PMI US CORPORATE SERVICES

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Dear Chairwoman Boden and Representatives Wilson and Wulf,

Thank you very much for the opportunity to offer comment in support of House Study Bill 321, An Act Relating to the Regulation and Taxation of Tobacco Products and Heated Tobacco Products.

My name is Dr. Pritika Kumar. I have a PhD in Public Health and graduate degrees in community health and mental health, and over two decades of experience in harm reduction research, programs and policy. I am the Director of Scientific Engagement for PMI US Corporate Services Inc., a part of Philip Morris International (PMI) and its family of companies, which is at the forefront of developing reduced risk tobacco and nicotine products in the United States. Today, smoke-free nicotine products represent 40% of our company's global net sales and we are committed to phasing out combustible cigarettes altogether. Of note, PMI has never sold, and will never sell, combustible cigarettes in the United States.

In the United States, 28 million adults continue to smoke today, including 13.7% of Iowans, a rate above the national median of 12.1 percent.[1,2] This rate represents real and considerable human costs; more than 5,100 deaths in the state annually and over 31% of cancer-related deaths are attributed to smoking combustible cigarettes. Concerningly, the effects of combustible cigarette use are felt most by some of Iowa's most vulnerable populations with greater prevalence in racial minorities, older adults with less than high school education and making annual income below $15,000. Smoking prevalence in adults with disabilities is significantly higher than in adults without disabilities. Smoking also significantly contributes to financial burdens on the state, amounting to $1.49 billion in annual healthcare costs and $391.9 million in annual Medicaid expenses. Additionally, smoking leads to $3.1 billion in lost productivity in Iowa each year.[3]

Public health authorities, including the U.S. Food and Drug Administration, have recognized that nicotine products exist on a continuum of risk, with smoke-free alternatives at the

lower health risk end when compared to combusted alternatives like cigarettes, the most harmful tobacco product.[4] It is a fact that most adults who smoke in Iowa will not quit the use of nicotine, even if they no longer want to smoke combustible cigarettes—and these adults deserve access to affordable alternatives. And although there are several nicotine replacement therapies that are approved as smoking cessation-aids, their relatively low success rates and lack of appeal to smokers necessitate that the public health community consider expanding the portfolio of options to include innovative, FDA-authorized smoke-free nicotine products.

Included in our portfolio is a product called IQOS, the nation's first heated tobacco product authorized for sale by the U.S. Food and Drug Administration as "appropriate for the protection of public health."[5] Heated tobacco products like IQOS replicate the experience of smoking at a much lower risk profile by doing just as their name suggests—heating tobacco without burning it. That is the fundamental difference between heated tobacco products and combustible cigarettes.

After a rigorous regulatory review, the FDA concluded that not only is IQOS "appropriate for the protection of public health" as an authorized product, but that it is also "appropriate for the promotion of public health" as a Modified Risk Tobacco Product (MRTP).[6] The FDA review consolidates the interdisciplinary findings of the core review team, which is composed of an engineer, chemist, toxicologist, microbiologist, social scientist, epidemiologist, medical reviewer, behavioral clinical pharmacologist, and regulatory health project manager. Consultants from other disciplines, like statistics and the office of health communication and education, may also be involved in the review process, as needed.

Before authorizing IQOS as a modified risk product, the FDA applied rigorous, independent scientific review to determine that IQOS heats the tobacco and does not burn it. This lack of combustion significantly reduces the production of harmful and potentially harmful chemicals, and scientific studies have shown that "switching completely from conventional cigarettes to the IQOS system significantly reduces your body's exposure to harmful or potentially harmful chemicals." Our studies submitted to the FDA in support of our MRTP application demonstrated that, while not risk-free, IQOS emits 90% to 95% fewer harmful and potentially harmful constituents compared to combustible cigarettes.

IQOS is an innovative harm-reduction product that has helped over 35 million adults around the world reduce or eliminate their use of combustible cigarettes altogether. Importantly, our pre-market perception and behavior studies, submitted to the FDA,

showed that this product is not likely to appeal to nonsmokers, including youth, and to those who have the intention to quit smoking, as stated by the FDA in its authorization determination.

To achieve positive outcomes in public health, policymakers must encourage adult smokers to switch to these FDA-authorized products by imposing risk-proportionate taxation. House Study Bill 321 would help achieve just that—by ensuring IQOS, and other heated tobacco products to follow in the market that have met the very high bar of being FDA-authorized, are taxed at a lower rate than more harmful combustible cigarettes. The rate included in House Study Bill 321 would better reflect the risk profile of the product than current law, which would inappropriately tax heated tobacco products at the same rate as—or, even more concerningly, at a higher rate than—combustible cigarettes.

Consumer attitudes toward novel, smoke-free products – such as heated tobacco products – are strongly influenced by government policies. As these alternatives become available and adults who smoke begin to consider them, it is essential that our policies reflect sound public health principles reflected by the language in House Study Bill 321, empowering adults to make informed decisions. Two states, Virginia and Mississippi, have already enacted laws that explicitly provide lower tax rates for heated tobacco products or the consumable unit as compared to combustible cigarettes, and legislatures across the country are considering similar proposals this year. Seven additional states have already enacted laws that provide for a similar tax differential for modified risk products like IQOS.

We thank the Committee on Ways and Means for its commitment to tobacco harm reduction and urge the Subcommittee to advance this legislation for the benefit of Iowa's adults who smoke.

Sincerely,

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References:

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3. The Toll of Tobacco in Iowa, Campaign for Tobacco Free Kids, Accessed March 26, 2025, The Toll of Tobacco in Iowa - Campaign for Tobacco-Free Kids
4. The Relative Risks of Tobacco Products, U.S. Food and Drug Administration. Accessed March 26, 2025.
5. FDA News Release: FDA Permits Sale of IQOS Tobacco Heating System Through Premarket Tobacco Product Application Pathway.
6. FDA News Release: FDA Authorizes Marketing of IQOS Tobacco Heating System with 'Reduced Exposure' Information.