

TO: Chair and Members of the Board of Health

FROM: Christopher Mackie, Medical Officer of Health and CEO

DATE: 2016 December 08

ANTI-CONTRABAND TOBACCO CAMPAIGN FUNDED BY TOBACCO INDUSTRY FRONT GROUPS INTEND TO BLOCK TOBACCO CONTROL MEASURES

Recommendations

It is recommended that the Board of Health:

- 1. Recognize the problem of tobacco industry lobbying through front groups;*
- 2. Call on local elected officials to formally state that they will decline meetings with such groups;*
- 3. Call on the Ontario Ministry of Finance to both: (a) raise tobacco excise taxes; and (b) enhance enforcement activities designed to reduce the presence of contraband tobacco;*
- 4. Forward Report No. 072-16 re: “Anti-Contraband Tobacco Campaign Funded by Tobacco Industry Front Groups Intend to Block Tobacco Control Measures” and its appendices to London City Council, Middlesex County Council and its eight municipal councils, recommending endorsement and action; and,*
- 5. Forward Report No. 072-16 re: “Anti-Contraband Tobacco Campaign Funded by Tobacco Industry Front Groups Intend to Block Tobacco Control Measures” to local members of provincial parliament and the Ontario Campaign for Action on Tobacco (OCAT).*

Key Points

- A leaked slide deck from Imperial Tobacco Canada LTD (ITCL) confirms public health agencies’ suspicions that the tobacco industry uses anti-contraband front groups to prevent tobacco excise tax increases and to block the implementation of tobacco regulation.
- London is named within the Industry document as a key strategic market for the tobacco industry anti-contraband campaign.
- Boards of Health and municipal councils have the opportunity to retract or reject endorsement of tobacco industry anti-contraband campaign activities, and to call on the Ministry of Finance to raise tobacco excise taxes by at least \$10 per carton and to increase enforcement activities.

Background

In early November, the Association of Local Public Health Agencies (ALPHA) disseminated a 2012 slide deck (attached as [Appendix A](#)) from Imperial Tobacco Canada Ltd (ITCL) describing the tobacco industry’s anti-contraband campaign in Ontario, Quebec and at the federal level. The slide deck had been obtained by OCAT from a tobacco industry whistleblower.

The slides revealed that in addition to contraband reduction, campaign objectives include prevention of further tobacco excise tax increases and blocking the implementation of additional tobacco regulation. Specifically, the presentation describes key roles of the National Coalition Against Contraband Tobacco (NCACT) and the Ontario Convenience Store Association (OCSA) in delivering anti-contraband tobacco messages in communities across Ontario. While the amount of funding for these groups is not specified, the slides infer that they receive substantial financial support from the tobacco industry.

London is named within the Industry documents as an important and strategic market for the tobacco industry's anti-contraband tobacco campaign because of our proximity to illicit tobacco, seizure activity, internal sales data, political weight, and likelihood of buy-in. Over the last few years, anti-contraband advertisements from the NCACT and the OCSA have appeared on billboards, bus shelters and on the radio in the London area. Young adult "street teams" employed by the NCACT and ITLC have spent time on city streets with tablets, soliciting respondents to participate in a survey which added the respondents' names to a petition to halt tobacco tax increases in Ontario. Tobacco industry sales representatives have illegally posted anti-contraband campaign materials in tobacco retailers in Middlesex-London in violation with the promotion restrictions under the *Smoke-Free Ontario Act*.

Between 2009 and 2012, a number of Ontario municipalities were visited by the NCACT and/or the OCSA, seeking municipal council endorsement for their campaign. Approximately 40-50 Ontario municipalities complied without being aware of the true nature of the campaign, including [London City Council](#), on June 26, 2012.

Opportunities for Action

A [document](#) prepared by Physicians for a Smoke-Free Canada, the Non-Smokers' Rights Association and the Quebec Coalition for Tobacco Control provides an overview of the evolution of the campaign and the recruitment of third parties to execute the campaign's activities. It outlines the strategies and the tactics used by ITCL to achieve its twin goals of "no tobacco control regulation" and "no taxation". Legislation to regulate the sale, promotion, advertising and the use of tobacco, including raising tobacco taxes to increase the price of tobacco products, are proven to reduce tobacco consumption. The release of these industry documents provides an opportunity to rebut the campaign and reduce the credibility of two leading tobacco industry front groups – the NCACT and the OCSA.

Two motions for action by municipalities have been drafted by OCAT and have been shared with all Ontario Boards of Health by ALPHA (attached as [Appendix B](#)). Motion A is to be used by those municipalities that have already endorsed the Tobacco Industry's Anti-Contraband Campaign, and motion B, for those municipalities that do not have an endorsement on record.

The Board of Health has an opportunity to recommend that the municipalities within Middlesex-London explicitly retract or reject endorsement of tobacco industry anti-contraband campaign activities, and to commit to no further meetings or discussions about tobacco-related issues with representatives of the NCACT, the OCSA, or individuals otherwise representing the tobacco industry. Furthermore, the Board of Health and municipalities within the Middlesex-London jurisdiction have the opportunity to call on the Ministry of Finance to raise tobacco excise taxes by at least \$10 per carton and to enhance enforcement activities designed to reduce the presence of contraband tobacco in our communities.

This report was prepared by Ms. Donna Kosmack, Southwest Tobacco Control Area Network Manager, and Ms. Linda Stobo, Program Manager, Chronic Disease Prevention and Tobacco Control.



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