



23 May 2016

Dr. Gary Johns
Queensland, Australia
Open Letter

Dear Dr. Johns,

I am writing to you on behalf of Washington, DC-based Campaign for Tobacco-Free Kids in response to your recent letter to the Southeast Asia Tobacco Control Alliance (SEATCA). Your letter attempted to paint a picture of the International Tax and Investment Center (ITIC) as a credible source of guidance on a range of tax policy issues. In fact, by allying itself with the world's biggest tobacco companies, ITIC sits at the table with a range of front groups the tobacco industry supports, funds and manipulates to put up a fight against effective policies that reduce tobacco use and save lives.

ITIC's sponsors include all of the leading transnational tobacco companies, and its board of directors includes representatives from British American Tobacco, Philip Morris International, Japan Tobacco International, and Imperial Tobacco.

The World Health Organization Framework Convention on Tobacco Control (WHO FCTC) identifies tobacco taxes as a key policy initiative for reducing tobacco consumption. ITIC lobbied vigorously against the adoption of guidelines on this key policy area. The WHO and the FCTC Secretariat have identified the organization as a tobacco lobby group, and stated that member countries should not engage with ITIC. The Secretariat has also issued two *Notes Verbale* concerning ITIC, cautioning Parties to the WHO FCTC that ITIC recommends policies that favor the tobacco industry rather than the recommendations of the FCTC, especially Article 6 (tax and price measures) and its Guidelines.

ITIC has placed legitimate organizations unaware of its work on behalf of the tobacco industry on its list of sponsors without seeking their consent. For example, the United Kingdom Department for International Development requested that ITIC remove its name from ITIC's list of sponsors after determining that no such sponsorship existed. Furthermore, the World Bank has taken the unprecedented step of withdrawing funding from an ITIC event funded by tobacco companies.

Despite efforts to present themselves as responsible corporate citizens – in part by surrounding themselves with groups like ITIC - tobacco companies are not like other businesses. For decades, the tobacco industry has marketed its deadly products to kids, deceived the public about the

harmful effects of tobacco use, and fought the adoption and implementation of effective measures to reduce tobacco use in order to keep selling a product that kills up to one-half of all of users. In fact, in a landmark 2006 U.S. federal court ruling, the big cigarette makers were found to be racketeers who had engaged in widespread fraud by lying about the health risks of smoking and their marketing to children for nearly 50 years. The court also found that these firms were likely to continue their fraudulent behavior into the future.

Your letter to SEATCA conveyed standard tobacco industry arguments against increased tobacco taxes. In fact, research shows that the most direct and effective method for reducing tobacco consumption is to increase the price of tobacco products through tax increases. Higher tobacco prices encourage cessation among existing tobacco users, prevent initiation among potential users, and reduce the quantity of tobacco consumed among continuing users. Higher taxes are particularly effective in reducing tobacco use among vulnerable populations, such as youth, pregnant women, and low-income smokers.

While tremendous progress has been made in combatting tobacco use, tobacco remains the leading cause of preventable death in the world. Increasingly, the burden of tobacco use is shifting from high-income countries to low- and middle-income countries, which the tobacco industry has identified as growth markets for its deadly products. If current trends persist, tobacco will kill more than 8 million people worldwide annually by the year 2030, with 80 percent of these deaths in low- and middle-income countries. No credible organization should be allied with tobacco companies in any way.

Tobacco-Free Kids is devoted to reducing tobacco use and its deadly toll around the world. We work to save lives by advocating for public policies that prevent kids from smoking, help smokers quit and protect everyone from secondhand smoke. We also work to expose the efforts of the tobacco industry and its front groups to influence public policy: We believe that ITIC is such a group and not a credible source of policy advice.

Sincerely,

Matthew L. Myers
President