

**A WARNING FROM CANADA'S CORNER STORES:
INCONSISTENT REGULATION OF
CANNABIS & TOBACCO WILL
HAVE SERIOUS CONSEQUENCES**



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Table of Contents

04	Introduction
05	ON THE FRONT LINE OF AGE-RESTRICTED PRODUCTS
05	THE DOMINO EFFECT
06	EXPERTISE AND LEADERSHIP
08	Packaging
10	PACKAGING REGULATIONS: A SUMMARY
12	THE GLOBAL ENVIRONMENT: LESSONS LEARNED
13	RECOMMENDATIONS
14	Taxation
16	TAXATION REGULATIONS: A SUMMARY
17	RECOMMENDATIONS
18	Protecting Youth
19	AGE RESTRICTION REGULATIONS: A SUMMARY
19	RECOMMENDATIONS
20	Reduced Risk Products/ Harm Reduction
22	HARM REDUCTION: REGULATION SUMMARY
23	RECOMMENDATIONS
24	Consumer Communications
25	CONSUMER COMMUNICATIONS: REGULATION SUMMARY
25	RECOMMENDATIONS
26	Summary of Recommendations
28	Endnotes

01

Introduction

OTTAWA IS CONSIDERING IMPORTANT CHANGES TO TWO CONTROVERSIAL, AGE-RESTRICTED PRODUCTS. BUT IS TREATING THEM VERY DIFFERENTLY. ONE, TOBACCO, IS LEGAL AND FACING NEW RESTRICTIONS ON PACKAGING. THE OTHER IS RECREATIONAL MARIJUANA, CURRENTLY A CRIME TO POSSESS OR SELL. IT IS BEING LEGALIZED BUT BEING GIVEN FAR MORE FLEXIBILITY IN PACKAGING AND PROMOTION.

Tobacco is sold by thousands of small businesspeople in corner stores across Canada who have proven that they take seriously their responsibility to enforce age restrictions. They wonder why the federal government is making their lives more difficult while giving preferential treatment to the emerging legal marijuana sellers.

Bill C-45 – *The Cannabis Act* lays the legislative framework for the legalization and regulation of cannabis. The government is also reviewing a new law to regulate e-cigarettes and place further restrictions on tobacco (Bill S-5 – *An Act to amend the Tobacco Act and the Non-Smokers' Health Act*). This bill is currently being considered by the House of Commons.

The stated purposes of legalizing cannabis are to reduce the black market, to restrict youth access, to deter and reduce criminal activity, and to protect public health through strict product safety.¹ The government's Tobacco Control Strategy shares these same goals. However, the approaches are starkly different.

Tobacco packaging faces severe new restrictions, with packs stripped of all trademarks, branding, and even differentiated fonts and colours. But cannabis packages will be permitted limited branding, will have more room for promotion and will be taxed at a much lower rate than tobacco products.

The government cannot have it both ways. The responsible, hard-working small businesspeople who own corner stores believe this is inherently unfair and are left wondering why the government is not listening to their experience and expertise in selling legal age-restricted products.

The government's proposed changes to the Tobacco Act will likely hurt convenience stores, while helping those who sell cigarettes illegally. Plain packaging is easier to replicate for the illegal manufacturers of tobacco products. It means the contraband share of the tobacco market, which is already growing, will continue to expand. It will frustrate public health objectives, while also undercutting honest business people who scrupulously enforce age restrictions—unlike those who work in the black market.

The RCMP have also raised concerns about contraband tobacco, particularly the links to organized crime. In a recent massive seizure of drugs, weapons and contraband, their press release stated: This investigation demonstrates the strong ties between contraband tobacco and the organized crime community.”

A recent study conducted on behalf of the Ontario Convenience Stores Association (OCSA) reveals that the volume of contraband tobacco consumed by Ontario residents continues to rise at an alarming rate in every region across the province. The study finds that illegal cigarettes now account for 37.2% of all cigarettes smoked, up 13% from the previous year – and up 67% from only four years ago.

Despite the clear link between tax hikes and the growth in contraband tobacco, a recent Health Canada report recommends that the government may take steps to exacerbate an already serious problem. The report recommends that cigarette taxes should be increased significantly to 80% of the selling price, in an effort to reduce smoking rates. However, both the evidence with respect to tobacco and the proposals to tax cannabis at a rate of no more than 25% suggest that the government should firmly reject this proposal.

The Canadian Convenience Stores Association (CCSA) asks only for fairness, calling upon the government to implement a consistent approach to regulate the legal sale of both cannabis and tobacco and ensure a level competitive environment for our members.

ON THE FRONT LINE OF AGE-RESTRICTED PRODUCTS

For decades, CCSA members have successfully implemented the Tobacco Control Strategy by restricting the sale of tobacco products to youth. Through programs such as our **We Expect ID** training, retailers and their staff uphold the highest standards of professionalism and ethical conduct to support public health and safety. Our members' records speak for themselves, and research conducted by Smoke Free Ontario, which conducts 20,000 underage spot checks a year, shows convenience stores have a pass rate of 95.7%.

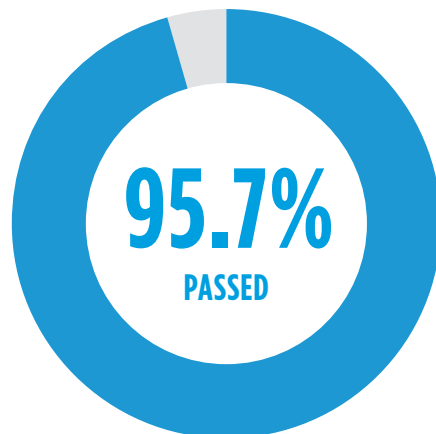
Governments in Canada recognize our channel's expertise. As different provincial retail and distribution structures for cannabis are established across the country, our channel's experience in selling and distributing age-tested products demonstrates that private retailers can be trusted to sell legal cannabis. For example, Manitoba has recently announced that cannabis will be sold exclusively through private-sector retail outlets and online stores, citing the ability of private retailers to keep the profits out of the hands of organized crime by ensuring adequate supply and accessibility of cannabis.²



DOMINO EFFECT

It is important to note that these proposed tobacco regulations will have an impact on the entire retail supply chain. Should plain packaging push smokers to the illegal market, distributors would have less product to deliver to retail. As a result, prices for other products could go up and deliveries will be less frequent. These impacts would be most felt in Canada's rural and remote areas where often the local convenience store is the community's life line.

SMOKE FREE ONTARIO CONDUCTED RESEARCH MEASURING THE ETHICAL CONDUCT OF CONVENIENCE STORES WHEN SELLING AND I.D.ING FOR TOBACCO. 95.7% OF CONVENIENCE STORES PASSED



“Our youth have the highest prevalence of cannabis use when compared with peers in other developed countries.”

– MINISTER OF HEALTH, HONOURABLE GINETTE PETITPAS TAYLOR

SOURCE: HOUSE OF COMMONS, STANDING COMMITTEE ON HEALTH, OCTOBER 2, 2017.

EXPERTISE AND LEADERSHIP

Given the experience of our members and the more than 230,000 people they employ, the CCSA has authored this white paper to raise our concerns with the current proposed legislative environment, to call for a more consistent and coherent approach to regulating these similar products, and to provide first-hand experience in the retail sales and distribution of age-restricted products.

CCSA members strongly support regulatory environments where customers are not restricted from access and knowledge of legal products that may offer reduced risks to consumers. This paper takes the lessons learned from the current retail environment and regulatory framework for tobacco to provide policy evidence-based recommendations to governments regarding:

- Packaging
- Taxation
- Youth Protection
- Harm Reduction
- Consumer Communications

For each of these areas, the paper will highlight the current policy approach for tobacco in Canada, the approach being considered for legalized cannabis, and the approach being considered for tobacco and/or e-cigarettes. Media articles and academic journals will be cited.

02

Packaging

Complex branded packaging deters black market production and makes retail sales easier and safer



B RANDED PACKAGING IS VERY IMPORTANT FOR AGE-RESTRICTED PRODUCTS THAT HAVE LARGE BLACK MARKETS.

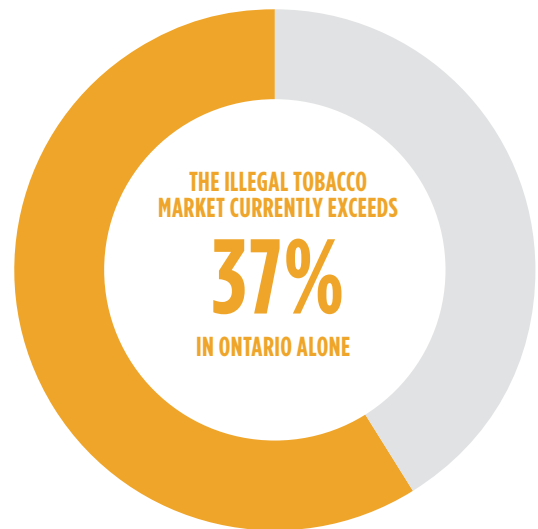
Unique brand characteristics and complex packaging such as beveled edges make counterfeiting products more difficult and costly for criminals. This is the case for both tobacco and cannabis. However, the government seems to be exclusively targeting tobacco to the detriment of legal retail sales and the benefit of organized crime.

Plain packaging is not supported by the Canadian public: 65% believe that plain packaging for tobacco is not necessary and 64% believe it is a waste of government resources.³ Illegal manufacturers will welcome this move.

The *Cannabis Act* will allow for limited branding on recreational cannabis packaging. Cannabis branding will provide a tool for consumers to understand the difference between regulated legal product and the black market. This is important from a consumer and health perspective as there can be safety risks with any ingested product that has not met rigorous safety standards. Most Canadians (56%) agree that branded packaging will help reduce the amount of illegal cannabis sold.⁴

The CCSA supports this packaging approach.

There are currently over 50 illegal manufacturing plants in Canada⁵ and an estimated 175 organized crime groups involved in the business.⁶ The illegal tobacco market currently exceeds 37%⁷ in Ontario alone,⁸ and the introduction of plain packaging for tobacco products will only fuel more illegal sales across the country.



“Consumers need information about a new and complex product. This will also help to provide clarity in the marketplace about where and how to obtain legal and safe cannabis versus illegal cannabis and more quickly drive out the black market.”

– CANNABIS CANADA ASSOCIATION, PRESS RELEASE, APRIL 13, 2017

PACKAGING REGULATIONS: A SUMMARY

The table below summarizes how the proposed legislation on cannabis and tobacco packaging will impact the current market.

CURRENT REGULATORY ENVIRONMENT

Tobacco labelling requires graphic health warnings to make up 75% of the front and back of every package, with health information messages on the inside and toxic emissions statements on the side.

PROPOSED APPROACH	REGULATIONS	IMPACTS	CCSA POSITION
Cannabis	<p>Prohibition on packaging or labelling cannabis in a way that makes it appeal to youth.</p> <p>Some informational branding/properties will be allowed on the packaging.</p>	<p>Consumers provided information on their purchase.</p> <p>Easier identification between the legal and illegal cannabis market.</p>	Support.
Tobacco	<p>Plain packaging on cigarette packages.</p> <p>The removal of all logos, colours, fonts or other stylistic features that provide information to customers to know what products they are buying.</p>	<p>Easier for criminals to counterfeit legitimate products.</p> <p>More difficult for convenience retailers to sell legal products.</p> <p>Easier for criminals to sell to youth.</p>	Oppose.

CANADA'S ILLEGAL TOBACCO TRADE

Each year, discarded cigarette butts are collected to determine an overall average use of illegal tobacco across Canada. Here are the results for 2016.

What is Contraband Tobacco?

Illegal cigarettes, often referred to as contraband tobacco, are products that do not comply with Canada's tobacco regulations - specifically those regarding packaging, importation, stamping, manufacturing, distribution and taxation.

Contraband cigarettes are typically manufactured in illegal facilities on reserves in both Canada and the US. These products are sold and distributed via 350 smoke shacks in Ontario / Quebec, which sell baggies of 200 contraband cigarettes for as little as \$10 - \$15.



81% of Canadians agree with the statement “branding on product matters as it gives consumers information about a product and helps distinguish one product from another.”

SOURCE: FORUM POLL, NOVEMBER 3, 2017. NEW RESEARCH SHOWS MAJORITY OF CANADIANS BELIEVE PLAIN PACKAGING FOR TOBACCO A WASTE OF GOVERNMENT RESOURCES. (PRESS RELEASE)

THE GLOBAL ENVIRONMENT: LESSONS LEARNED

Plain tobacco packaging legislation and regulations are in various stages of development in some countries around the world.

Only three countries require that tobacco products be sold in standardized packaging: England (2017), France (2017) and Australia (2012).

In England and France, implementation is still in its infancy with implementation dates of May 21, 2017 and January 1, 2017 respectively. Yet, recent reports indicate that the first counterfeit plain packs of tobacco in the UK have begun to appear.⁹ These packs look like the standard green packaging. It is very difficult for officials and retailers to tell the difference. Her Majesty's Revenue and Customs said in its assessment of plain tobacco packaging that there is a risk that "local retailers will become unknowingly involved in the sale of counterfeit tobacco."¹⁰

Although, it is too soon to determine if plain packaging in England and France is achieving the intended public health policy objectives, in Australia, plain packages have been the norm for five years and the policy has failed to achieve its stated objectives.

Case Study: Australia

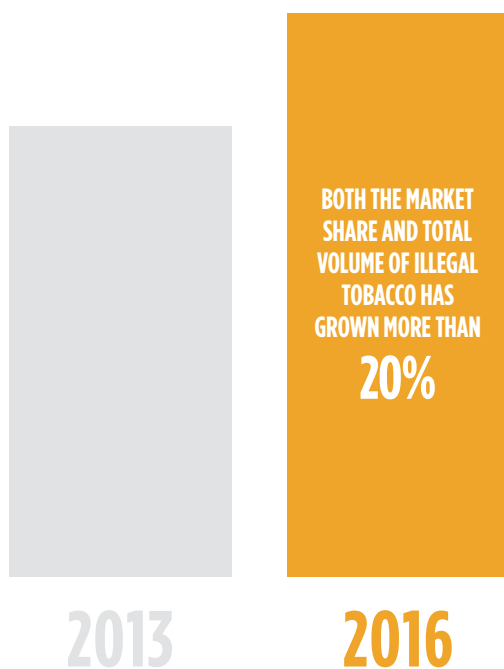
Since December 2012, tobacco products sold in Australia have had plain packaging. The objectives of plain packaging were to "improve public health by discouraging people from using tobacco products" and, "reduce the appeal of tobacco products to consumers."¹¹ Australia's retail environment pre-plain packaging was very different from Canada's: display bans and already high rates of contraband did not exist in Australia. With this in mind, it is fair to say that the impact of plain packaging will be far greater in Canada.

The policy has not achieved its desired objectives:

- The rates of decline of smoking in Australia has slowed since the implementation of this policy
- No decline in the national smoking rate between 2013 and 2016 – the first time in over 20 years that the rate did not decrease¹²
- Both the market share and total volume of illegal tobacco has grown more than 20%
- New illegal brands that look like legitimate "plain packs" have since been found in Australia¹³

“I am aware of the studies indicating that almost half of the cigarettes consumed by young people are produced by criminal enterprise and that these are a great health risk.”

– BILL BLAIR PARLIAMENTARY SECRETARY TO THE MINISTER OF JUSTICE AND ATTORNEY GENERAL OF CANADA AND TO THE MINISTER OF HEALTH, HOUSE OF COMMONS NOV 3, 2017



RECOMMENDATIONS

The government should examine lessons learned in other age-restricted products and their impact on the black market to determine best practices for branding.

1. Allow branding and unique characteristics on tobacco and cannabis packaging to reduce the ability for criminals to counterfeit.
2. Allow branding to educate the consumer on their product choices preventing a “race to the bottom” for pricing.

03

Taxation

High taxation drives consumers
to the illegal market



TAXATION HAS BEEN USED FOR DECADES AS A TOOL BY GOVERNMENTS TO REDUCE SMOKING RATES.

However, the unintended consequence of rapid tax hikes is a steady increase in the use of illegal tobacco products. In a 2012 report, the C.D. Howe Institute found that tax increases result in an increase in the total illegal cigarette market.

In addition, governments lose out on billions of dollars in tax revenues. In a 2016 research paper on the tobacco contraband situation in Canada, the Macdonald-Laurier Institute states that “Canada’s contraband market in tobacco and cigarettes has been estimated at more than \$1.3 billion, which rivals the narcotics market and is likely an underestimate. In Ontario alone, roughly \$500 million in excise taxes are lost annually, and total forgone tax revenue has been estimated at over \$1 billion. Nationally, the figure is as high as \$3 billion.”

There are indications that the government may take steps that will further increase the contraband problem in Canada. A new internal Health Canada report says that cigarette taxes should be increased to comprise 80% of the selling price. This comes at a time when the federal government is simultaneously proposing to tax cannabis at a rate of no more than 25% to ensure that legitimate producers and retailers can effectively compete with the black market.

Governments seem to have learned the lesson from tobacco: as high taxes drive more consumers to the illegal tobacco market, retailers suffer, and sales fall. At the same time, the government loses out on tax revenue. ‘If the Government can openly state that they have learned from their mistakes on tobacco taxation, why are they not applying the same logic to plain packaging, which will exacerbate an already massive contraband problem.

“The fact is that, if you tax [cannabis] too much as we saw with cigarettes, you end up with driving things back to the black market, which will not keep Canadians safe – particularly young Canadians.”

- PRIME MINISTER JUSTIN TRUDEAU CBC.CA DEC 17,2015

TAXATION REGULATIONS: A SUMMARY

CURRENT REGULATORY ENVIRONMENT

Cigarettes are currently taxed in Canada at a rate that equals between 60-75% of the retail selling price, depending on the province. The Ontario government considers high taxation to be part of its Smoke-Free Ontario Strategy and view tobacco taxes as a proven method of supporting smoking cessation and prevention efforts. These high tax rates are a contributing factor to the growing illegal cigarette market in Ontario.

PROPOSED APPROACH	REGULATIONS	IMPACTS
Cannabis	<p>Excise tax of \$1 per gram on purchases of less than \$10, and a 10% tax on purchases above \$10.</p> <p>Proposed model that would tax total cost of the purchase by 25%. This is less than half of the tax that consumers pay on cigarettes and cigars.</p>	<p>There is no exemption for medical uses.</p> <p>Consumers are not motivated to go to the black market because of lower prices.</p>
Reduced Risk Products	<p>Federal and provincial governments have not announced a taxation model for e-cigarettes or vaping devices.</p> <p>The supply of vaping devices and e-cigarettes is rampant on the black market with unlicensed and unregulated retailers openly selling the products.</p>	<p>High taxation (at the same level as tobacco) for reduced risk products will deter smokers from moving from combustible products.</p>

“Canada’s contraband market in tobacco and cigarettes has been estimated at more than \$1.3 billion, which rivals the narcotics market and is likely an underestimate. In Ontario alone, roughly \$500 million in excise taxes are lost annually, and total forgone tax revenue has been estimated at over \$1 billion. Nationally, the figure is as high as \$3 billion.”

SOURCE: LEUPRECHT CHRISTIAN, 2016. MACDONALD-LAURIER INSTITUTE PUBLICATION, SMOKING GUN: STRATEGIC CONTAINMENT OF CONTRABAND TOBACCO AND CIGARETTE.

RECOMMENDATIONS

CCSA and retailers across the country urge the federal government to take a consistent approach in the taxation of both products and maintain existing planned tax rate increases on tobacco products every five years.

- 3.** High taxes result in an increased black market. Governments should adopt a consistent, predictable approach to taxing age-tested products, which starts with the principle of setting tax rates that do not grow the illegal markets.
- 4.** Governments should tax reduced risk products at a competitive rate to ensure that consumers are protected through regulations and the legal products can compete with the vast unregulated market.
- 5.** Governments should consider using tax revenue from age-tested products to stimulate private sector participation (including c-store distribution channel) as a way to displace illegal markets (i.e., by ensuring adequately ubiquitous supply of legal products).

04

Protecting Youth

Cannabis should have the same age restrictions as tobacco products



RETAILERS ACROSS THE COUNTRY AND THE CCSA PROUDLY PLAY A ROLE IN ENSURING THAT YOUTH DO NOT HAVE ACCESS TO TOBACCO PRODUCTS. CCSA SUPPORTS EVIDENCE BASED EFFORTS TO REDUCE YOUTH SMOKING AND EXPOSURE TO SECOND-HAND SMOKE THROUGH STRICT RESTRICTIONS ON SALES AND RESTRICTIONS ON THE AREAS THAT INDIVIDUALS CAN SMOKE. MUCH MORE NEEDS TO BE DONE TO LOWER SMOKING RATES FOR YOUTH PARTICULARLY WITH THE IMPENDING LEGALIZATION OF CANNABIS.

While health care groups have been vocal on the need to protect youth from smoking they have not been as vocal on the more prevalent problem of youth smoking cannabis. Studies have consistently found that the earlier cannabis use, combined with increased frequency and length of use, leads to greater risk of potential developmental harms, some of which may be long-lasting or permanent.

In 2014-15, 3.4% of students in grades 6-12 were current cigarette smokers compared to 17% of students who reported using cannabis in the last year. This is a significant public health concern.

RECOMMENDATIONS

As we have seen with tobacco, a concerted effort must be made and sustained to lower consumption rates among youth. All stakeholders, including government, must work together to ensure youth cannabis use is lowered with the legalization of cannabis.

- Given the critical role that convenience retailers play in keeping age-tested products out of the hands of youth, ensure their participation in upcoming discussions around the review of the Tobacco Control Strategy and apply their experiences to the sale of cannabis.

AGE RESTRICTION REGULATIONS: A SUMMARY

CURRENT REGULATORY ENVIRONMENT

The legal smoking age in Canada varies by province (between 18 and 19 years old). The sale of tobacco is strictly regulated. As mentioned earlier in the paper, data from Smoke Free Ontario shows retailers age verification to be at 95.7% - much higher than that of other age restricted products.

PROPOSED APPROACH

REGULATIONS

IMPACTS

Cannabis

No person could sell or provide cannabis to any person **under the age of 18**.

The government has also committed \$9.6 million to a comprehensive public awareness campaign.

In the US, the Colorado example shows cannabis use among youth is likely to increase despite the government's intention to lower use rates.

Since legalization youth use of cannabis in Colorado increased by 20% according to the Rocky Mountain High Intensity Drug Trafficking Area.

Tobacco

The government must do more to fight illegal tobacco through a mix of predictable and incremental tobacco tax rate raises and cannabis should have the same age restrictions as tobacco products.

Actions should not be taken that would make it easier for illegal cigarettes to be sold in Canada - such as plain packaging.

In 2015, Centre for Addiction and Mental Health found that illegal tobacco accounts for 39% of all cigarettes consumed by Ontario high school daily smokers in grades 9 to 12.

Illegal cigarettes are cheaper and more affordable to youth. This undermines legal controls that are a proven method for reducing adolescent smoking. (tobacco) for reduced risk products will deter smokers from moving from combustible products.

A hand holding a cigarette, with a large white outline of the number '05' overlaid on the cigarette. The background is a solid blue color.

05

**Reduced Risk Products/
Harm Reduction**

GOVERNMENTS AND HEALTH POLICY MAKERS ARE INCREASINGLY LOOKING TO A HARM REDUCTION APPROACH FOR DRUG USE AND TOBACCO.

Over the last few years, in the absence of any formal regulatory direction, thousands of vape shops have opened across the country to fill the needs of consumers. Our members and distributors cannot compete with this 'grey market'. We will not sell a product that, at best, falls in a regulatory vacuum and, at worst, is illegal.

“Encouraging smokers who cannot or do not want to stop smoking switch to e-cigarettes could help reduce smoking related disease, death and health inequalities.”

**- PUBLIC HEALTH ENGLAND,
EXPERT INDEPENDENT REVIEW**

SOURCE: "PUBLIC HEALTH ENGLAND, EXPERT INDEPENDENT REVIEW, ELECTRONIC CIGARETTES AND SMOKING, AUGUST 19, 2015.

HARM REDUCTION: REGULATION SUMMARY

CURRENT REGULATORY ENVIRONMENT

Currently all vaping/electronic products with nicotine are not legal for sale in Canada but are still widely available on the black market. In general, health stakeholders and governments have not embraced these products as an opportunity to reduce harm or risk and they have remained unregulated

PROPOSED APPROACH

REGULATIONS

IMPACTS

Cannabis

The federal government has endorsed the “Lower-Risk Cannabis Use Guidelines.”

These guidelines acknowledge that while abstinence from cannabis use is the best way to avoid it altogether.

It is realistic that a percentage of the population does and will continue to consume cannabis

There is little conclusive evidence about the long-term effects of cannabis use but we do know that it is addictive.

According to the Centre for Addiction and Mental Health (CAMH), 1 in 5 people seeking substance abuse treatment have cannabis-related problems.

Reduced Risk Tobacco Products

When determining how to regulate e-cigarettes or tobacco harm reduction products, Canada could follow the UK’s example and provide information on scientific evidence to encourage smokers to switch to reduced risks products. Retailers should be given the ability to share information on new reduced risk products to consumers to allow them to make informed decisions on their

1.3 million U.K. e-cigarette users have quit combustible tobacco.

The Royal College of Physicians has advocated that “in the interests of public health it is important to promote the use of e-cigarettes, Nicotine Replacement Therapy and other non-tobacco nicotine products as widely as possible as a substitute for smoking in the UK.”

“In the interests of public health it is important to promote the use of e-cigarettes, Nicotine Replacement Therapy and other non-tobacco nicotine products as widely as possible as a substitute for smoking in the UK.”

SOURCE: TOBACCO ADVISORY GROUP OF THE ROYAL COLLEGE OF PHYSICIANS, 2016.
NICOTINE WITHOUT SMOKE: TOBACCO HARM REDUCTION.

RECOMMENDATIONS

The government should create a fair and level competitive environment and should leverage retailers to help educate Canadians on the benefits of harm reduced products.

7. The government should actively take a harm reduction approach in regulating new reduced risk products.
8. The government should amend Bill S-5 to allow manufacturers of reduced risk products to promote to adults that these products as less harmful than cigarettes.
9. New smoking technologies should be readily available at all existing retail outlets of tobacco.



06

Consumer Communications



FOR DECADES, THE FEDERAL GOVERNMENT HAS DRASTICALLY RESTRICTED THE ADVERTISING AND PROMOTION OF TOBACCO TO ADULT-ONLY LOCATIONS. THIS STRICT REGULATION HAS CONTRASTED WITH THE LARGELY UNREGULATED RECREATIONAL/MEDICAL CANNABIS AND CANNABIS ACCESSORIES MARKET HERE IN CANADA. THE FEDERAL GOVERNMENT IS CURRENTLY ADDRESSING BOTH PRODUCTS, ALBEIT WITH DIFFERENT APPROACHES, IN BOTH BILL S-5 AND THE CANNABIS ACT.

Canadian convenience stores have been active in ensuring that all tobacco products are concealed behind shelving in retail stores and youth are not able to purchase these products. While convenience retailers fully comply with these restrictions, they remove all ways to let consumers know that new lower-risk products, such as heated tobacco products or vaping products may be available once the regulations are in place.

RECOMMENDATIONS

Consumer communications gives retailers the tools to educate the public about their products, quality statements and what the packaging looks like. This information will help customers distinguish between black market and regulated legal products and will also give consumers information about potentially safer technology. The government should:

10. Uphold current marketing restrictions to ensure tobacco is not appealing to youth and does not encourage new smokers.
11. Allow informational advertising for new technology such as heated tobacco and vaping products to ensure adult smokers are aware of potentially safer options.

CONSUMER COMMUNICATIONS: REGULATION SUMMARY

CURRENT REGULATORY ENVIRONMENT

Strict rules have been in place since 2003 to prevent the advertising and promotion of tobacco. This includes testimonials, sponsorships, advertising accessories and any activities that could make tobacco more appealing to young people.

PROPOSED APPROACH

REGULATIONS

IMPACTS

Cannabis

Prohibition on any promotion, packaging and labelling of cannabis that could be appealing to young persons or encourage its consumption, while allowing consumers to have access to information to help them make informed decisions.

No ad restrictions for cannabis accessories.

Ability to enter sponsorships and partnerships that could be considered promotional.

Manufacturers are marketing cannabis accessories such as pipes, grinders, and vapourizers as luxury products.

Reduced Risk Tobacco Products

Prohibition on all advertising in any way that it could be viewed and appeal to a young person.

Sponsorship and promotion restrictions for vaping products identical to tobacco products.

Advertising will only be permitted in adult only locations and publications.

No promotion of new tobacco products that would give the impression that the product is less harmful than other tobacco products.

Limitations on consumers' ability to switch to these types of products, as they do not know they exist or where they can be purchased.

07

**Summary of
Recommendations**



1. Allow branding and unique characteristics on tobacco and cannabis packaging to reduce the ability for criminals to counterfeit.
2. Allow branding to educate the consumer on their product choices preventing a “race to the bottom” for pricing.
3. High taxes result in an increased black market. Governments should adopt a consistent, predictable approach to taxing age-tested products, which starts with the principle of setting tax rates that do not grow the illegal markets.
4. Governments should tax reduced risk products at a competitive rate to ensure that consumers are protected through regulations and the legal products can compete with the vast unregulated market.
5. Governments should consider using tax revenue from age-tested products to stimulate private sector participation (including c-store distribution channel) as a way to displace illegal markets (i.e., by ensuring adequately ubiquitous supply of legal products).
6. Given the critical role that convenience retailers play in keeping age-tested products out of the hands of youth, ensure their participation in upcoming discussions around the review of the Tobacco Control Strategy and apply their experiences to the sale of cannabis.
7. The government should actively take a harm reduction approach in regulating new reduced risk products.
8. The government should amend Bill S-5 to allow manufacturers of reduced risk products to promote to adults that these products as less harmful than cigarettes.
9. New smoking technologies should be readily available at all existing retail outlets of tobacco.
10. Uphold current marketing restrictions to ensure tobacco is not appealing to youth and does not encourage new smokers.
11. Allow informational advertising for new technology such as heated tobacco and vaping products to ensure adult smokers are aware of potentially safer options.

08

Endnotes

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