death from smoking. It's the combustion of the tobacco. So, it makes sense that you would seek to transition adult smokers who can't or won't quit from the most harmful form of nicotine consumption to a less risky alternative. Today, the concept of the risk continuum is embraced by public health, the scientific community, our regulator and many others.

But who doesn't fully understand the concept of the risk continuum? Adult smokers, the very people who most stand to benefit. Consider these facts:

- 73% of people either incorrectly believe nicotine is the main substance in cigarettes that causes cancer or are unsure, according to a 2016 study analyzing data from the Health Information National Trends Survey.

- 80% of surveyed physicians in a recent Rutgers University study "strongly agreed" that nicotine directly contributes to the development of cardiovascular disease, COPD and cancer. This is particularly concerning given the critical role that physicians play educating adult smokers about tobacco-related health issues.

These statistics are alarming. Left unaddressed, these widespread nicotine misperceptions could discourage adult smokers from switching to smoke-free tobacco products that may present lower health risk as compared to combustible cigarettes.

Industry has an important role to play. It's on us to conduct the science and seek MRTP authorization claims to persuade adult smokers about the benefits of switching to smoke-free products. IQOS, for example, is the only FDA-authorized next generation product with an MRTP claim. The data show that adult smokers' understanding of this claim is an important factor in their decision to switch to IQOS. We continue to engage with FDA on MRTP applications for our moist smokeless tobacco products, and plan to submit an MRTP application for our on! nicotine pouches.

But industry alone cannot correct nicotine misperceptions. FDA has said "we need a national debate on nicotine." We agree. And we think FDA is best positioned to lead it. That's why we recently asked the Agency to launch a targeted public education campaign geared towards adult smokers about nicotine misperceptions. FDA has the resources, track record and expertise to make a significant impact in this area. We hope they – and others in public health – act.

This leads me to my second focus area, which is the need for equitable harm reduction. I just shared some concerning statistics about nicotine misperceptions. A recent study funded by the FDA underscores the risks to diverse communities. This study found that a significantly greater proportion of Black, Asian and Hispanic respondents identified nicotine as the 'chemical that causes most of the cancer caused by smoking cigarettes.' The same belief held true for members of the LGBTQ+ communities. According to our own tracking data, Black, Hispanic and female adult smokers lag behind white male adult smokers in transitioning to smoke-free products.

That's why the issue of equity is fundamental to the harm reduction discussion. A comprehensive approach to harm reduction means that all adult smokers, regardless of background, demographics or financial means, have equitable opportunities to reduce the harms of smoking. This is an area we are giving a lot of thought to.

We don't have all the answers, but I think we are asking ourselves the right questions:

- How do we make sure ALL adult smokers who are unable or unwilling to quit tobacco have smoke-free options that appeal to them and meet their preferences?
- How do we make sure smoke-free products are readily accessible and affordable for ALL adult smokers who might seek them out?
- How do we responsibly communicate about smoke-free products to ALL adult smokers?

Importantly, we're approaching this work with a commitment to listening and learning, and with a focus on not raising additional stakeholder concerns. As we have seen in the past on important issues like underage tobacco prevention, success will require the work of many, including industry, the government, public health officials, community leaders, and community-based organizations.

Engaging and listening connects well with the next area I want to cover. And that's the important role of scientific dialogue. We face an unprecedented opportunity for America to lead the way in shifting millions of smokers away from cigarettes if we follow the science, support innovation and clearly communicate scientifically accurate information.

Getting the best possible science and data to guide policy decisions requires more than just well-designed studies or lab work. It requires peer-to-peer engagement, review and open-minded inquiry.

Where we view engagement as a necessary part of scientific transparency and integrity, other organizations are seeking to exclude industry from scientific forums and research. In this situation, nobody wins – not science, not good policy, and certainly not adult smokers.

Today, in the U.S., the National Institute on Drug Abuse discourages industry participation in harm reduction research, warning grant recipients to not accept industry funding as it could impact their likelihood of receiving government funding. Another organization, the Society for Research on Nicotine and Tobacco, recently decided to ban industry employees from attending and sharing their science at its annual conference.

Actions like these cripple the sharing of science at a significant moment for tobacco product research and preclude the vital scientific dialogue essential to harm reduction. We stand by our science and make it a point to welcome good-faith scrutiny.

If there is one lesson we all learned during the pandemic, it's the importance of science-driven communications. Tobacco policies should be made by public health experts using the best available science and evidence. We remain committed to rigorous research and engagement on scientific issues.

Finally, a few thoughts on preventing underage use, which remains a top priority for us. Harm reduction must offer an off-ramp from cigarettes for adult smokers, but it cannot create an on-ramp for underage use of any tobacco product. Youth smoking rates are at historic and generational lows. And we have some promising early data that suggests raising the legal age of purchase to 21 in the US, which we actively supported, is helping to drive down underage e-vapor use.

Manufacturer marketing practices also matter. And, in the US, FDA has the authority to monitor in-market activity and hold us accountable. We think there are a number of steps FDA could take to help further address underage use. For example, FDA could issue guidance on marketing practices for innovative tobacco products. And the Agency can help by ensuring more timely collection, analysis and dissemination of data on underage use.

We remain committed to playing our role in the important work of preventing underage use.

Let me close with one last thought.

I'm often asked when the last cigarette will be smoked in the U.S.

I know a lot of people like to make predictions on when that day might come.

The honest answer is it depends. It depends on industry innovation. It depends on regulatory and legislative policies. It depends on whether adult smokers can get smoke-free products they like. It depends on whether adult smokers get accurate information on smoke-free products. And it depends on how quickly all of us can act on some of the things I've discussed today.

But I am confident that we can make a lot of progress very quickly *Moving Beyond Smoking* if we can continue to engage, listen and act.

Before I take questions, I'd like to share a brief video on how Altria is *Moving Beyond Smoking.*

Thanks for having me here today.