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**EVIDENCE**

**Thursday, November 27, 2014**

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**Chair**

**Mr. Ben Lobb**



## Standing Committee on Health

Thursday, November 27, 2014

•(1100)

[English]

**The Chair (Mr. Ben Lobb (Huron—Bruce, CPC)):** Good morning, ladies and gentlemen. We should get started.

We have two panels this morning, one from 11 o'clock to noon, and one from noon to one o'clock.

We have three guests in our first hour.

We have a guest from Scottsdale, Arizona, this morning: Mr. David Graham from NJOY.

Welcome, sir.

While the video conference technology is getting up and working we'll have you go first, and then we'll have our guests here presenting. Then we'll have questions and answers afterwards.

I'd like to thank Mr. Graham for agreeing to appear on a somewhat short notice and on what is an American holiday today as well. Sir, thank you. Happy Thanksgiving. We'll have you done before the football game starts.

Go ahead, sir.

**Mr. David M. Graham (Senior Vice-President, Global Regulatory Affairs, NJOY):** Thank you, Mr. Chairman and members of the committee.

My name is David Graham. I'm the senior vice-president of regulatory affairs at NJOY. I have 22 years of experience with nicotine and tobacco policy and regulation. Prior to joining NJOY in 2013, I was with Johnson & Johnson, and with Pfizer before that. NJOY has no affiliation to the tobacco industry. NJOY is America's largest independent e-cigarette and vaping company and has a presence also in the U.K., Germany, France, and Spain.

For reasons I'll explain in this testimony, NJOY has not introduced products into Canada. NJOY is the only major company in the U.S. to offer all form factors: disposable e-cigarettes, rechargeable e-cigarettes, and vaping devices and liquids. The liquids are sold in child-resistant bottles. NJOY is the only company with products in all major channels, including convenience, mass, drugstore, online, and the Vape Shop channel.

We're proud to state that our corporate mission is to make obsolete the tobacco cigarette and, potentially, the death and disease that it leaves in its wake. We are 100% committed to setting the highest standards for corporate responsibility related to the prevention of use of our products by people under the legal age, and for the advancement of scientific evidence related to the potential benefits

associated with the use of our products as alternatives to traditional tobacco products.

We look forward to a day when combustion cigarettes are no longer part of the landscape. We are appalled at the toll that the tobacco epidemic has taken and continues to take each year. We share the belief that established tobacco control policies can continue to have an impact, and we believe that the enormous toll from smoking should encourage all of us to consider opportunities to do more than those alone.

In the right hands, electronic nicotine delivery systems, or ENDS, have the potential to play a decisive role. ENDS offer smokers who cannot or will not quit a positive alternative to combustion smoking and provide smokers with the nicotine that they are addicted to without the combustion of tobacco.

As stated in the 2014 United States Surgeon General's Report, "The burden of death and disease from tobacco use in the United States is overwhelmingly caused by cigarettes and other combusted tobacco products; rapid elimination of their use will dramatically reduce this burden." It also states that "noncombustible tobacco products, used alone, are far less dangerous to individual users than continued smoking...".

For many years, influential members of the public health community have widely discussed a strategy of tobacco harm minimization, based on the availability of nicotine-containing non-combustion products playing a critical role in ending the tobacco epidemic. Electronic nicotine delivery systems represent a potentially transformative disruptive technology that threatens large and privileged incumbent tobacco companies. Perversely, the absence in Canada of a clear regulatory strategy that is appropriately fit for purpose constrains such innovation from being a meaningful threat to the tobacco industry. Opponents of ENDS may unwittingly be prolonging the status quo, to the tobacco industry's continued advantage.

In other countries, as the committee has heard, electronic nicotine delivery systems are increasingly displacing cigarettes, and their use is overwhelmingly by adult smokers. Early fears that electronic cigarettes would entice young people to initiate with these products and then migrate to combustion products appear unsupported by the data to this point, with the rise in electronic cigarette popularity coinciding with a continued and indeed historic decline in teen smoking in the U.S. To be clear, no minor should be using a nicotine-containing product of any kind.

The maximum public health benefit will be achieved by mitigating the risks to youth without constraining the ability for e-cigarettes to effectively compete with combustion cigarettes among adult smokers. Bans on sales to minors are essential, and we support that. Paradoxically, children could be the biggest losers from an effort in their name to restrict adult access to ENDS. Too many of today's children will adopt smoking, grow up, and die prematurely from cigarette-caused disease if present trends continue. The best thing we can do for the health of our children is ensure that they grow up in a world in which neither their parents nor any of their other role models are smoking deadly combustion cigarettes.

Providing smokers who cannot or will not quit with a positive alternative may be the long-sought solution to an intractable public health problem that has cost millions of lives. More and more members of the public health community here and abroad are beginning to make their voices heard in support support of this technology.

● (1105)

We need to approach regulation in this category with our eye on the prize and in a manner that is guided by science rather than emotion or suspicion. There's too much at stake to do it any other way.

Proportionate regulation of ENDS is essential. NJOY has long supported the need for such regulation, engaging directly with regulators in the U.S., Europe, and Canada and urging that such regulators and policy-makers take into account the unique characteristics of ENDS as distinct from combustion tobacco products or pharmaceutical products.

We do not question the legal jurisdiction of Health Canada in regulating nicotine delivery systems, whether electronic or not, especially where therapeutic claims are to be made, such as relief of craving or withdrawal symptoms, or as an aid to cessation. In our view, in such cases it's clearly within the authority of the minister, under the Food and Drugs Act and its regulations, to determine whether or not and under what circumstances such products can be marketed for sale in Canada.

In fact, rather than seeking to circumvent such jurisdiction, NJOY took an early position that it will only introduce products in Canada if (a) we're granted authorization to do so by Health Canada's natural and non-prescription health products directorate, the NNHPD, which currently regulates nicotine delivery systems in the form of nicotine patches, gum, or other such products, or (b) an alternative and appropriate regulatory and legal pathway is confirmed by this government for ENDS. We do not seek to bring a nicotine-containing product to Canada as long as the federal government declares that to be illegal.

Our efforts to find a way forward with NNHPD to determine what data will be required for efficacy, safety, and quality have been substantial but unfortunately have resulted in us being no clearer now than we were more than a year ago on what evidentiary goals they expect us to meet. Adding to our concern and frustration is the fact that since NJOY first started discussions with Health Canada, the unregulated market for e-cigarettes has continued to grow. Nevertheless, we are determined to achieve our mission of rendering

combustion cigarettes obsolete and to do so in a responsible and legal way.

For that reason, we're very pleased that your committee has taken this matter up and has dealt with it in such an orderly and systematic fashion. We're hopeful that your recommendations will assist the minister as she sets out to provide a policy framework that will enable us to achieve our mutually held public health goals in a practical and efficient manner.

To that end, we believe that we can provide important evidence to help inform the proper regulation of this new category of products, so I will close with three specific recommendations that I respectfully submit to the committee and that we have submitted to the minister in prior correspondence earlier this year.

Firstly, grant immediate access to any manufacturer that has an active product licence application filed with the NNHPD today. There's important information to be obtained from real-world marketing of ENDS that should inform the development of a new regime.

Issuance of a marketing authorization will allow companies like NJOY to provide post-market information to the government, which it can then use to appropriately develop the new oversight and regulatory regime for these products. Indeed, the minister currently has the authority under the Food and Drugs Act to make regulations respecting marketing authorizations, including establishing the eligibility criteria for any such authorizations, which could involve the collection and provision of post-market safety data.

In addition, this approach could be used to facilitate a progressive approach to licensing ENDS that could evolve as the understanding of this product category grows and as additional data is gathered further to approval and within a post-market setting. For example, this may allow initial approval of a regulatory submission for a claim such as relief of craving/withdrawal and additional claims such as smoking cessation as further evidence becomes available.

Secondly, recognize that ENDS are different from combustion tobacco products and should not face equivalent restrictions. To the extent that the government may intend to fit the oversight and regulation of ENDS into the existing tobacco regime, it really is important to recognize that ENDS are fundamentally different from combustion tobacco products. It would be inappropriate to impose all existing elements of a regulatory regime that was developed for a completely different product with a hugely different risk profile. Regulation should be evidence-based and fit for purpose, not simply a copy-and-paste from one type of product to another.

Thirdly, and finally, any consideration of an alternative non-medicinal pathway with transition provisions that would legitimize products that are currently on the market prior to requiring compliance by a future date should grant similar legitimacy to manufacturers that have sought approval through the existing regulatory process.

• (1110)

Mr. Chairman, if it will assist you and your colleagues on the committee, I am prepared to provide you with a copy of our letter to the minister, which I have here.

We welcome this committee study, Mr. Chairman. We hope the work will chart a path forward for a proportional and appropriate regulatory pathway or pathways, whether medicinal, non-medicinal, or both. There is an urgent need for clarity, and NJOY stands ready to work with the committee, Health Canada, the public health community, and other independent companies that may have a shared goal to “obsolete” combustion cigarettes.

Thank you, sir.

**The Chair:** Thank you very much.

Next up, in person, we have the Electronic Cigarette Trade Association of Canada, with Daniel David.

Go ahead, sir.

**Mr. Daniel David (Chair of the Board, Electronic Cigarette Trade Association of Canada):** Thank you. It's an honour to be here and speak with you today.

My name is Daniel David and I am here as a representative of the Electronic Cigarette Trade Association of Canada. The Electronic Cigarette Trade Association is a self-regulatory organization that has been actively implementing stringent but appropriate consumer product regulations to electronic cigarettes since 2011. We currently represent over 25 individual Canadian businesses, each with multiple locations and/or avenues of distribution.

We recognize the need for regulation that exceeds the requirements for consumer products and have developed a living program that addresses these issues. This program currently includes a 230-page guide with policies and procedures that range from business operations to laboratory testing. While there are time and topic limitations at this meeting, we hope to participate in future discussions. It is our goal and sincere hope that the information we have already collected can form a basis for a working relationship for the future between regulators and industry.

Electronic cigarettes actually comprise two separate products: the device and the e-liquid. The device consists of two components, the first being the body, commonly referred to as the battery, and the second being the top, which is commonly referred to as an atomizer. Many of these devices are manufactured according to FCC or CE quality standards, and these certifications are a requirement for all active members.

E-liquid is a recipe combining USP-grade propylene glycol and vegetable glycerin, along with food-grade natural and artificial flavours and, optionally, nicotine. E-liquid is carefully monitored by the ECTA for accuracy, the existence of preventable risk elements,

and other contaminants. We believe this type of precautionary and consistency testing should be required in any future electronic cigarette regulation.

The ECTA requires that all e-liquids sold by members be properly labelled in accordance with the consumer chemicals and containers regulations. Since that regulation was not designed with e-liquid in mind, the ECTA has adopted additional requirements, such as nicotine levels where applicable, allergen warnings, batch numbers, and wording or symbols indicating that the product is not for use by minors. Since we published this standard, many non-ECTA manufacturers have also adopted it.

An often-repeated fear is that electronic cigarettes will renormalize smoking and the use of tobacco products following years of gains in de-normalizing. This fear is based on speculation, and there is no evidence to support it. The basis of the argument may appear reasonable at first; however, when examined more closely, there are specific reasons why renormalization should not be an issue of concern.

The vast majority of electronic cigarettes sold in Canada are five to twenty times larger than tobacco cigarettes. They come in various shapes and colours and are made of metal. While they mimic the physical procedure of smoking, they do not taste or smell the same and they don't deposit smoke in the air or produce a passive discharge. The length of use is at the discretion of the consumer. Users and bystanders do not confuse these products with tobacco and understand them as a tobacco-free, reduced-harm alternative.

Smoking tobacco has been and will continue to be de-normalized at a social level for very real and significant reasons. The public is now acutely aware of the damaging and deadly health effects of first-hand and second-hand smoke. The smell of tobacco smoke is generally repulsive to most people. Additionally, it stains surfaces and leaves a bad smell on clothing and breath and in homes and vehicles. There is and will continue to be a negative social stigma attached to smoking tobacco for these reasons.

Vapour produced from e-cigarettes dissipates in seconds, thus it is far less noticeable than smoke. Vapour has none of the characteristically offensive and lingering odour produced by tobacco smoke, nor does it have any of the associated health risks linked to second-hand smoke.

Regarding the risk of children using e-cigarettes, implementing an age restriction on the purchase of these products is the most impactful step that regulators can take. Virtually every vape shop that I know of in Canada already posts signs and will I.D. people who appear to be under the age of 25 years. This has been a requirement for all active members since our foundation.

E-cigarettes do not renormalize smoking. They are fundamentally different from tobacco cigarettes, and their significant harm-reduction potential only serves to continue the de-normalization of smoking.

Most countries are encountering difficulties classifying e-cigarettes into existing regulatory frameworks. Three product classifications that have been attempted have been tobacco products, pharmaceutical or medicinal products, and consumer products. Issues have arisen within each category. These issues are contributing to confusion, misinformation, lack of communication, and the rise of an unregulated and/or semi-regulated industry globally.

With respect to tobacco regulation, first and foremost, the grassroots movement of the electronic cigarette industry hates tobacco more than anyone, as we are acutely aware of the health impact. Regulating electronic cigarettes as tobacco would result in their being perceived as part of the problem rather than a potential solution.

• (1115)

Tobacco regulation was designed to discourage use by any means possible due to the negative health effects. Electronic cigarettes do not fit this category. In fact, given the opportunity to thrive as an industry, electronic cigarettes have the plausible potential to completely eradicate the use of tobacco cigarettes.

Many additives identified as flavouring agents are banned in tobacco products. Banning e-liquid flavours represents an effective ban on e-cigarettes, as all e-liquid is flavoured, including tobacco flavours. Under tobacco regulation, there's a very real risk of increased involvement by tobacco corporations in this industry. These corporations do not have the same incentive of seeing the product as a means of reducing and eventually eliminating tobacco use. Tobacco regulation simply does not work for non-tobacco products. The restrictions placed on tobacco, when forced on e-cigarettes, result in a less harmful alternative becoming less accessible and less appealing and provide a competitive advantage for tobacco cigarettes.

I'll turn to pharmaceutical and medicinal regulation. Regulating electronic cigarettes as medicinal or as alternative health products is the most devastating and harmful option to consider. Such attempts have been successfully challenged in courts in the United States, Norway, Germany, and Estonia. Medicinal regulations are created to address specific needs and requirements for treatments and medical therapy intended to address existing diseases and conditions. The process for medicinal approval, either as a natural health product or a medicine, contains requirements that this product, in all its presentations, is unable to meet. Electronic cigarettes were not invented—nor designed—in any way that would support this process.

I'll now speak about consumer product regulation. Regulating electronic cigarettes as a general consumer product provides the most appropriate current regulatory fit. However, blindly adopting this regulation without modification presents some challenges. Consumer regulation does not usually require age restrictions, laboratory testing guidelines, and ongoing investigation into the safety profile of the elements of any liquids that are inhaled.

The consumer chemicals and containers regulations work for e-liquid labelling but are still inadequate without modification, which is why ECTA requires additional labelling. The reason that none of them mention categories that will work for e-cigarettes is simple: they were designed before e-cigarettes were on the market as a unique and new product. Any types of established regulations are prohibitively restrictive, inappropriate, or inadequate.

A new and unique regulatory structure for electronic cigarettes and e-liquid is the most appropriate way forward. Custom regulations would permit the industry, science, and public health to collaborate on information on an ongoing basis to ensure that, should any element of the product pose issues, it can be immediately addressed and regulations applied consistently. This regulation would establish quality control standards for hardware, appropriate labelling and testing requirements for e-liquid, and age and marketing restrictions, along with domestic e-liquid manufacturing standards.

It's important to recognize that in Canada no producer or vape shop is in any way affiliated with or owned by tobacco corporations. In fact, our industry was founded by smokers acutely aware of the deadly nature of tobacco and in search of a less harmful alternative. We care about the health effects of our products and share the goal of a smoke-free Canada.

While 37,000 Canadians die every year from smoking-related diseases, there is not one single report of a fatality or disease caused by electronic cigarettes in the 10 years since their introduction to the global market. The fact is simple: people smoke for the nicotine but die from the smoke. Electronic cigarettes do not produce smoke or the related disease.

Fifty-three of the world's leading medical and clinical research scientists have very clearly recognized the benefits of electronic cigarette use for smokers and have spoken to this in a letter addressed to Margaret Chan of the World Health Organization. I will quote a statement from this letter:

Tobacco harm reduction is strongly consistent with good public health policy and practice and it would be unethical and harmful to inhibit the option to switch to tobacco harm reduction products.

As the WHO's Ottawa Charter states: "Health promotion is the process of enabling people to increase control over, and to improve, their health". Tobacco harm reduction allows people to control the risk associated with taking nicotine and to reduce it down to very low or negligible levels.

After eight years on the Canadian market and over 100 clinical and laboratory studies worldwide, there is no evidence that electronic cigarettes cause deadly or harmful effects to its users or have any risk of concern for bystanders.

To illustrate and summarize many of the studies that have been performed, we have submitted a 27-page report by Dr. Farsalinos, a lead researcher on the effects of electronic cigarette use. In this report, Dr. Farsalinos and his team from the Onassis Cardiac Surgery Center have addressed the most pressing issues surrounding electronic cigarettes and provide a science-based response.

• (1120)

In summation, the ECTA was founded by a handful of electronic cigarette vendors who recognized the need to protect Canadian consumers and regulate the industry to an appropriate standard. Public health organizations and Health Canada do not have the opportunity to fully dedicate the necessary resources to evaluate electronic cigarettes. Because of that resource restriction and the lack of industry and product knowledge, it is only natural that they look for the bad, as opposed to performing a true and fair analysis.

Over the last several years, we've been fully dedicated to this task, and we continue to develop our standards by reviewing all of the information available, be it research, regulations, or common sense. We do not look at the good or the bad but rather the collective whole of what is continually a growing pool of information. We would like nothing more than to work with the governing bodies and policy-makers and to open and conduct discussions and investigations into the wealth of information currently available, including clinical, medical, and laboratory studies.

Right now, Canada has a unique opportunity to lead the world in tobacco harm reduction by developing comprehensive e-cigarette regulation that is designed using all available evidence and in consultation with the industry and lead researchers. We believe that electronic cigarettes represent our best chance to achieve the goal of a smoke-free Canada.

I would like to add that there is a sense of urgency to develop these regulations, not only to protect youth and consumers, but also to provide guidance to provincial governments.

Thank you very much for your time.

**The Chair:** Thank you very much.

Next up we have Shawn Wells from TVC Liquids.

Go ahead, sir.

**Mr. Shawn Wells (Owner, TVC Liquids):** Thank you, Mr. Chair and members of the committee, for this opportunity to express my views and the facts on e-cigarettes.

It's an honour to be invited here for the first time by the committee and to have the opportunity to offer another perspective on vaping. I'm so proud of the committee for investigating what I believe to be a better, less harmful alternative for adults who choose nicotine.

What we must understand here is that vaping is an entirely new product category, industry, and culture. This simple and effective technology offers the nearly 13 million Canadian ever-smokers—current and former smokers combined—a less harmful choice when choosing nicotine. There are already volumes of data from the millions of online comments and studies conducted since 2003, data that render vaping into a health category similar to that of a cup of coffee.

In regard to understanding the term "e-cigarettes", where the initial confusion really started is with the word "e-cigarettes", which leads one to believe that the device is emitting smoke. However, it's not smoke but vapour. The word "e-cigarette" can often serve to mislead the public: that it is a new variation of a cigarette. Just as electric cars produce less harm to the environment, vaporizing technology produces less harm to the user and to the environment around them.

We really have to look at combustion versus vaporization, because these are two completely different processes. Combustion is a high-temperature, exothermic chemical reaction between a fuel and an oxidant, whereas evaporation is a phased transition from the liquid phase to a vapour. It produces a non-toxic vapour with a pleasant odour.

With respect to looking at our harm reduction benefits, when we're looking at smoking tobacco in public we have three major ways that it's harmful: direct harm, as smoking tobacco is directly harmful; indirect harm, which is directly harmful to the bystanders; and in regard to role models, which means that young people who see smoking can believe that this is a normal adult activity, and it may influence them to smoke themselves.

On the other hand, vapour liquid in public is non-harmful in at least three major ways: in direct vaping, properly made liquids are directly non-harmful to the user compared to cigarette usage; indirectly, the vapour is not a constant, like smoke, and as well, the exhaled vapour is not harmful to bystanders; and with respect to role models, young people who see vaping can be educated on the product and nicotine delivery options and believe that it is not okay to be smoking.

Vaporizers are not the same as cigarettes, period.

When looking at the culture, it's critical to have a thorough understanding of the culture and the small businesses that have developed vaping in Canada. Vaping culture is not about a multi-billion dollar stronghold on addiction. Vaping culture is anti-smoking. When someone chooses to vape, they do not simply go for a vape or design their lives around vaping, as they might with a cigarette. Vaping culture rejects wholeheartedly the habits of smoking and therefore cannot contribute to smoking renormalization.

Again, as Mr. David was stating, there are four to five main ingredients in vapour liquid. Most of these ingredients have been proven to not be harmful. Delivering nicotine is very low risk and has not been clearly shown to cause any disease. Nicotine has been shown to have many health-related benefits. It can be presented in any strength, ranging from 1 mg to 24 mg—milligrams—and a comparison of the amount of nicotine delivered in 10 puffs of vapour shows that it is the equivalent of one puff of a traditional cigarette.

The whole problem with nicotine is that it happens to be found in cigarettes. People can't disassociate the two in their minds. Nicotine has benefits, if anything, and may actually have an anti-oxidant effect. One of the functions of nicotine receptors is to moderate the entry of calcium into cells. The presence of nicotine increases the amount of intracellular calcium, which appears to improve cellular survival. When it comes to dosage levels and nicotine, Health Canada clearly indicates that nicotine is not considered a drug since it is in a form to be administered orally by the means of an inhaler delivering four milligrams or less of nicotine per dosage unit. This is quite standard knowledge, especially out there on the Internet.

When it comes to productive vaping regulations around the world, we have to look at Germany, the Netherlands, and even Heathrow Airport, which permits the use of electronic cigarettes within its premises. The pro here is the ability to align with businesses and track them, with equal cooperation from vaping companies, so everyone is on the same page for distributing these product choices safely to consumers. As Australia does, we should discourage smoking and encourage vaping.

• (1125)

When it comes to contrary vaping regulations around the world, we can look at the U.S., Singapore, and New Zealand. The foundation of those regulations is a grouping of vaping with tobacco or a pharmaceutical product, which causes vaping to be restricted to only two options. This shuts down cooperation with vaping companies and eliminates the possibility of providing a less harmful choice to adult Canadians.

We really need to have a plan. We need to have a plan to understand and support the choice of lesser harm, the choice of vaping in Canada. We need to encourage our cities to support vaping by providing unbiased education so adults can make their own decisions. Grouping vaping with tobacco is counterproductive to lessening the harm of cigarettes.

In conclusion, I have a few solutions. We're looking at vaping as a consumer chemical product that provides adults with hundreds of options and can provide a significantly better option for Canadians. There is no significant risk apparent to either the direct user or to bystanders. The closest comparison I have come up with when doing my research is to coffee and its range of flavoured coffee options available in different strengths.

I have a number of suggested solutions: the creation of vapour company registration to track the products and stores and to lay the framework for labelling and nicotine indication; proper bottling using LDPE or glass bottles with childproof and tamper-proof caps; age restriction with advertising guidelines; the creation of an online forum such as, perhaps, [vaper.gc.ca](http://vaper.gc.ca), to register a vaping company; and the publishing of an official registered vaping company directory, which the public can see, to ensure that quality guidelines are met and that approved products are supplied by registered vaping companies in Canada.

I want to close with one quote from Professor Gerry Stimson, who is a professor at Imperial College London. He said:

If the WHO gets its way and extinguishes e-cigarettes, it will not only have passed up what is clearly one of the biggest public health innovations of the last three decades that could potentially save millions of lives, but it will have abrogated its own responsibility under its own charter to empower consumers to take control of their own health, something which they are already doing themselves in their millions.

Now that a lesser-harm option is available, why can't we offer this product choice to adult consumers? Why wouldn't we do the best we can in order to provide that choice?

We thank the committee for its time and consideration. We are pleased to answer any questions about vaping and the benefits to the health of Canadians in this exciting time.

Thank you.

• (1130)

**The Chair:** That's well done. We're right on time.

First up, we have Ms. Davies.

Go ahead.

**Ms. Libby Davies (Vancouver East, NDP):** Thank you very much, Chairperson.

Thank you, witnesses, for being here today. I think the presentations that you made were very interesting and articulate. I have a couple of questions.



First of all, I think it's clear that we do need to have a regulatory approach of some sort. I guess what we're going to be discussing when we finish our study is what that regulatory approach would look like.

Mr. Graham, what I take from your presentation is that NJOY wants to play by the rules, even if the rules don't yet exist. In fact, you're calling on us to make sure that the rules do exist.

I'm curious to know why you think it's taking so long. As I understand it, NJOY has been putting forward proposals. In fact, you gave your three recommendations. I didn't get them all, so it would be helpful if you actually would send in your brief, because I didn't get all the nuances of what you were saying. I'm curious to know if you can offer us any thoughts on why this is taking so long when, as a company, you have been wanting to have a legal pathway, as you call it. You want to have granted authorization, and you want to have a regulatory approach. I'll let you answer that.

Second, Mr. David and Mr. Wells, on hearing you speak, particularly Mr. David, I have to say that I have echoes in my head of the whole debate around natural health products, which many MPs are very familiar with. When you say you don't want to be regulated as a tobacco product under the tobacco control regulations, that you want to be separate, this is exactly what we heard on natural health products. In fact, we're still hearing that they didn't want to be associated with drugs. They wanted to be a separate category. I'm curious about that.

I do worry about the comparison to coffee. Coffee is actually the most common addiction in our society. It is a very addictive substance, although it doesn't harm you. Well, it can make your heart race; you can get heart arrhythmia from caffeine. The problem happens when you try to withdraw from caffeine. Anybody who's tried it will know how absolutely severe it can be physically. I understand where you're going with your comparison to caffeine, but maybe you want to come up with another comparison.

Those are the two questions.

Mr. Graham, I would also like to ask for any thoughts you may have about why this is taking so long, given that you've actually been pushing. Also, in terms of a new category, I think it would be helpful if you spelled out more of what you mean by a new category of regulation. You talked about general consumer products, but I don't think you were suggesting that it be under that. I think you were suggesting something separate.

Those are my questions.

• (1135)

**Mr. David M. Graham:** Thank you.

In connection with the work of the NNHPD, it's our view that this directorate is experienced in the regulation of existing products but is struggling with the way to set the expectations for this new class of products. I believe we would have an approval by the national health products directorate today if the product we submitted to them formed a similar profile to nicotine gum and nicotine patches in delivering the same amount of nicotine with the same profile. They're very comfortable with that framework.

The fact that e-cigarettes provide somewhat more nicotine and do so in a different way, involving also the inhalation of nicotine, leads the agency to look toward prescription pharmaceutical guidelines for medicinal inhalers and consider whether to address standards related to pharmaceutical products. Yet they are unable, through their agreement, it seems, to take into account the risks that would be associated with someone continuing to smoke.

I feel that half of the problem is the agency's or the directorate's lack of clarity as to what standard they should be setting and enforcing in this phase. The information we've had suggests that they are looking for further guidance from the minister's office as to the standard of evidence that should be required, and also even reassurance as to whether they can be regulated as a natural health product or if they have to be a prescription product or even a tobacco product.

Despite our efforts with some very specific recommendations as to how they could put forward proper data development, the agency is really not providing us with any more guidance. We're at a stalemate at this point. The best information we've had is "keep giving us information, keep talking to the public health community, and at some stage maybe we can move forward". I think we need to hear from your committee and we need to hear from the minister on it.

**Ms. Libby Davies:** Mr. David, could you respond to my question about your separate sort of category and how you see that working?

**Mr. Daniel David:** Yes, certainly. The fact of the matter is that electronic cigarettes have so many different aspects that need to be regulated. So much more research needs to be done and continues to be done. One aspect is e-liquid testing. For example, there's e-liquid flavouring. The flavouring that's used in e-liquid is food-grade flavouring, but nobody has ever evaluated the effect of food-grade flavouring on inhalation. That needs to be continuously tested, but our regulatory frameworks don't really support that effort.

We've also been advised that fitting this product into a natural health product category doesn't really work. It would require a health claim that we don't want to make. We don't want to make a health, therapeutic, or cessation claim.

**Ms. Libby Davies:** I'm not suggesting that you be part of the natural health product category. I was just saying that what you were saying reminded me of that debate we had.

**Mr. Daniel David:** Oh, sorry. Okay.

**Ms. Libby Davies:** I'm not suggesting that you go there. It's the same kind of debate that we're having.

**Mr. Daniel David:** The reason—

**The Chair:** Mr. David, could you please wrap up briefly? Our member's time is up. Then we'll get some more questions answered.

**Mr. Daniel David:** Sure. The reason I recommended a dedicated category is due to all of the unique challenges regarding electronic cigarettes, from the manufacturing standards of the e-liquid, to testing, to further research on the effects of the elements in e-liquid, monitoring that, and making sure we can continue to make this product even safer for the future.

**The Chair:** Thank you.

So everybody does know, I have here the letter from NJOY that was sent to the minister and also Mr. Graham's prepared comments for today. I think the clerk has them now. They'll be translated and distributed so that all committee members have them in both official languages.

Now we have Mr. Lunney.

**Mr. James Lunney (Nanaimo—Alberni, CPC):** Thank you, Mr. Chair.

Thank you to our witnesses for joining us today.

We've heard a fair bit of testimony already, including testimony from a number of health experts. For this committee member, at least, and probably for a number of our colleagues, I think we certainly see a benefit from e-smoking, and, if you will, for the addicted smoker and for smoking cessation programs, but there's a whole broader discussion here about.... I think I heard one of you talk about how we should be discouraging smoking cigarettes and encouraging vaping. I think that's a very different discussion, because there are a lot of unknowns about vaping.

The first question I have I'll direct to NJOY. Are you using a range of flavours with your products as well?

• (1140)

**Mr. David M. Graham:** Yes, sir. We use both tobacco flavours and non-tobacco flavours, which seem to be important in helping people transition away from combustion tobacco-smoking.

**Mr. James Lunney:** I understand that one of our witnesses said that all e-products have flavours, but cotton candy, coconut...? What some of the other ones we heard about here were? We heard about cookies and cream and candy floss. Do you have products that contain flavours like that?

**Mr. David M. Graham:** We do not have such flavours with such descriptors. Prior to introducing non-tobacco flavours into the marketplace, we conducted a study commissioned by the University of Pennsylvania—

**Mr. James Lunney:** I just want to know whether you are targeting young people with your flavours.

**Mr. David M. Graham:** No, we have evidence that demonstrates that the flavour descriptors of our products do not appeal to non-smoking teens, but do appeal to smoking adults. I'd be happy to submit that evidence.

**Mr. James Lunney:** Yes, we might like to hear it.

But some members of your association are marketing products with names like those. Are you seriously trying to come before a committee to suggest that there are adult smokers addicted to nicotine who would prefer a cotton-candy flavour?

**Mr. Daniel David:** That is absolutely what we're saying. These flavours were based on demand. The industry was grown by former smokers who went on to vaping, and those former smokers want a range of different flavourings. Granted, some of the flavourings you mentioned are not hugely popular, such as cotton candy or the candy-type flavours. A recent survey shows that about 3% or maybe 4% of users use them. But they are not targeted towards children.

**Mr. James Lunney:** Do you support a ban on sales to minors?

**Mr. Daniel David:** Absolutely. We've been calling for it. Yes.

**Mr. James Lunney:** Okay. That's interesting.

There is a range of products available. There are one-time-use products and there are those that you recharge yourself.

NJOY, do you have both of those? Do you have disposable products that are for one-time use as well as refillable products?

**Mr. David M. Graham:** Yes, we have.

**Mr. James Lunney:** Okay.

And that would be true of your members for sure.

**Mr. Daniel David:** For the most part, our members don't really sell the disposable cigalite type of electronic cigarettes because they have been shown to be less effective. We typically sell the second- and third-generation types of device, which have been proven to be more effective.

**Mr. James Lunney:** Okay.

Coffee came up as an addiction. Anything that is ingested, of course, is going into your stomach. It's going to go first to the liver, where you have a completely different process of processing chemicals than you have in the lung. This beautiful organ with thousands of miles of blood vessels is a very powerful delivery mechanism for a whole range of products, which is why inhalers are used for delivering medications.

You would be aware that your products are being used by some people for vaping marijuana, for example.

**Mr. Shawn Wells:** Thank you for the question.

I don't really understand the question, because with nicotine vaping and marijuana, vaporization is an entirely different story.

**Mr. James Lunney:** Well, actually, there are videos online. You can see how to mix your product with propylene glycol, what temperature to heat it at, for how long, how to cool it, and how to prepare it.

**Mr. Shawn Wells:** Is that for marijuana?

**Mr. James Lunney:** That's for marijuana, yes, which is a big issue in our country—and worldwide, I'd suggest.

**Mr. Shawn Wells:** Right. They are legalizing marijuana in many states and provinces.

**Mr. James Lunney:** You all went to great lengths to say that renormalization is not an issue, but you would be aware that neuromuscular patterning is an important part of addiction, is it not?

**Mr. Shawn Wells:** It is.

**Mr. James Lunney:** It's a big problem for people trying to quit smoking. What do they do after dinner when they really have to get their hand up to their mouth? Neuromuscular patterning is a very important part of addiction and of breaking addiction.

• (1145)

**Mr. Shawn Wells:** Absolutely: it's the sensation from the e-cigarette.

The thing is that the culture is so anti-smoking that, it just doesn't make any sense. If you were with us in the culture, in the day-to-day operations, you would clearly see that this does not renormalize smoking.

Going back to your comment about coffee, the reason I raised that example is that it's such a low dosage that we're looking at. It's more harmful to walk outside on a regular day in the city than to vape these low dosages of nicotine.

**Mr. James Lunney:** Well, I think we're naive in this room if we think the rush to provide a product... First of all, did one of you suggest that there are 13 million Canadians using vaping products already?

**Mr. Shawn Wells:** No. There are 13 million ever-smokers in Canada. Those are former and current smokers combined.

**Mr. James Lunney:** Thank you for clarifying that.

I think we're naive if we think that this product is only going to be extended to smoking cessation programs. There's a whole range of other products that maybe we haven't even begun to consider here. We know that young people have been known to experiment in their parents' medication cupboards. All kinds of things can be dissolved or put into solution with propylene glycol and vaped.

I know you're concerned about hypotheticals, but at this table we have to be concerned about the range of options that are out there. When people vape marijuana, I can tell you from the activists who have been in my office, there's no smell. You have kids who are vaping marijuana in front of their parents or their teachers—

**The Chair:** Mr. Lunney—

**Mr. James Lunney:** —and not having the smell associated with the product when it's combusted.

**Mr. Shawn Wells:** Are we discussing marijuana or nicotine?

**The Chair:** I'm sorry, Mr. Wells. We're over Mr. Lunney's time, so we'll have to catch it in another round. Thank you, though.

Ms. Duncan, welcome to the committee. You have seven minutes as well. Go ahead.

**Ms. Kirsty Duncan (Etobicoke North, Lib.):** It's nice to see you, Mr. Chair.

To all the committee, it's nice to be here.

To the witnesses, thank you for coming in.

I'm going to pick up a bit on Mr. Lunney's questioning. ENDS have been marketed in almost 8,000 different flavours, and there is concern that they will serve as a gateway to nicotine addiction and, ultimately, smoking, especially among adolescents. We know that experimentation with e-cigarettes is increasing rapidly among

adolescents, with e-cigarette use doubling in this group between 2008 and 2012.

I know that both of you have been very clear that you think sales to children and adolescents of e-cigarettes with fruit, candy-like, and, I would add, alcoholic-drink flavours should be banned. Is that right?

**Mr. Daniel David:** I believe that sales of any type of electronic cigarette product to adolescents should be banned, regardless of flavour.

**Ms. Kirsty Duncan:** Thank you.

Mr. Wells.

**Mr. Shawn Wells:** Absolutely.

**Ms. Kirsty Duncan:** Mr. Graham, I'll ask you the same question.

**Mr. David M. Graham:** Yes, we fully support a ban on e-cigarette sales to minors.

**Ms. Kirsty Duncan:** Thank you so much.

I'm going to ask about potential advertising, because there are broader issues here. The World Health Organization says regulations are required to address this and that an appropriate government body must restrict e-cigarette advertising, promotion, and sponsorship so that it does not target youth and non-smokers or people who do not currently use nicotine.

Would you support that?

**Mr. Daniel David:** I would absolutely support marketing restrictions for never-smokers and for youth, but it is important to have some aspect of marketing to let current smokers know that the product is available. I would support some very specific marketing restrictions—absolutely.

**Ms. Kirsty Duncan:** Thank you.

Mr. Wells, I'll ask you the same question.

**Mr. Shawn Wells:** I agree. When it comes to advertising, I think that if we're saying to stop smoking and start vaping because it's going to help you stop smoking, we're looking at a health claim. But if we simply say to stop smoking and start vaping, we're looking at an opinion. That's going to make the user delve further into that to find out what vaping is and how it works, and we're encouraging a lesser-harm option through that specific type of advertising.

**Ms. Kirsty Duncan:** Okay. I'll ask Mr. Graham the same question.

• (1150)

**Mr. David M. Graham:** We believe that advertising is critically important to raise awareness of this new class of products, but unfettered advertising with no restrictions, no rules, and no limitations is entirely irresponsible. Therefore, we support restrictions on advertising that allow it to take place with appropriate rules that are enforced by an appropriate body.

**Ms. Kirsty Duncan:** Thank you.

I'm going to ask all of you this: do you think there is sufficient scientific evidence to conclude that e-cigarettes help users quit smoking?

**Mr. Daniel David:** There is sufficient scientific evidence. There should be more, but a number of surveys have been done—one that includes 19,000 individuals all across the world—which show that, over a period of time, 81% of them have been able to completely stop smoking and switch to using electronic cigarettes. So yes, I believe that the evidence is there. It would be good to do more research on this, but it does help, absolutely.

**Ms. Kirsty Duncan:** You're pointing to one study of 19,000.

**Mr. Daniel David:** There's one major study. There are also a lot of other smaller ones, online surveys, and other indications. That's why I said that it would be great to do more and to have a structure here in Canada so we could monitor that.

**Ms. Kirsty Duncan:** Mr. Wells, how do you feel? Is there sufficient evidence?

**Mr. Shawn Wells:** I believe there's sufficient evidence, but I believe that it's replacing smoking with a lesser-harm option; it's not quitting smoking. You're not essentially quitting. You're just replacing combustion with vaporization, and you're getting the health-related benefits of nicotine and not all the combustion, carcinogens, and chemicals that you face with cigarettes.

**Ms. Kirsty Duncan:** Okay.

Mr. Graham, is there sufficient evidence?

**Mr. David M. Graham:** We believe that the evidence to date is encouraging; however, more evidence is needed to be completely conclusive. We support and are anticipating any additional research in Canada as well. Should Health Canada allow it, then we will be partnering with agencies and institutions in Canada to gather additional data.

But we can look to the U.K. with a very valuable study by Professor Robert West, which in a real-world setting has demonstrated—

**Ms. Kirsty Duncan:** I'm aware of West.

Thanks to all of you. I guess my concern is that the World Health Organization has been very clear that there is currently insufficient evidence. I need to bring that forward.

One of the other concerns the WHO has is that existing evidence shows that e-cigarette aerosol is not merely water vapour, as is often claimed in marketing. While they are less likely to be toxic than conventional cigarettes, WHO is suggesting that e-cigarettes pose a threat to adolescents and to fetuses of pregnant women using these devices.

**Mr. Daniel David:** There have actually been numerous studies on that fact. The 27-page report that I've provided the committee goes over that very specific thing.

The fact of the matter is that it's true that it's not simply water vapour that is emitted. There are propylene glycol, a very minimal amount of nicotine, and some other constituents, but because vapour dissipates so quickly in the atmosphere it doesn't have any type of biological effect upon inhalation by a bystander. That's been shown over numerous studies. As I've said, I have cited those studies, and they are in that report.

**The Chair:** That's great. That's seven minutes.

Thank you.

Thank you for bringing up the advertising component of it.

Mr. Young, you're up next, sir.

**Mr. Terence Young (Oakville, CPC):** Thank you, Mr. Chair.

Mr. Wells, I'd like to ask you a question first. I wonder if I could please request brief answers because I have three questions in seven minutes. Thank you.

Mr. Wells, one of the largest markets for marijuana and alcohol in Canada is minors, and minors can't buy alcohol or tobacco in stores. That's because teens like to act like adults. Maybe they like to rebel a little bit, and they like to try things that are stimulating. Why would barring the sale of e-cigarettes prevent minors from getting them in Canada?

• (1155)

**Mr. Shawn Wells:** Thank you for the question.

I really don't understand why we're so bent over this. Would we rather have teens smoke cigarettes? When I was 13, the store was selling me cigarettes. I smoked for 13 years—

**Mr. Terence Young:** Sorry. Do you think that banning the sale would stop teens from getting your products?

**Mr. Shawn Wells:** That's a tough question—

**Mr. Terence Young:** Thank you. I'll go to Mr. David.

Mr. David, we have very serious problems with addictions in Canada. We hear about them in this committee all the time.

Health issues related to alcohol cost billions in health care, unemployment, accidents, vehicular accidents, social service costs, and a lot of human misery. It's the same with marijuana. About 7% of marijuana users will become addicted. They suffer from memory loss, apathy, and a whole range of medical problems like psychosis and lung damage, and diabetes, as well as vehicular accidents and unemployment. Thousands of opioid addicts have died in Canada, and many more have had their lives ruined.

Addiction to nicotine diminishes lives as well. What I mean is that no matter what you're doing—you could be operating a crane with great weights over the city, or you could be a surgeon, a nurse doing critical work for others, a teacher, anyone—you have this nagging voice inside your head, like a bad angel on your shoulder saying throughout the whole day “come on, take a break, you'll feel better after a cigarette, it's not that bad for you”. Some people have it even at night.

Yet your product creates new addicts. Bear with me.

But you don't have the good angel. When people smoke cigarettes they have a good angel that says “this is bad for you, don't do it, you can stop”. Your good angel is telling you that you shouldn't smoke, that it's bad, that you might die early and that you might have lung disease. You guys have removed the good angel.

You have this marketing dream. People think it's good for them or it doesn't hurt them at all, so they can become addicted to nicotine. Your products do create new addicts. I'm not saying that's your goal, but they do. We've heard at this committee that they do. You have a marketer's dream. You can get people addicted to a new product.

But I think there should be a third option, especially for our young people: that we don't make anything that's addictive, that has unlimited, open, easy access, to create new addicts in our society. My question for you is, shouldn't e-cigarettes be sold only when the benefits exceed the risks, which would be for people who are already regular smokers? In other words, shouldn't they only be prescription...?

**Mr. Daniel David:** The problem with prescription regulation is that it is prohibitively restrictive. It makes the product less accessible. It makes the product, in the view of vapers—

**Mr. Terence Young:** How hard is it to get? You go to your doctor and you get a prescription.

**Mr. Daniel David:** Well, let's look at how effective smoking cessation therapies have been. You know, there we're looking at a 4% to 7% success rate, whereas when you look at electronic cigarettes, you see that they are growing so rapidly because they work.

**Mr. Terence Young:** They take somebody who's addicted to tobacco and then they just give them—

**A voice:** To a less harmful—

**Mr. Terence Young:** —safe easy use—

**A voice:** That's right—

**Mr. Terence Young:** —to be addicted to nicotine, but I'm thinking that there should be a third option.

If I may, let me go to Mr. Graham. Thank you.

Mr. Graham, you've stated that your company is a for-profit company, right?

**Mr. David M. Graham:** That is correct.

**Mr. Terence Young:** Your stated goal is to help people get off nicotine. You even talked about eventually eliminating tobacco as a long-term goal. Is that correct?

**Mr. David M. Graham:** Our mission is to obsolete combustion cigarettes.

**Mr. Terence Young:** Are you aware of the insidious marketing, which is called stealth marketing, that some tobacco companies are doing, whereby they co-brand an e-cigarette—Marlboro is doing it—with a regular tobacco cigarette? They create new addicts, which they can easily do, and then also the possibility, which I think they will do, of later going back to them and saying, “Now that you've tried the nicotine, now that you've tried vaping, try the tobacco that has the full flavour.” Are you aware of that kind of marketing?

**Mr. David M. Graham:** There's a potential for that, sir, and I think in the regulations it should be very clear that questions and restrictions applied to tobacco companies that sell combustion cigarettes should restrict such behaviour. We do not support co-branding of e-cigarettes and combustion cigarettes.

**Mr. Terence Young:** Do you think that with regulations we can protect Canadians from predatory marketing practices like that?

**Mr. David M. Graham:** Depending on the nature of the regulation, yes.

• (1200)

**Mr. Terence Young:** Thank you.

Given your stated corporate goal of reducing or eliminating the use of tobacco, wouldn't you agree that e-cigarettes should be authorized for use by prescription only, or in other words, only when the potential benefits exceed the potential risks?

**Mr. David M. Graham:** I disagree that e-cigarettes should be sold only on prescription. I do support the view that they should be sold where the benefits outweigh the risks.

Sir, the comparison between electronic cigarettes and combustion cigarettes is unavoidable. If combustion cigarettes are limited to access only by prescription, then perhaps it may be appropriate to think about similar restrictions on e-cigarettes. But it's perverse in the extreme to believe that a product that is so harmful, that kills half of its long-term users, is widely available and that a product that is a magnitude of difference in risk would be more highly restricted. It's an upside-down logic, sir.

**The Chair:** Thank you.

**Mr. Terence Young:** That's it?

Thank you, Mr. Chair.

**The Chair:** We're at the end of our discussion.

Thank you very much, Mr. Graham, Mr. David, and Mr. Wells, for appearing at committee. You made a great panel today, and we've had a great discussion.

We'll now suspend for probably around three minutes. We have more technical stuff to hook up for our next group.

Thank you very much.

• (1200)

\_\_\_\_\_ (Pause) \_\_\_\_\_

• (1210)

**The Chair:** Welcome back. I'm sorry for the delay. We're working on a technical presentation for one of our guests here. We're set up. We're going to have an abbreviated session to try to get everything in.

We'll start with our people who are here via video conference. Thank you very much.

It's Smoke NV, with Mr. Mohamedali and Mr. Rai, I believe.

You go first. You have 10 minutes to present. Thank you very much.

**Mr. Shanu Mohamedali (President, Smoke NV Inc.):** Thank you.

**Dr. Inderpreet Rai (Medical Director, Smoke NV Inc.):** We thought we'd just give a brief history of our company and where we come from.

I'm Dr. Rai. I'm a family physician who practises in Edmonton, Alberta, and I'm here with Mr. Mohamedali, who is the CEO of Smoke NV. I act as the medical director for the company. We have been in the industry since about 2006.

As a company, our goal has always been one of harm reduction. We've always focused on that.

Three things that we've always looked at from the conception of the company were issues that we felt existed within the industry as a whole. One was the manufacturing process. The second was pharmacokinetics and whether nicotine should be placed in the product. The third was how this product should be placed within the marketplace and what regulations we should impose as a company to ensure that minors or young 18-year-olds aren't becoming normalized to the product and using it as a gateway to smoking. Essentially, that's where we started off as a company, and we've answered or tried to answer some of those questions as time has gone on.

As far as the nicotine goes, we as a company have always chosen not to sell the product with nicotine in it. We sell in marketplaces such as the United Kingdom and Australia, without nicotine in our product. We felt at the time of the conception of our company that there wasn't enough data to answer the questions that needed to be answered in regard to nicotine, questions around absorption and potential harm. Really, a lot of the clinical studies just weren't there at that time.

On manufacturing, Shanu can speak to that as to the issues that have come up in manufacturing, the ones that we probably know about and maybe the questions that you might have in regard to the industry. We have filed for a patent on a manufacturing process that can be done within Canada. We've moved forward on that.

On regulation as to how we sell our product within Canada, we have made sure that our product cannot be sold to minors. We have imposed systems on the retailers that sell our product in order to do that.

**Mr. Shanu Mohamedali:** As part of that process, I think regulation for this industry is obviously for the benefit of everyone. As you know, there's a lot of information out there and a lack of information as to the types of regulation that may occur. Obviously, we're on the side that says these products should only be used by people over the legal age.

But I think part of the bigger process is really taking apart the e-cigarette, understanding all the components that are involved, and ensuring that those components are safe to be brought in. What we know today is that it's mostly the lithium ion batteries that are used in electronic cigarettes.

Whether it's our laptop or our cellphone, there are processes that are in place to ensure those batteries are safe, and we should have the same processes to ensure that it's the same with electronic cigarettes: ensuring that they go through the UN 38.3 testing, making sure that the chargers that are available for electronic cigarette chargeable products follow the CSA or CUL certification, and making sure that the way that the product is constructed ensures that loose or frayed wires are all covered in electrical tape, all taped around the battery.

These are the intricate processes that we all need to ensure that these products are safe for use in the marketplace.

●(1215)

**Mr. Inderpreet Rai:** Over the years, I think we've found that in selling our product without nicotine in it, we've had consumers who have come back to us and said they've had some really good benefits from the product. As you know, public health has opened up its view on electronic cigarettes, with nicotine and not, in conversations with people such as Dr. Charl Els.

We did feel that there was a potential to do some good with this product with nicotine in it. Therefore, as a company, we have actually sent in a CTA to Health Canada to study our product and the pharmacokinetics of nicotine within the product. We are in the process of answering some of the questions that were sent back by Health Canada in regard to the study.

But once again, to date we still do not sell our product with nicotine in Canada.

**The Chair:** Does that conclude your remarks? Do you have anything else you'd like to present?

**Mr. Shanu Mohamedali:** I think that concludes our remarks.

**Mr. Inderpreet Rai:** That gives a bit of a history. Whatever you need to ask us, we...

**The Chair:** That's great. Thank you very much.

Next up, from the Canadian Convenience Stores Association, we have Mr. Alex Scholten.

Go ahead, sir.

**Mr. Alex Scholten (President, Canadian Convenience Stores Association):** Thank you, Mr. Chair and committee members. We appreciate the opportunity to speak before you today.

My name is Alex Scholten. I serve as president of the Canadian Convenience Stores Association. Our association represents the over 25,000 convenience stores operating in Canada that employ 217,000 Canadians. Our stores serve over 10 million Canadians each and every day. Last year, the industry posted sales in excess of \$55 billion.

We support customers based in urban and rural communities across the country. Our stores offer a wide array of products, including age-restricted items such as lotto tickets, tobacco, and, in some provinces, alcohol.

Today I'll be speaking about the sale of tobacco in our stores, our approach to the sale of e-cigarettes, and our recommendations on how we believe the sale of these cigarettes should be regulated by the federal government.

Convenience stores are the largest retailer of legal regulated tobacco products in Canada. The sale of tobacco in our stores is heavily regulated, and we take very seriously the responsibility of selling those products. To give you an idea of some of the requirements that our retailers have to comply with, I'll go through some of the things we do when we sell products.

First and foremost, tobacco products are hidden behind displays so that they are not visible to youth. Secondly, in order to prevent youth from being exposed to tobacco advertising or promotion, the marketing of legal tobacco products is strictly prohibited in Canada and, as such, there are no signs or images that promote tobacco inside or outside of our stores. When legal tobacco products are purchased, the packaging of these products is almost fully covered by warning labels that detail the consequences of smoking. Retailers are also required to check the age of consumers before selling any tobacco products, to ensure that youth do not acquire such products.

The Canadian Convenience Store Association actively discourages the sale of any tobacco product to minors, and this message is shared by our members. We offer retailer training on how to properly conduct age-testing when selling tobacco products, and we have our members sign a code of conduct whereby they commit to checking ID when selling tobacco products, and they agree not to sell tobacco to youth. We consider ourselves an active partner in government tobacco control strategies and believe our efforts in enforcing strict age checks have been instrumental in reducing youth consumption rates to all-time lows.

For several years, convenience stores have been selling electronic cigarettes that do not contain nicotine. It is a rapidly growing category. In the United States, sales of these products have doubled in each of the past three years. In Canada, there has been a sharp increase but not to the same degree as the United States, as there has been regulatory confusion on how the products are handled and sold.

In accordance with Health Canada rules and regulations, our stores have not been selling electronic cigarettes containing nicotine, nor have we promoted any potential health benefits associated with those products. In August of this year, our association proactively created a suggested retailer best-practice recommendation document specifically for the handling and sale of electronic cigarettes. That document is attached to our submission for committee members today.

The purpose of the document was to answer retailer questions on this new product category and also to promote what our association believes to be responsible retailing practices, just as it has done with the handling and sale of tobacco products. Our association's recommendations to this committee are primarily derived from the best practice document that is included in your package.

I'll go through some of those details now.

First and foremost, we recommended to convenience store owners across the country that electronic cigarette products should only be sold to adults. This approach was also adopted by the Ontario government this week when they released proposed legislation regarding the sale of e-cigarettes. We have already sought to implement these age restrictions in our stores and actively encourage all our retailers to follow what is outlined in our best practice document.

To be clear, the Canadian Convenience Store Association fully supports a ban on the sale of electronic cigarettes to youth. We already comply with bans on tobacco sales to youth, so convenience store staff are well trained to comply with those types of restrictions.

●(1220)

In order for electronic cigarettes to fulfill their true potential as a viable or healthier option to cigarettes, we believe they have to be widely available where smokers buy their cigarettes. We believe that allowing the sale of electronic cigarettes in our stores presents this type of opportunity.

Not only do our stores provide a controlled and regulated environment for the sale of these products, but we have also heard consistently from our customers that e-cigarettes are more effective options than nicotine replacement therapies such as patches, gum, lozenges, and inhalers, because they replicate the behavioural aspects of smoking cigarettes and, as we've been told, they are less expensive options than some of those other products.

The reality is that Canadian consumers are already accessing e-cigarettes with nicotine in large numbers, not in our regulated and monitored stores, but through the many vape shops that are operating across the country and through online sales that are technically operating outside the law, although the law is not being actively enforced. This continues to put our law-abiding retailers who comply with Health Canada regulations at a disadvantage.

Our recommendation to government is to clarify the retail framework for e-cigarettes to create a level playing field for all retailers and to do so in a way that recognizes consumers want access to these products. There is nothing to be gained by imposing severe restrictions so that a black market for e-cigarettes is then created to go along with the already thriving black market in tobacco products.

While we agree with the Ontario government in limiting the sale of e-cigarette products to youth, we do not agree that these products should be treated in the same way as regular cigarettes. They are not tobacco products, and therefore we believe they should not be subject to display bans. Given the reduced harm potential for these products, it would be counterintuitive to hide these products from smokers looking to switch to these products.

As we understand it, there is a growing acceptance among public health professionals of the potential of nicotine-containing products to aid smoking reduction and cessation. As such, it would be more beneficial to permit broad freedoms for marketing to adult smokers and users of other nicotine products. If e-cigarettes are proven to be a less harmful alternative, then it is in the public interest for smokers to have easier access to them than regular cigarettes, which would be better accomplished by not restricting their display and advertising.

Our recommendation in that regard is that e-cigarettes should not be subject to retail display bans. This is a new category and we need to be able to educate adult consumers on the varieties and products available.

Finally, our stores need the government to quickly approve all e-cigarette products, including products with nicotine that are available in the United States, so that we can begin to sell them legally in a controlled environment. Right now, customers are acquiring e-cigarette products with nicotine from the Internet and from vape shops, and it's really the Wild West right now.

There are regulations, but they're not being enforced. I can tell you stories of smokers who have switched to e-cigarettes containing nicotine and don't come to our stores anymore. They tell us the reason is that we don't offer those products. As our stores look to find ways to wean customers off regular tobacco products, we need e-cigarettes approved so that we can begin to offer alternative products in our stores in a controlled and regulated environment.

Therefore, our recommendation is that the federal government move quickly to approve these products, including those containing nicotine, for sale in Canada so they can be regulated and controlled through already existing channels.

Thank you very much. I welcome any questions you may have.

• (1225)

**The Chair:** Thank you very much.

Next up we have 180 Smoke and Mr. Boris Giller.

Go ahead, sir.

**Mr. Boris Giller (Co-Founder, 180 Smoke):** Thank you.

I'd like to thank the Tobacco Harm Reduction Association for all their support. I'd also like to thank this committee for allowing me this platform. Unlike the various provincial and municipal regulations that came out of closed discussions, this is a very welcome initiative.

I'm going to be presenting on behalf of 180 Smoke from a vendor's perspective and as an ex-smoker and ex-vaper myself.

First, I'd like to declare that I am a co-founder of 180 Smoke. I do have an interest, along with Dr. Gopal Bhatnagar, who presented here more than a week ago. We are a socially conscious crowdsourced company. We do not engage in any lifestyle advertising of any sort. Part of this presentation is based on my experience in interacting with thousands of vapers and ex-smokers.

I'm an ex-smoker and ex-vaper myself. I failed miserably four or five times with patches, gums, and conventional methods. My mother is an ex-smoker and current vaper and my father passed away from a heart attack due to smoking, so this is a very personal issue for me, beyond the financial incentive.

I would also like to ask all of you to recognize opposing interests and financial incentives when reading statements made by the Canadian Cancer Society and other organizations in the media. They are funded by pharma corporations that are actively advertising. For example, the Canadian Cancer Society issues a statement and, at the same time, they're being sponsored publicly by Johnson & Johnson, and Johnson & Johnson pays for advertising against vaping. It's similar to the Lung Association, which is sponsored by Pfizer. It is also no longer a secret that the drug industry is lobbying against e-cigarettes, as shown in the Bloomberg article. I would ask you to treat those statements with the same filter of skepticism as you would treat mine.

First, as a basis, the full extent of how safe e-cigarettes are is yet to be determined; however, I doubt that I can find anybody who would argue that they're more dangerous than tobacco cigarettes. With that in mind, I would ask you to view them as a transitional tool and a harm reduction tool, not necessarily as a smoking cessation tool.

I would also ask you not to neglect the non-quitters. Right now, we're looking at a paradigm of people who are smoking and people who are quitting, so it's a quit-or-die paradigm. We ask you to take a look at the people who are not interested in quitting, or who are not able to quit in their mind, and to empower those people.

The rest of the presentation is based on the assumption that it is in the best interests of the government not to discourage these smokers who are not quitting from switching to this safer alternative. With this assumption, we ask you to make switching more appealing by supporting the vaping value proposition, compared to cigarettes, by providing a regulatory advantage to vaping compared to cigarettes.

As somebody who markets these products, I'm going to tell you about the reasons and the motives of smokers who choose to switch.

Savings is a big one. Smokers save more than \$3,000 a year by switching to e-cigarettes. As you know, smoking affects the lowest socio-demographic group the most, so the poor are most affected. This would be a great saving. They would have more money for food and for everything else.

We would recommend that e-cigarettes are not taxed and are instead incentivized, the way the insurance companies currently incentivize switching to e-cigarettes by lowering life insurance premiums.

Smokers switch for harm reduction. We're currently not allowed to advertise these harm reduction benefits due to our fear of making health claims, so we'd ask that we be allowed to at least state the harm reduction claims—not smoking cessation claims, but harm reduction claims.

The biggest reason that many vapers who are not interested in quitting are switching is the convenience, the fact that they can vape indoors. It's one of the top reasons why people do it. We ask that you don't ban indoor vaping as long as there's no proof of second-hand vaping harm. Research shows that more particles and fumes are released from the candles on your tables, fireplaces, and carpets.

• (1230)

We also ask you to consider existing air quality research, and there's a lot of it. It shows that e-cigarette second-hand vape is well below the occupational hazard threshold in air quality, so we would ask you to allow indoor vaping at the establishment's discretion and not send ex-smokers outside to breathe second-hand smoke. Those are people who are trying to quit. Putting them together with the smokers is counterproductive.

The biggest taboo is that people say the flavours are targeting children. I would like to argue that this is a myth, and it is ageist. One hundred per cent of our customers are over the age of 19. We've implemented the 19-plus policy from day one, and the vast majority of them prefer non-tobacco flavours. They cite that they try to disassociate the nicotine hit from the tobacco flavour. My mother has a personal story. After two weeks of vaping non-stop, she tried a cigarette, and it just tasted bitter to her. She disassociated that flavour with that sense of satisfaction.

Going forward, we recommend allowing non-tobacco flavours.



Another thing I would like to address is the “gateway to smoking” myth. Many people are concerned about the never-smokers, the people who have never tried smoking: what if they get addicted to this and move on to smoking? Well, the data shows the exact opposite. A very large U.K. study posted by the Office for National Statistics says that e-cigarettes were used almost exclusively by smokers and ex-smokers. Almost none of them had never smoked. So the data doesn't support this argument. We ask that you do not ban advertising and promotion, but rather restrict it to smokers and non-lifestyle advertising.

With respect to the suggestion of regulating it as a medicine and prescription, this would be detrimental to the innovation and the variety of products available. Seven years ago, all that was available were those cigalites. They would run out very quickly and produce very little vapour. Also, as soon as the battery ran out, a smoker would go and grab a pack of cigarettes. That's what happened with my dad and my mother.

In the last seven years this has become a totally different product. The battery capacities are better. The quality is better. The tanks are better and they last longer. The uptake and availability are much better, and people get a product that's way more suited to them, which increases the uptake rate.

Based on our experience as an omni-channel brand, we recommend the following regulation. Other than the obvious labelling and the childproof caps, we ask you to give vaping an incremental advantage over cigarettes and help us compete against big tobacco.

We ask you to allow them to be sold in specialized vape shops, where a person can get a consultation on how to use the product and get proper instruction, and in 19-plus areas, to allow them to be displayed.

We ask you to set standards for pharmaceutical-grade ingredients and manufacturing practices.

Also, we ask that you set online age verification requirements so we can verify their age online. I'd like you to know that Canada Post and other couriers do allow for 19-plus verification upon delivery.

I would like to also give some perspective and a reality check. While we're dealing with these hypotheticals—what about the children and will they get addicted?—smokers are actually dying. Since the Health Canada advisory of 2009 was issued, 248,000 Canadians have died from smoking. In the same time, as an industry we were able to convert more than 300,000 smokers to vapers. We still have 4.6 million to go. That's more than 93%. I think that's a huge opportunity, and we have to move on this as fast as possible.

I also urge you to ignore the statistics and hypotheticals for a while and actually listen to vapers and testimonials. There's an overwhelming amount of testimonies indicating that it is a life-saving technology. I have hundreds and hundreds of those, and I would be able provide you with more if requested to. Many people cite that their health is better, that their sense of smell is back, that they can run now, and that their lung capacity is better. You cannot simply ignore these.

I also would like to urge you to think about the unintended consequences of a ban. I know that we're also considering advertising restrictions, but that would kill competition. It would reduce the appeal, compared to cigarettes. It would harm innovation and limit the recruitment of smokers....

If you ban flavours, again it would reduce appeal, and it would drive the market underground, because people simply will not accept the tobacco flavours. They will start making their own in their garages, and this is where the real danger happens.

If you ban indoor vaping, again, it would promote relapse, and you would expose ex-smokers who are trying to quit to second-hand tobacco vapour.

• (1235)

Also, imposing pharmaceutical-style regulation would definitely harm innovation and limit availability and uptake. Again, I urge—well, beg—you to please view the Clive Bates presentation, as it's currently the most comprehensive presentation so far. It's been submitted to the committee in the past, but we'll just ask again if you could review his presentation as well.

Thank you so much.

**The Chair:** Thank you very much.

We're going to have to cut down the length of time for the rounds, but we can try to get in five-minute rounds.

Mr. Morin, you're up first, sir. Go ahead.

[Translation]

**Mr. Marc-André Morin (Laurentides—Labelle, NDP):** My question is for Mr. Giller.

Do you think the government should play a slightly more dynamic role and deal with this as a public health issue, and weigh it as being a solution to a real problem like smoking?

I admire the motivation of all the witnesses we have heard from. They have shown motivation and a sense of purpose.

You have a vision in mind for solving a problem that is close to your heart.

Would it not be the government's role to determine the direction of a public health policy?

[English]

**Mr. Boris Giller:** Thank you so much for the question.

Yes, I do. I think it is a public health issue, and I think it is an urgent public health issue. The current policies have failed. The smoking rates have been remaining around the 20% rate in the past. A new technology presents an opportunity to convert and to have a much larger impact much, much faster.

[Translation]

**Mr. Marc-André Morin:** My other question is for Mr. Scholten.

The question is similar.

Isn't it strange that it is the merchants and retailers who are educating and monitoring themselves to ensure the public's safety? Shouldn't this have been done a long time ago?

[English]

**Mr. Alex Scholten:** If I understand your question, retailers are already acting in that manner through their controlled sale of tobacco products, so we would be acting in the same way through the sale of electronic cigarettes.

[Translation]

**Mr. Marc-André Morin:** I appreciate the effort that your organization is making, but shouldn't this have already been done by the governments, who put in place a regulation? Shouldn't they have decided to do it as soon as possible to reassure consumers?

• (1240)

[English]

**Mr. Alex Scholten:** Absolutely. These products have been around for several years. I think that as we're seeing or hearing today, and through the testimony given to the committee previously, there are public health benefits that can be achieved, so absolutely I think something should be done. This should be a health issue that is addressed very quickly.

**The Chair:** Thank you very much.

Ms. Adams, you're up next.

**Ms. Eve Adams (Mississauga—Brampton South, CPC):** Thanks very much.

If I might put my first question to the doctor, what do you think, in your estimation, should be the appropriate health and regulatory standards for e-cigarettes and e-liquid? What percentage of nicotine should be permitted?

**Mr. Inderpreet Rai:** When it comes to e-liquid manufacturing, I think there should be some standardization in the process, as well as in where the chemicals are coming from that are being placed into the liquid solution, so there are a few answers to that question.

As for the amount of nicotine that should be in the product, that would depend on the absorption rate of the nicotine itself. If you look at any NHP nicotine products, you're looking at less than 4 milligrams absorption. You're looking for something like that within the electronic cigarettes.

Typically, from the studies that have been done in the United States with the different levels of 15 milligrams, 10 milligrams, 8 milligrams, and 6 milligrams, you're still not achieving that level within electronic cigarettes. The major reason for this is that the majority of the absorption that takes place is actually taking place orally through the mouth, rather than through the lungs, which is what most studies are starting to show. So there are a couple of answers to that.

Again, nicotine absorption would depend as well on the element and the amount of heat produced, and also the acid-based composition of the product, so each solution can be a little bit different.

**Ms. Eve Adams:** Thank you.

We also heard from a physician from the Montreal Chest Institute who felt that e-cigarettes with nicotine ought to be sold only at specialized shops. He felt that consumers really couldn't properly add the correct level of e-liquid to a vaping device, and that if we are

truly looking at harm reduction, this ought to be sold only at specialized shops. Do you agree or disagree with that?

Then I'd like to put the same question to the Convenience Stores Association.

**Mr. Inderpreet Rai:** I would disagree with that. I think that if you're really looking at it from a public health standpoint and you want consumers of traditional tobacco products to have access to electronic cigarettes, they need to have as much access as they have to tobacco. My feeling is that if a smoker can walk a block to get their pack of cigarettes, they should be able to have access to electronic cigarettes within that same distance.

As far as education goes, there are two different types of products. You have your disposable electronic cigarettes, which are packaged with everything—you're not placing your vapour or your solution within the tank system—and then you have your tank system as well. Your traditional disposables come pre-packaged; there's no solution being placed in them. Right now, those without nicotine are sold by retailers across the country. I would say that this should continue, because I believe this creates access, and that limits the amount of tobacco purchases.

**Ms. Eve Adams:** Thank you. If I might, I'll put the same question to the Convenience Stores Association.

**Mr. Alex Scholten:** I fully agree with the previous answer. Accessibility should be promoted as much as possible. I think that having the products available wherever cigarettes now are sold would be very important.

As for having specialized staff or knowledgeable staff, we can certainly train our staff to do those kinds of things. We train them on selling other products.

In addition to that, the products can be sold with instructions and recommendations on how they should be used.

**Ms. Eve Adams:** Let me put another question to the Convenience Stores Association.

Currently, there are e-cigarettes without nicotine readily available. We've heard some testimony that is quite concerning. It's that if e-cigarettes were to be permitted for sale and were regulated and only available to adult consumers, we've heard from some folks who have come forward to say that they'd like to see the e-cigarettes without any nicotine continue to be made readily available and that there should be no restriction on that.

I think many of us, though, share a concern that this would be very confusing, and that in fact, really, those e-cigarettes, even without nicotine, ought to be regulated so that it's very clear when you see a child smoking one of those, whether it has nicotine in it or not, that the child should not have that access. Would you agree with that?

**Mr. Alex Scholten:** Absolutely.

**Ms. Eve Adams:** As a mom, that's certainly my preference.

The other concern is that e-cigarettes without nicotine ought not to be permitted in indoor places—or those with nicotine.

We heard earlier today that we ought to make it as easy to use as possible and offer encouragement and so on. Mr. Giller, I think you provided that testimony.

I suppose the concern is this. While a combustible cigarette is markedly different from an e-cigarette with or without nicotine, to those individuals who are not smokers, first and foremost, it's not about simply decreasing the amount you're exposed to. I think individuals who choose not to smoke ought to be entitled to an area in a workplace, or a social place, or a restaurant—you name it—that is a smoke-free environment. I think that's something many Canadians have now come to expect—

• (1245)

**The Chair:** Excuse me, Ms. Adams, we're just a little over five minutes there.

**Ms. Eve Adams:** I'm sorry. I know that we're tight on time.

Perhaps you could submit your comments and your response to that questioning in writing.

**The Chair:** Or they could maybe follow up, too, if Mr. Wilks or Ms. Duncan would like to pick it up.

**Ms. Eve Adams:** Thank you very much.

**The Chair:** Go ahead, Ms. Duncan.

**Ms. Kirsty Duncan:** Thank you, Mr. Chair.

Thanks to all of you for your time and effort.

Dr. Rai, do you think we should be impeding e-cigarette promotion to non-smokers and young people?

**Mr. Inderpreet Rai:** Absolutely. If you look at young individuals, minors.... I'm a father myself. If you were to ask me whether I would want my child at the age of 18 to try a traditional cigarette or an electronic cigarette, I would 100% choose an electronic cigarette. I believe that it's that much safer.

As a company, even for us the goal was never to market towards non-smokers; it was to capture the smokers. I believe you're hearing a lot of that from some of the people you're speaking with besides us.

So yes, 100%, non-smokers and minors should not be targeted.

**Ms. Kirsty Duncan:** Thank you, Doctor.

I think, Mr. Scholten, you have the same view. Is that correct?

**Mr. Alex Scholten:** I do.

**Ms. Kirsty Duncan:** Thank you.

The WHO is suggesting that we should prohibit unproven health claims about e-cigarettes. How do you feel about that, Dr. Rai?

**Mr. Inderpreet Rai:** Well, I think that goes to us submitting a CTA to Health Canada. I do believe that studies need to be done, and I think they should be done within the Canadian system. A lot of governments are acting towards this in different ways. If you look at how the United States has proceeded towards electronic cigarettes, you see that it's vastly different from the U.K. or even from Australia. In my opinion, I like the manner in which the United Kingdom and Australia are asking for clinical studies to be performed in certain ways. I do believe that clinical studies within the Canadian system should be done.

**Ms. Kirsty Duncan:** Thank you.

I'm going to ask about indoor use. Again, it is being recommended by some that legal steps should be taken to end use of e-cigarettes in

public and in the workplace. Evidence suggests that exhaled e-cigarette aerosol increases background air level of some toxins, nicotine, and particles.

I'd like to hear from you, starting with Dr. Rai, please.

**Mr. Inderpreet Rai:** My personal view on it is that I wouldn't want people using aerosolized nicotine products in a vehicle with their kids until further data shows explicitly that the nicotine isn't going to affect their children, so I would say that it should be limited.

Again, I think it is vastly different than a traditional cigarette. There is no easy answer to that question, but there are some areas that need to be looked at a little bit more.

**Ms. Kirsty Duncan:** If I may again, Dr. Rai...? Again, it's being suggested by some that we should be trying to minimize potential—and I stress “potential”—health risks to e-cigarette users and non-users. How do you respond to that?

**Mr. Inderpreet Rai:** Well, I think the studies quite clearly show that an electronic cigarette.... Now, you're talking about two different products: an electronic cigarette and a tank system are two different things, but they both produce vapour. I think all the studies show that they are vastly superior to traditional cigarettes as far as harm reduction goes.

Nicotine in and of itself doesn't really cause too much harm in comparison. There are increased rates for potential heart attack, but much less than those from traditional cigarettes, and you don't have the 3,000-plus carcinogens that a traditional tobacco stick has. I think there's no question that they are far safer. I guess that would be my answer to that.

• (1250)

**Ms. Kirsty Duncan:** I'm just trying to see where regulations should go. Do you think we should try to minimize potential health risks to e-cigarette users and non-users?

**Mr. Inderpreet Rai:** Absolutely. I know that when you're sitting here and creating this framework for regulation, there are things in the manufacturing process that you probably aren't aware of. There are things in the production of the liquid solution that you probably aren't aware of. I do think those are questions that need to be addressed. Also, these should be standardized. If you are going to allow for an open market, you need to know that your producers are producing a product that is equivalent to other producers.

**Ms. Kirsty Duncan:** That really helps. Thank you.

**The Chair:** You're right on time.

Mr. Wilks, go ahead, sir.

**Mr. David Wilks (Kootenay—Columbia, CPC):** Thank you, Chair.

Mr. Giller, on your website, with regard to your 2013 operations, you say that you've expanded into The Netherlands, Pakistan, and also India. I wonder if you could give me some insight with regard to the regulations of those countries specific to non-nicotine e-cigarettes? Also, is there anything we could incorporate from those countries that would be of benefit?

**Mr. Boris Giller:** Actually, those countries are a little bit more behind on e-cigarette regulation, and they are also formulating their e-cigarette regulations. I wouldn't have any more insight from those countries.

**Mr. David Wilks:** Would it be fair to say that a lot of countries are being targeted just because of non-regulation?

**Mr. Boris Giller:** We had previous connections in those countries, and that's why we targeted those.

**Mr. David Wilks:** Okay.

Dr. Rai, I was speaking to a previous witness with regard to the battery life for e-cigarettes. I used my son as an example. He's in the military and likes his e-cigarette, but when he goes on an exercise for six to eight weeks, he's kind of hooped, so he takes his four or five cartons of cigarettes along with him because he knows the battery will be running out.

Through your company or any others that you're aware of, can you provide us details on potential battery life? Are there ways of recharging that battery for those who are in remote areas?

**Mr. Inderpreet Rai:** I'll let Mr. Mohamedali answer that question. I think he'll probably have more insight for you.

**Mr. Shanu Mohamedali:** With the current battery system, obviously, it will depend on the mAh of the battery and the number of watt hours. For a disposable battery, something that's the same size as a regular cigarette, it would last for anywhere between 150 to 300 puffs, depending on the per-second puff ratio.

When it comes to your second question on rechargeable batteries, those rechargeable batteries exist today. They have to be charged either via a wall charger or via a USB charger. Those are typically the technology that is available today for electronic cigarettes.

**Mr. Inderpreet Rai:** In your son's case, the USB charger might be the way to go.

**Mr. David Wilks:** And you can go through a solar panel?

**Mr. Shanu Mohamedali:** For a USB charger, that's correct. It would still work through solar power. I think the main problem here is really just in identifying to make sure that the batteries in electronic cigarettes follow the same standards as any other batteries that consumers use in consumer products.

**Mr. David Wilks:** Okay.

Mr. Scholten, you indicated in a letter to the committee members that the Canadian Convenience Stores Association developed a best practices recommendation document in the summer of 2014. That document recommended applying the same age restrictions to sales of electronic cigarettes, which have no nicotine, as required by Health Canada, as those that are applied to the sale of tobacco, because the association wished to be sensitive to concerns given that there may be the perception of smoking a tobacco product.

Was this recommendation based on best practice from another jurisdiction? If not, how was this recommendation developed? Also, who was consulted in the development of that document?

**Mr. Alex Scholten:** The best practice document came from discussions we had with our U.S. sister organization, the National Association of Convenience Stores. They've also come out with a best practice recommendation in that regard. With regard to the

insight we had from them—they were a little bit more advanced in this process than we were—we took that back to our board of directors. We're made up of six trade associations, four regional and one national, so each of those organizations took the recommendations back to its board and talked to the board about what it felt would be appropriate in the circumstances. From those discussions, we came out with this best practice recommendation.

All of our boards are made up of retailers—independents to chains—across the country. By having their buy-in in terms of what's in the document, we knew we'd have their buy-in in terms of what happens at the store level.

• (1255)

**The Chair:** You have 30 seconds left if you have anything else.

**Mr. David Wilks:** I'll give that 30 seconds to you, Mr. Chair.

**The Chair:** How generous.

Ms. Davies, go ahead.

**Ms. Libby Davies:** Thank you very much.

I'll use his 30 seconds to say that we're all trying to help Mr. Wilks' son in a harm-reduction way.

**Voices:** Oh, oh!

**Ms. Libby Davies:** In fact, maybe we should call him as a witness, because you've brought him forward as a very good example a couple of times now.

I have just a couple of quick follow-ups.

Mr. Scholten, certainly you in the CCSA represents a huge amount of business across Canada. You've talked about sales of \$55 billion and 10 million Canadians each and every day who use convenience stores. We're all familiar with that.

I'm just curious. When you talk about age restrictions you say, "First and foremost, we have recommended to convenience retailers that e-cigarette products should only be sold to adults". I'm just interested in knowing what kind of mechanism you, as an association and with your members, have for enforcement. That's all you can do: you can make a recommendation. But I presume that, if we read between the lines, this means that many of your members may ignore your recommendation.

**Mr. Alex Scholten:** I wouldn't say "many". Given my previous response to Mr. Wilks, the best practice recommendations came from what our boards of directors, who are retailers across the country, wanted to do in their stores. The vast majority of retailers who are represented in our membership will be complying with this.

**Ms. Libby Davies:** Thank you.

If you do get complaints from the public that you have retailers who are selling to minors, what do you do?

**Mr. Alex Scholten:** Publicly we state that we don't support those retailer practices.

**Ms. Libby Davies:** Okay. I realize that we need to get into a regulatory framework, but in the interim, how you operate is obviously of key interest.

I have just a quick follow-up for Mr. Giller. We've had some criticism out there in the Twitterverse that we're not hearing from vapers, from people who are vaping, and I'm interested in who you really are at 180 Smoke. You say that you're "a socially conscious crowdsourced company" very different from the convenience stores, and that you've "interacted with thousands of Vapers". I think it would be helpful if you would just tell us.... Not everybody might be familiar with what crowdsourcing means. Do you establish yourself as a not-for-profit? Also, when you say that you've "interacted", are you actually selling products online?

I think you just need to describe a little more who you are and how you operate.

**Mr. Boris Giller:** We do sell products via retail online and wholesale through all channels. I have interacted face to face with thousands of smokers and ex-smokers.

The main thing we hear from them is that they do want the nicotine. Everybody reports that their sense of smell comes back and that they do see noticeable health effects.

Due to the restrictions on advertising, most of our new customers come from referrals. People tell their friends that this helped them to quit, and they bring in their—

**Ms. Libby Davies:** Thank you. I have one other quick question.

In the absence of any overall regulatory framework, how do you ensure that you're not doing business with minors? Even if there were a regulatory framework, how would we assure that there isn't business with minors? Because if it's on the Internet, it's much more difficult to enforce, or to even know really who your customers are. How do you deal with that?

**Mr. Boris Giller:** In-store, obviously, it's very easy to verify a person's ID. We have a big notice displayed prominently. Also, online, a big pop-up comes up asking if they are 19-plus. In addition, upon receiving the package, Canada Post or another courier will verify the receiver's ID and age. They do provide such a service.

• (1300)

**Ms. Libby Davies:** If you're getting the package in the mail and you're not home and you go down to your local convenience store, the 7-Eleven—stores where there are now a lot of post offices—is there something on the package that says you have to show ID that you're over 19?

**Mr. Boris Giller:** That's right.

**Ms. Libby Davies:** Okay. Thank you.

**The Chair:** Thank you very much.

That brings us to the conclusion of our meeting. We've had a good discussion today. We thank all our guests for taking time out of their day.

We'll conclude now, members, and we'll see you on Tuesday.

The meeting is adjourned.

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