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Monday 20 April 2015

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des débats
(Hansard)**

Lundi 20 avril 2015

**Standing Committee on
General Government**

Making Healthier Choices
Act, 2015

**Comité permanent des
affaires gouvernementales**

Loi de 2015 pour des choix
plus sains

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LEGISLATIVE ASSEMBLY OF ONTARIO

ASSEMBLÉE LÉGISLATIVE DE L'ONTARIO

**STANDING COMMITTEE ON
GENERAL GOVERNMENT**

**COMITÉ PERMANENT DES
AFFAIRES GOUVERNEMENTALES**

Monday 20 April 2015

Lundi 20 avril 2015

The committee met at 1401 in room 151.

**MAKING HEALTHIER CHOICES
ACT, 2015
LOI DE 2015 POUR DES CHOIX
PLUS SAINS**

Consideration of the following bill:

Bill 45, An Act to enhance public health by enacting the Healthy Menu Choices Act, 2015 and the Electronic Cigarettes Act, 2015 and by amending the Smoke-Free Ontario Act / Projet de loi 45, Loi visant à améliorer la santé publique par l'édiction de la Loi de 2015 pour des choix santé dans les menus et de la Loi de 2015 sur les cigarettes électroniques et la modification de la Loi favorisant un Ontario sans fumée.

The Chair (Mr. Grant Crack): I'd like to call the Standing Committee on General Government to order. I'd like to welcome all members of the committee and support staff and, of course, all the members of the public who will make presentations before the committee this afternoon.

We are here to hear from individuals and groups concerning Bill 45, An Act to enhance public health by enacting the Healthy Menu Choices Act, 2014 and the Electronic Cigarettes Act, 2014 and by amending the Smoke-Free Ontario Act.

Previously, the committee agreed for delegations to make a five-minute presentation, followed by up to three minutes of questioning from each of the three parties.

CANADIAN VAPING ASSOCIATION

The Chair (Mr. Grant Crack): Having said that, we have our first delegation ready at this time, and I'd like to call forward representatives from the Canadian Vaping Association. If you could be so kind as to introduce yourselves for the record.

Mr. Beju Lakhani: Yes. My name is Beju Lakhani.

Mr. Daniel David: And my name is Daniel David.

The Chair (Mr. Grant Crack): Thank you very much. You have five minutes. Welcome.

Mr. Beju Lakhani: Thank you. Through you, Mr. Chairman, to committee members, I want to thank you for the opportunity to present today on Bill 45, the Making Healthier Choices Act.

I'm the founder and CEO of Evolution Cigarettes Inc., a federal corporation based in Mississauga, Ontario. My

company manufactures e-liquids for use in personal vaporizers. I am also the vice-president of the Canadian Vaping Association and a client member in good standing of the Electronic Cigarette Trade Association of Canada.

Here with me today is fellow board member of the Canadian Vaping Association, Mr. Daniel David, who serves as the chairman of the Electronic Cigarette Trade Association. Its role is to provide a self-regulatory framework for this industry. These regulations range from mandatory e-liquid testing, appropriate labelling, child-resistant bottles and age restrictions amongst others. These self-imposed regulations have been in place since late 2011, and members pay to participate, indicating our industry's desire for appropriate regulation.

We have submitted a formal report for the committee's consideration, and I would like to take the allotted time to emphasize some of the points in our submission.

From their humble beginnings six years ago, the number of vape shops has grown exponentially, with the current estimate of dedicated retail outlets in Ontario numbering over 160, representing well over 500 employees, serving hundreds of thousands of customers and generating over \$50 million in revenue.

Please understand, the growth of this industry has not been the result of expensive marketing campaigns or the efforts of large corporations or tobacco companies. Rather, it has been the direct result of the substantial demand for these products by the approximately 2.5 million smokers in Ontario.

The vast majority of shop owners in Ontario are, like myself, former smokers who having switched from smoking to vaping, realizing the potential of this technology and the very real benefits that vaping provides as a safer alternative to smoking. I would respectfully assert that our membership have taken substantial risks to pursue a mission very much aligned with yours—to provide healthier choices and to move towards a smoke-free Ontario.

In many ways, Canada has been a role model for other countries in developing and implementing effective ways at reducing the harms of smoking, with Ontario's smoke-free legislation being a cornerstone of that effort. You're all aware that tobacco-related diseases cost the Ontario economy at least \$1.6 billion in health care annually, result in more than \$4.4 billion in productivity losses and account for at least 500,000 hospital stays each year. Ontario has an opportunity to once again be a world

leader by implementing suitable and effective legislation that ensures adult smokers have access to products that can substantially reduce the health impacts that tobacco smoking is known to cause.

Mr. Chairman, these claims are not made lightly. The CVA, based on our continued review of the growing body of evidence, including qualified literature, studies and research on vaping, of which there is much, is convinced that vaping is a healthier choice by orders of magnitude over smoking and has the potential for dramatically reducing the disease and death caused by smoking.

The task of this committee is to review the debates and the intent of this legislation, and deliberate on the bill with objectivity. To that end, we have provided numerous studies and evidence that support our claim. As a summary, the evidence suggests that: vaping is at least 95% less harmful than smoking and adds virtually no imposition to the health of bystanders; vapers are almost exclusively smokers or former smokers; vaping is less addictive than smoking tobacco cigarettes; and no gateway effect has ever been observed and rates of smoking are falling at faster rates than seen in recent years.

The CVA fully agrees that regulations are needed. However the goal of these regulations should be to ensure that maximum benefits are realized while minimizing the potential harms. We are concerned that Bill 45, as written, will have substantial impacts on an industry that is growing as an alternative to smoking tobacco and, consequently, the very constituents who seek to make a healthier choice.

The CVA wholeheartedly agrees that sales should be restricted to minors. We concede that restricting their use indoors is inevitable, and we agree that lifestyle promotion or advertisements are not appropriate.

The CVA has an anti-smoking bias. We believe that the government's smoke-free legislation is effective. We agree that regulations are necessary, and we want to work with you and your committee, Mr. Chairman.

Though we fully agree with the spirit of Bill 45, we request that the committee consider some of the amendments that we have put forward in our submission, specifically:

- permitting vaping indoors, in places that ban entry to minors;

- permitting dedicated, adult-only vape shops to openly display their products;

- permitting dedicated, adult-only vape shops to promote their products in store; and

- considering a mandatory review of the act with a reasonable timeline to further study the benefit of this alternative to smoking.

The Chair (Mr. Grant Crack): Okay. Thank you very much. I apologize, but my job is to make sure that everybody stays on. That's five minutes, so we'll move to the official opposition. Mr. Walker?

Mr. Bill Walker: Thank you very much.

The Chair (Mr. Grant Crack): He has about another minute left, in case somebody wants to give him the final—

Mr. Bill Walker: Thank you very much. It's a pleasure to hear and receive your information.

Certainly one of the things that I'm hearing on both sides of debate is the impact of the safety. I think one of the things you've highlighted is there are many research studies out there, many pieces of information that are sharing that this is not conclusively proving that there are health detriments. Can you share a bit of that information?

Mr. Beju Lakhani: Sure. What we have included in our submission are many of the studies that show that this alternative is significantly safer—orders of magnitude safer—than traditional tobacco. While I think we all agree that the science is still coming in, it's one of the reasons we're asking for a review process as part of this, as one of the amendments. We do know, I think with a fair bit of certainty at this point, that these devices are going to be better than traditional tobacco cigarettes.

Mr. Bill Walker: I also noted in the deliberation in the House that the provincial government had actually asked the federal government to complete a study, which was going to be a two-year study. I find it interesting that then they put this into the bill to be effective almost immediately. It's interesting that they've asked for it and yet now they're trying to, in my mind, steamroll it forward. Any comment?

Mr. Beju Lakhani: Well, we do know the federal government's HESA committee has just recently come back. The guidelines from that committee are going to take some time to implement. Contained in that recommendation, however, is an acknowledgement that these products are not tobacco. There needs to be a new classification and careful thought and deliberation given to the way that these products are regulated.

Mr. Bill Walker: You say in your deliberation that you agree that it should be restricted to minors and only for adults. Certainly a number of constituents in my riding of Bruce-Grey-Owen Sound, again, who are vape users, have come to me saying, "I've tried every other thing under the sun. This is the only thing that seems to work." From that perspective, I am trying to be objective in my deliberation of this. It certainly is a big part of it, from your business background—it's from trying to stop smoking; is that fair?

Mr. Beju Lakhani: That is fair, absolutely.

Mr. Bill Walker: Thank you. Lisa, is there anything you want to jump in with?

Ms. Lisa M. Thompson: Thank you, Bill. Thank you for being here, gentlemen. I was wondering if you could revisit the ingredients in the e-liquid that's used in vaping.

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Mr. Beju Lakhani: Sure. As a manufacturer, I can speak quite knowledgeably on this. There are only four ingredients that are contained in these liquids. One is propylene glycol, which again is generally regarded as safe by the FDA. It's used in asthma inhalers. The second ingredient is vegetable glycerin, which again is generally regarded as safe. We're consuming it every day in a

number of different forms. The third is food flavouring, which is widely available. The fourth is nicotine, and that is it.

The nicotine can be in any strength—typically available in a variety of strengths, and also in no nicotine. So, ideally, users are able to control the amount of nicotine they take, up to the point of taking none at all.

Ms. Lisa M. Thompson: Okay.

The Chair (Mr. Grant Crack): Ten seconds.

Mr. Bill Walker: Interestingly, my deliberations suggest that they pull this piece out of it so that we could further study it. I note that the Lung Association Nova Scotia has made points that it does not contain tobacco. There's a lack of evidence about them—no harm proven—and they've actually pulled this legislation for further consideration. I think that's certainly what we need to be doing here as well.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to Ms. Fife.

Ms. Catherine Fife: Thank you for coming in today and sharing your perspective. I think new learning is that your association has an anti-smoke bias.

You didn't get a chance to finish your entire deputation, but near the end of it, though, you say that if the regulations are too strict on vaping, you warn that vaping will be forced underground. Do you want to elaborate on that a little bit?

Mr. Beju Lakhani: Sure. Right now, the store set-up that's in place—at my company, for example, Evolution Cigarettes Inc., we make a product that we submit to the ECTA. We're involved in third-party testing. We go through a whole process around safety to make sure that our products are fit for market. Our feeling is that if you regulate this industry too tightly, it wouldn't be that difficult, frankly, for people to start making these products at home.

If you don't have a way to bring these to market in a way that allows the buyer to be educated on what the product contains and how it's made, you're simply eliminating us from actually showing that our products are made in a responsible fashion and allowing end-users to make the decision as to what they should be consuming.

Ms. Catherine Fife: Okay, that's helpful. I guess the concern, though, is that—and there's a huge number of vaping stores that have opened in Waterloo—shockingly, four in the last four or five months. They are very close to schools, I have to say. The concern—the perception out there—is that vaping normalizes smoking. Do you want to speak to that?

Mr. Beju Lakhani: Sure. I mean, there were one or two points in there that we can address. The first is—and let me be 100% clear about this—the Canadian Vaping Association absolutely supports restriction on sales to minors. We've already self-imposed that. It has been in my company's wholesale agreement since the day we opened. The Electronic Cigarette Trade Association mandates that, to be a member. We are fully supporting the idea that we should not be selling these products to minors.

With respect to the gateway effect, I am not a scientist. I can't speak to normalization issues. What I can say is that in the studies that we've seen, smoking rates continue to decrease as vaping rates increase. Again, I'm not a scientist. I can't draw a correlation. That's not my place. But I have not seen anything that would indicate to me that people are moving in that direction.

Ms. Catherine Fife: But you don't want vaping to have a stigma. Therefore, you want it to be allowed indoors. That's an ask in your deputation.

Mr. Beju Lakhani: Yes, in adult-only indoor spaces.

Ms. Catherine Fife: But in public venues?

Mr. Beju Lakhani: Any place where a child could be legally allowed to enter, we would suggest no. If it's an adult-only space, we believe that the venue should have the ability to choose.

The Chair (Mr. Grant Crack): Okay. Thank you very much. We'll move to the government side: Ms. Kiwala.

Ms. Sophie Kiwala: Thank you very much for your deputation today. I'm wondering if you can tell me if your members produce or sell e-cigarette juice that comes with nicotine, that has nicotine—

Mr. Beju Lakhani: We do.

Ms. Sophie Kiwala: You do. Are you aware that it's illegal without Health Canada approval?

Mr. Beju Lakhani: We are aware that Health Canada is required to provide market authorization for medical products. We are also very aware of Health Canada's recently released HESA committee report that's suggesting a new framework is required for these products.

Ms. Sophie Kiwala: Okay. What are your members doing to come into compliance with the law?

Mr. Beju Lakhani: As I said, we are working with the federal government as they attempt to implement a new framework for regulating these products. I want to be clear: We welcome regulation of our product. We are looking to go to market in a way that is compliant with the law—

Ms. Sophie Kiwala: But right now it's illegal by Health Canada standards.

Mr. Beju Lakhani: The products do not have market authorization from Health Canada. That's correct.

Ms. Sophie Kiwala: Right, okay. What recognized manufacturing standards do you encourage your members to follow in their e-juice production?

Mr. Beju Lakhani: Right now the organization that's responsible largely for regulating our industry is the ECTA, the Electronic Cigarette Trade Association, whose guidelines my company follows. Daniel David, who is here, can address that in more detail.

Mr. Daniel David: For e-liquid itself—we do require mandatory testing of all e-liquid that is sold.

Ms. Sophie Kiwala: Where is that testing done?

Mr. Daniel David: That testing is done by Enthalpy labs. It's an accredited lab in the United States. They do a full chemical analysis on all of our members' e-liquids. That tests for things like nicotine content, so if a bottle says it has no nicotine in it, it must have no nicotine, and

if it is labelled with nicotine, it must have that specific amount.

We also look for a number of contaminants to ensure that any avoidable risk elements can be avoided. It's actually one of the most, if not the most, strict testing platform in the world right now for e-liquids to ensure safety and quality of the products that our members sell.

Ms. Sophie Kiwala: Are e-cigarettes being marketed as lifestyle products or as a cessation device?

Mr. Daniel David: With the Electronic Cigarette Trade Association, before anybody can be even considered a member, the first thing done is an audit to ensure that no health, therapeutic or smoking cessation claims are being made whatsoever. We discourage any type of lifestyle marketing and especially prohibit marketing that can be reasonably seen as targeted towards youth or never-smokers.

The Chair (Mr. Grant Crack): Okay, thank you very much. We appreciate you coming before the committee and sharing your opinions.

Mr. Beju Lakhani: Thank you.

Mr. Daniel David: Thank you.

PROPEL CENTRE FOR POPULATION HEALTH IMPACT

The Chair (Mr. Grant Crack): Next, we have a gentleman from Propel Centre for Population Health Impact, University of Waterloo. Mr. Steve Manske, senior scientist and research associate professor. Welcome, Mr. Manske.

Mr. Steve Manske: Thank you very much for the opportunity to address your committee today.

I want to start by just asking whether, as a kid, you enjoyed bubble gum. Unfortunately, while most adults end up phasing out of that enjoyment, kids today face a more daunting task in that bubble gum-flavoured tobacco is certainly available to them. I'd argue, however, that bubble gum is not the key problem; rather, it would be menthol flavours in tobacco. Jurisdictions that ban flavours in tobacco are similar to those who might ban soda pop but allow Coke and Pepsi to continue.

So here's my message: I believe that, based on research I've done, Ontario needs a complete ban on flavours, and we need it enacted without delay. We know that Bill 45 puts it within your grasp. Today I want to describe data that I've collected, along with that of others, that strongly supports Bill 45 and the importance of protecting the health of our youth.

Since 2004, I've been leading the Youth Smoking Survey on behalf of Health Canada, with a team of 14 researchers and 34 staff. In the 2013-14 school year, we randomly selected and surveyed 49 Ontario schools. Some 8,000 kids in those schools, in grades 6 through 12, filled out our survey.

Tobacco use remains the number one cause of preventable death in Canada. Despite dramatic declines in use, we know that there is still the equivalent of two school bus loads full of people who die every day. Un-

fortunately, our kids are climbing on those school buses because of flavours.

Clearly the tobacco industry knew it needed new customers. The average age of starting to smoke in our survey is 14 years, well under the legal limit. As laws and social acceptance have tightened their screws, the tobacco industry has proven resourceful. They've introduced new products and new flavours.

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When I first started the Youth Smoking Survey, we tracked primarily cigarette use because cigar use—frankly, there wasn't very much of it. But flavours have boosted that number, as has the range of products in which those flavours are available.

Our most recent survey showed that among Ontario grades 9 to 12 students, over 44,000 were using tobacco products other than cigarettes. In total, 121,000 Ontario high school students are actually using some form of tobacco, and we believe that this figure is both unacceptable and unnecessary.

So what is it that's attractive about these products? Well, who else are bubble gum, grape and blueberry flavours targeted at? In 2013, despite a partial federal ban on flavours, almost half of the Ontario teens who had used tobacco in the last 30 days used a flavoured tobacco product. Unfortunately, youth bear an unequal burden in these flavoured products. Whereas just one in 20 adult smokers use menthol—just one in 20—almost a third, 29%, of kids who use tobacco use menthol.

You might then ask whether kids who are using flavoured tobacco are really just casual users. In the definitive Canadian study, over four and a half years of follow-up, one third of novice smokers—those casual smokers—converted to tobacco dependence. This evidence shows that, in other words, a third of Ontario youth who are smoking today are likely to become addicted.

Flavours—menthol, bubble gum and the rest—make it easier for kids to start. Unfortunately, our research also shows that use of menthol cigarettes is even higher among daily smokers, at 43% of all users.

What about adults who use tobacco? First, I'd just remind you that only 4% to 5% of the Canadian tobacco market is menthol; and second, in order to inform the US FDA, US researchers asked smokers their reaction if menthol were to be banned. Some 35% of current menthol smokers in the US said that they would simply quit smoking if we were to ban menthol. What a great benefit to both their individual health and our health care system. Less than half said that they would be angry or would miss their old brand.

The Chair (Mr. Grant Crack): Thank you very much; I apologize. Ms. Fife.

Ms. Catherine Fife: Thank you very much, Steve, for coming in. I must say, your research is very compelling. Policy and legislation should be based on evidence. I firmly believe that.

You didn't get a chance to finish your deputation, but you mentioned that Nova Scotia has gone to a full ban on flavours and so they're truly leading. Would you like to

comment on how you think that the legislation, as it's currently crafted, could be strengthened?

Mr. Steve Manske: Probably the key way to strengthen it is to shorten the time frame for its implementation. I think that Nova Scotia is demonstrating that that is possible. The rate at which tobacco product moves through distributors is fairly quick and we certainly do not need that length of time. There have been other changes implemented in much shorter time periods.

Ms. Catherine Fife: I think that your comments, particularly on youth and to the connection with flavoured tobacco, should be an eye-opener for many people. My own son is in this age bracket. He has girlfriends who are now going to smoking, and menthol is the attractor piece. Obviously, you support a full ban.

Mr. Steve Manske: Yes.

Ms. Catherine Fife: Would there be any good rationale to not bring a full ban of all flavoured tobacco into this legislation?

Mr. Steve Manske: I do not believe there is any rationale for having a partial ban.

Ms. Catherine Fife: Thanks for being here today.

The Chair (Mr. Grant Crack): Mr. Fraser?

Mr. John Fraser: Thank you very much for being here today, Mr. Manske. I appreciate your deputation. I have a couple of questions around menthol, but I'll just give a bit of an anecdote: I was a smoker. I started smoking when I was young. I used menthol. So I'm not surprised when you tell us that the use of flavoured tobacco is almost seven times what it is in the adult population.

Mr. Steve Manske: Yes.

Mr. John Fraser: That's a pretty high number. We've heard, in some criticism, that menthol is not a flavour that appeals to youth. I didn't quite catch the number that you gave us with regard to that. What was that difference between the adult and the—

Mr. Steve Manske: Some 4% to 5% of the adult population uses menthol; 29% of kids who are current smokers use menthol. But, in fact, if you look at daily smokers amongst kids, it's almost half; it's 49%.

Mr. John Fraser: So it clearly is a gateway flavour to smoking as well.

Mr. Steve Manske: I will agree with that, given a variety of things. Our data are cross-sectional so they cannot depict causation, but it appears that kids who are getting used to smoking are trying menthol, yes.

Mr. John Fraser: Okay. I was reading on the weekend that in the US they just recently did a study that showed—I want to switch now from menthol to e-cigarettes because that's another interest that we have—that between 2013 and 2014, e-cigarettes tripled in use amongst American youth, which is absolutely incredible when you think about it.

Mr. Steve Manske: It is. We have limited data in Canada. We do not have any national data. We have some data in Quebec, and certainly awareness and use were much higher than what we were expecting.

Mr. John Fraser: So there's a potential for risk in there. What would appear from this study is that it's actually encouraging that habit.

We had a previous presentation with regard to what was in the liquid that's smoked. Can you say anything about nicotine and youth and what the risks are, or any studies that you're doing?

Mr. Steve Manske: Certainly we know that nicotine is addictive for anyone, and there are a lot of e-juices in Canada that, while it's banned, contain nicotine. We don't have the regulations to understand what proportion that actually is, but it would have the same kind of effect.

My concern is that when you start to introduce new products, kids are perceiving them as less harmful and they may end up being a stepping stone to other kinds of tobacco use.

The Chair (Mr. Grant Crack): Okay. Thank you very much. We'll move to Mr. Hillier from the opposition.

Mr. Randy Hillier: Thank you. I want to just focus in on a couple of your last comments. You said that you think that these flavoured juices in e-cigarettes may lead as a stepping stone. Do you have any studies or any evidence that they are a gateway into smoking as compared to the substantial evidence that it's a gateway away from smoking?

Mr. Steve Manske: I would argue that there is not evidence that shows it's a gateway out of smoking. Others have referred to anecdotal evidence, but in the US—or worldwide, I guess, really—the kinds of summary statements that have been created looking across multiple studies have not necessarily shown that it's an effective tool to quit smoking.

Mr. Randy Hillier: I read 38 studies a couple of weeks ago that all demonstrated a substantial improvement as a gateway out of tobacco using e-cigarettes.

Mr. Steve Manske: That's interesting.

Mr. Randy Hillier: So I'm not sure where you're looking for the studies. They were pretty easy to find—peer-reviewed medical studies and surveys.

Mr. Steve Manske: I think we need to look at the strength of those studies and so on. The question that you asked is in regard to: Is it a stepping stone into tobacco use? I don't think in Canada that we have those kinds of studies available. We're collecting that information as we speak.

Mr. Randy Hillier: We know we have lots of anecdotal evidence that it's a gateway out. Do we have any anecdotal evidence that it's a gateway in?

Mr. Steve Manske: Not that I'm aware of. I don't have that evidence.

Mr. Randy Hillier: Are you familiar with the Lung Association of Nova Scotia and the Flavoured Products Consultation Report done in the Legislative Assembly of Nova Scotia?

Mr. Steve Manske: I have been made aware of that.

Mr. Randy Hillier: The Lung Association there has come out very clearly not to impose regulations on e-cigarettes, including flavoured e-juices, unless guided by evidence, and that the legislation should be based on evidence. Looking through their comments, almost all e-cigarette users are smokers who are trying to quit. And,

of course, that's my experience. The hundreds, if not thousands, of people who've contacted my office are trying to quit, and they have found it to be a very effective tool to do so.

Mr. Steve Manske: I would challenge that almost all e-cigarette users are those trying to quit, because we know from our Quebec study that there are lots and lots of youth—

Mr. Randy Hillier: Do you have any evidence that that statement is false or not entirely correct?

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Mr. Steve Manske: I think that what we can show is that there are lots of youth who are not trying to quit smoking who are using e-cigarettes.

Mr. Randy Hillier: But I think you would agree that there are thousands—a great preponderance of people are using them to quit. Would that be—

Mr. Steve Manske: No, I don't have that evidence.

Mr. Randy Hillier: You don't. Okay.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it, Mr. Manske, you coming before committee this afternoon.

ONTARIO CAMPAIGN FOR ACTION ON TOBACCO

The Chair (Mr. Grant Crack): We have the Ontario Campaign for Action on Tobacco, Mr. Michael Perley. Welcome, sir.

Mr. Michael Perley: Thank you. I have a prop, if I may.

The Chair (Mr. Grant Crack): We're not in the House so that should be permitted.

Mr. Michael Perley: We're not in the House, no.

Mr. Chair and members of the committee, thank you for allowing me to speak in support of Bill 45 and its provisions relating to the control of tobacco products and electronic cigarette products.

On behalf of the Ontario Campaign's partners—the Canadian Cancer Society's Ontario division, the Heart and Stroke Foundation of Ontario, the Non-Smokers' Rights Association and the Ontario Medical Association—I would like to congratulate the government for preparing and introducing this excellent legislation and the two opposition parties for supporting its passage.

I would like to briefly focus on three subjects: flavoured cigarettes rolling papers, water pipes or hookah and e-cigarettes. As you will hear from the Canadian Cancer Society later this afternoon, cigarette rolling papers are produced in many of the same flavours as other flavoured tobacco products regulated under Bill 45. We recommend that these rolling papers be included in Bill 45's flavours ban.

Concerning water pipes—and I have an example here—the bill allows public health inspectors to take samples of shisha, the material that is combusted in water pipes, in order to test for the presence of tobacco. Some shisha contains tobacco and some, called herbal shisha, does not. Both are often smoked in cafés and restaurants

despite the Smoke-Free Ontario Act's ban on indoor tobacco smoking. Inspectors have difficulty determining whether shisha containing tobacco is being smoked in a water pipe unless the material is tested, hence Bill 45's provision.

Testing, however, will do nothing to address the serious health consequences of exposure to water pipe smoke. Studies from various jurisdictions have made clear that water pipe emissions, whether from shisha containing tobacco or from herbal shisha, are hazardous to anyone exposed to them either by first-hand smoking or second-hand. I have attached the Ontario Campaign's back-grounder on this issue for you and it references these health studies in detail.

Of equal concern, new data shows that many high school students are now using water pipes including one in four high school seniors across Canada. Data just published by the University of Waterloo show that about 101,500 Ontario high school students have ever tried water pipes and 38,500 report using them within the past 30 days. The data also show that nearly four in 10 students believe smoking a water pipe is not as dangerous as smoking cigarettes, a belief that is simply wrong.

This is an ominous trend and it's not only a Canadian trend. The evidence has convinced many countries, including Turkey, and numerous Middle Eastern jurisdictions to ban or severely restrict where water pipes may be smoked. Some Canadian jurisdictions, including Alberta, Nova Scotia and the city of Vancouver, are also banning indoor use of water pipes.

We recommend that regulatory authority to control the indoor combustion of organic substances other than tobacco, like shisha, should be added to Bill 45, so that appropriate consultation and regulatory action on water pipe use can occur as soon as possible.

Finally, concerning e-cigarettes: The Ontario government's approach in our view strikes an entirely appropriate middle ground between excessive regulation of a promising product, the currently unregulated e-cigarette market in Ontario, and the many gaps in e-cigarette research. No one to our knowledge is in favour of the sale of these products to young people, as you heard earlier.

Given the many unknowns about potential health effects from exposure to nicotine vapour and other by-products of vaping and the concern that smoking behaviour may be renormalized if vaping is allowed indoors, there is also wide-spread agreement that e-cigarette use should be prohibited in workplaces and public places indoors.

Concerning e-cigarette marketing and promotion, Bill 45 deals with promotion in the retail environment. We have no objection if speciality stores selling e-cigarettes are allowed to display their wares, provided that those wares are not visible from outside the store, no one under 19 is allowed in these stores and no products other than e-cigarettes, e-liquid and related accessories are sold in these specialty stores. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the government side. Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you, Mr. Perley, for your presentation. As a former educator, I'm very concerned about the health of our young people. I don't want us to go down a road that we don't know is safe.

Why should flavoured tobacco, including menthol, be prohibited?

Mr. Michael Perley: I think the data that Dr. Manske referred to earlier is pretty clear. We have a disproportionately large number of young people who are using flavoured products who report either ever using them or using them in the past 30 days. The menthol figures pretty well speak for themselves when you compare youth use to the size of the adult market.

What the US FDA has shown is that there are sufficient grounds to believe that a menthol product is a predictor of initiation of smoking, that it is related to the length of time that young people think they're going to smoke. Equally important, it relates to the number of cigarettes that are smoked. Young menthol smokers smoke more cigarettes per day than do young smokers of regular cigarettes.

For all these reasons, I think menthol particularly deserves the attention it's getting from Bill 45, as do the other flavours, which clearly are an ongoing problem.

Ms. Ann Hoggarth: I'd just like to say that I only tried two packs in my life, but both of those packs were menthol. Thank heavens my mother found them, and that was the end of that.

Is menthol an adult product? Why should it be subject to the same prohibition as the other flavours?

Mr. Michael Perley: I don't know that you can distinguish a flavour in a cigarette product. Between youth and adults—menthol cigarettes are equally able to make it easier for adults to smoke. There is some opinion that seems to be around that somehow, allowing adults to continue to smoke menthols is okay; allowing kids to smoke them is not. I don't understand what the distinction is there except that the urgency for the need to address this lies in the fact that we have about 20,000-odd youth menthol smokers every year. Every year we let that continue, based on what Dr. Manske's research shows, there will be more and more young people who start with menthol and move on to regular products.

Ms. Ann Hoggarth: Do I have time for one more?

The Chair (Mr. Grant Crack): Twelve seconds.

Ms. Ann Hoggarth: Do you believe Bill 45 takes an appropriate approach to regulating e-cigarettes in Ontario?

Mr. Michael Perley: Apart from the display issue that I addressed earlier, yes, I think it does. It's perfectly appropriate. I don't think there should be any exposure of anyone indoors to e-cigarettes, in workplaces or public places. There is no rationale behind that scientifically.

Ms. Ann Hoggarth: Thank you so much.

The Chair (Mr. Grant Crack): Thank you very much. Mr. Walker.

Mr. Bill Walker: I'll share with you that I have five siblings and I've lost one to lung cancer. Four of the six smoked; I'm not one of them.

One of my biggest dilemmas with this is people like my sister or my other family members who have tried to smoke. If this is a cessation product that I believe, from people who have come up to me saying, "I've tried everything else in the world to stop and this is the thing that's helping me"—I struggle with why we're so quick to condemn, but not willing to look at it from that perspective. I think Nova Scotia actually pulled it out and did two separate ones, e-cigarettes being one and vaping.

Tobacco: I think what you're saying is you don't want it to be in the hands of youth. I can certainly support that.

You talked a fair bit in here about not being visible from outside of the store, so my question, I guess from what I just led into, is, if someone wants to stop smoking—which I believe is a big part of what we need to be doing in society—this is a tool that is actually working. Do you have a balanced view—is there absolutely no way? Because what if someone wants to quit, and that external marketing can help them to get there?

Mr. Michael Perley: I think the external issue should be clear signage that in this store or in that store, e-cigarettes are for sale. Then once you go into the store—because we don't want anyone under 19 going into stores or having them sold to them; we've heard no one wants young people to be able to buy e-cigarettes—once you go into the store, you then can see the product.

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I think it would be very difficult to do what you suggest, Mr. Walker, if retailers couldn't show the product to their customers. We think that should be done. We just think it could easily leak into promotions in the front of the store that could be seen from the street. Given we want to keep kids away from this and give the sense that this is for adult smokers to quit smoking, I think it's appropriate that they be able to see the wares in the store but not outside.

Mr. Bill Walker: So by contrast to Nicorette gum and the patch—I mean, that's an external marketing campaign that has been out there for many, many years, trying to encourage people to stop. What I'm trying to understand is why we can do that, but we wouldn't allow e-cigarettes or vaping to be similar—

Mr. Michael Perley: Yes, but Nicorette and the patch and others are approved products by Health Canada. They've gone through very rigorous testing and approvals by the government. There are no such standards that are applied by Health Canada, or anyone else at this point, to e-cigarettes. If we get to a day where those standards are available and we have products approved, then we can revisit it. But until we get to that point, we need a prudent, precautionary approach, until we get the scientific data that we are lacking, despite the fact that there are a lot of studies out there on both sides. I think studies being on both sides tell us one thing, which is we need to be careful before we embark on large-scale legalization without any restrictions.

Mr. Bill Walker: Similarly, in some of the previous questions, that evidence-based is the research that conclusively says—one of your paragraphs here says,

“Given the many unknowns about potential health effects from exposure to nicotine vapour and other by-products of vaping....” So there’s no conclusive evidence that it absolutely does.

Again, I’m erring on behalf of those people who are trying to quit, saying, “Why would you wait for two years to allow me to have a product, so that I might be able to quit?”

I mean, my sister—who, unfortunately, has cancer but is still living—did quit as a result of my other sister passing away. Anything that can help her get to that point of stopping—we can’t afford two years, necessarily.

Mr. Michael Perley: We’d welcome federal government action, but there’s no sign of it at this point.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Fife.

Ms. Catherine Fife: Thank you for being here. I wouldn’t hold your breath on federal action on this issue any time soon.

Mr. Michael Perley: I don’t think any of us are, unfortunately.

Ms. Catherine Fife: But I do want to thank you for raising the issue. You’ve already covered the flavoured tobacco. We would like to see that ban right now on menthol, on flavoured tobacco. That’s not the way the legislation is currently crafted.

But the issue of water pipes—your research is actually very interesting. I think it speaks, in some respects, to the vape cigarette issue. In the research that you presented, you said that the use of hookahs in public places is not regulated under the Smoke-Free Ontario Act, and hookah establishments offer an alternative to young people.

Then the most interesting piece is around the verification of identification of the age of the users, and you identify this as an issue. Do you not see that as an issue with the vapour cigarettes as well, the e-cigarettes?

Mr. Michael Perley: I think that no one wants e-cigarettes sold to young people, and no one wants them used in indoor workplaces and public places. That will provide a very substantial amount of protection, first of all, for all ages, until we know better, until we know, for example, that high concentrations of nicotine vapour indoors are “harmless.” I don’t think we know that yet. I don’t think we know whether there is an effect or not.

We know nicotine has certain toxicity associated with it. Is it likely to affect people indoors who are exposed to it repeatedly—say, the serving staff, if it were allowed in restaurants and bars? We don’t know that. Until we know that, it makes a lot of sense to prevent those people from being exposed, until we know for sure that there is no toxic effect or that there is some way to mitigate it. But we don’t know that yet, and this is a prudent approach until we know that.

Ms. Catherine Fife: So you would err on the side of caution, obviously—

Mr. Michael Perley: Absolutely.

Ms. Catherine Fife: —and learn from the past. There are a lot of wait-staff in the province of Ontario who contracted lung cancer via second-hand smoke, because it was allowed in restaurants.

Mr. Michael Perley: I’ve been doing this work for 21 years. This reminds me of many of the statements that were made by bar and restaurant owners, that if cigarette smoking were banned in their establishments, they would all go under. I heard this numerous times across the province, in bylaw debates and during the Smoke-Free Ontario Act debate. There are now over 100 studies on the impact of smoke-free, and not one of them has shown any net negative impact. That’s not to say there are not issues specific to e-cigarettes, but our past is instructive.

Ms. Catherine Fife: One final question: How easy is it to get this hookah and smoking paraphernalia? Do you think that that’s a problem in the province of Ontario?

Mr. Michael Perley: Well, it depends on the store. The store that I bought this in, he was very, very rigorous.

Ms. Catherine Fife: Did he ask you for ID?

Mr. Michael Perley: He didn’t, unfortunately. Well, I would have been flattered, I suppose. A young fellow tried to come in while I was there, and he wouldn’t even let him in the door. So depending on the tobacconist and depending on the store—some are very good, some are not so good.

Ms. Catherine Fife: Thank you.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Perley, for coming forward. We appreciated your comments.

CANADA E-JUICE

The Chair (Mr. Grant Crack): Next we have Canada E-Juice. I believe we have Debbie Walker, director, and Stuart Smith.

Ms. Debbie Walker: Stuart Smith was unable to attend today. He had other obligations.

The Chair (Mr. Grant Crack): Thank you. Welcome, Ms. Walker.

Ms. Debbie Walker: I am Debbie Walker, and I am the owner of Canada E-Juice—

The Chair (Mr. Grant Crack): You have five minutes.

Ms. Debbie Walker: —and I am very nervous. I’ve never spoken in front of a group, but I have such a passion for this industry that I have to say something, and say something today.

My company has been in business for almost three years now, and I am very proud of how vaping has changed my life and how I have seen it change the lives of many, many of my customers.

I don’t believe that vaping is going to go away. I believe that the government needs to make it possible. If it is made impossible for the people to get it, it is again going to head to the black market. I don’t want to see that happen. I want to see it legislated and regulated.

I would like to reiterate everything that the CVA has had to say to you folks. I’m a member of the CVA and the ECTA, a paid member and in good standing.

We have many customers who have switched from cigarettes to vaping on the advice of their doctors. With

the high rate of death from smoking, any alternative that could possibly work should be looked into and should be taken into consideration. It is showing now, through research studies—I'm shaking—

The Chair (Mr. Grant Crack): That's okay.

Ms. Debbie Walker:—done by many companies and in many countries, a sampling of which I have included in the packages we have provided you with—the House of Commons in the UK has also opened a vape lounge for the MPPs in Westminster. To me, this shows that there is some understanding of the importance and the value of vaping. We do understand the ban of the sale of e-cigarettes to minors and have followed this practice since day one.

A ban of e-cigarettes in any way and in all public places seems a little unnecessary. I think we need to take into consideration that it is not a cigarette, and it is not tobacco; it is a vapour.

I do not believe that vaping should fall under the same regulations as the tobacco industry. The ban on displaying of e-cigarettes and e-liquids, even for viewing of the products, would stop people from learning the benefits of vaping. People smoking now would be unable to gain the knowledge that they need to begin vaping. Knowledge and instruction are needed because this is a new industry. The ban of promotion of e-cigarettes would not allow for smokers to be aware of this fantastic alternative.

The business and management would only be allowed to show the basic information and pricing of a product. Again, the customers would need to learn, to be shown, to be safe, to be knowledgeable, to be able to use their products and have success.

I have no problem with the government coming in to inspect. That is a given. I follow all Health Canada regulations and guidelines that I could find. We have had three separate visits from three different departments from Health Canada into our business without any warning or consent—gave them a full tour, and all parties were satisfied at the end of the visits.

I am a member of the ECTA and pay to follow these standards that exceed all government requirements to this date. We are a company that has grown from two to 11 employees in just two years through the demand for this product. I have a tremendous passion for this industry.

We have a petition we pulled up this weekend from MPP Randy Hillier. We have almost five pages filled in just two days of trying.

These hearings feel like a rushed judgment, and there has not been much time to prepare because the hearing was not announced until last week. I was unable to book an appointment with my own MPP until April 24, which is obviously after the hearings.

I, myself, am not a scientist, nor am I pharmacist or any kind of expert in any way. All I am is a business owner who knows and has seen what has happened to the customers who walk through my door or who order online.

We have included recent studies for you that have been done in different countries for your review. I hope

that you will please take the time and consider all of the information put before you in this hearing. I appreciate your time and listening. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. You did exceptionally well. We'll start with the NDP. Ms. Fife, are you ready?

Ms. Catherine Fife: Is it me? No, it's them.

The Chair (Mr. Grant Crack): Well, generally what I do is, I go PC, NDP and Liberal. When they start, we do three, and then you start, and then—

Ms. Catherine Fife: Okay. No, that's fine.

Thanks very much for coming in. I can see that you are passionate about this issue. Our concern, though, is that there's not enough evidence and research on the quality of the vapour. Do you want to speak to that at all?

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Ms. Debbie Walker: Well, there have been, as was mentioned earlier, over 38 studies that have been done in different countries by different companies, peer-reviewed studies—

Ms. Catherine Fife: But not in Canada, right?

Ms. Debbie Walker: Nothing has been done in Canada. However, we do follow all food and health guidelines that are made available. As the CVA had said, there are only four products that are available in the e-liquid; whereas there are 3,999 chemicals, approximately, in a cigarette. I don't even believe that vaping should be in a section with tobacco because it is not a tobacco.

Ms. Catherine Fife: You know that Bill 45 doesn't ban vapour cigarettes, though?

Ms. Debbie Walker: Correct.

Ms. Catherine Fife: It doesn't. So what are your main concerns, then, with this legislation?

Ms. Debbie Walker: My main concerns are what is being brought up. One of my strong points would be the flavouring. If you take away the flavouring and go flavourless—you keep referring to flavouring in tobaccos. I'm not much of a drinker, but I would go to the fact that alcohol is for adults, but you can get blueberry alcohol, and you can get vanilla-cupcake alcohol. Yet you can also take a child in there to purchase this alcohol. So to me, that's one of the strong points. I don't want to see the flavours disappear.

Canada E-Juice was started because we ordered from China and we got disgusting juice; we didn't know what was in it. I became the maker of the juice because I had a passion for making sure it was good quality. I knew exactly what was going into it, and every customer would know exactly what they're vaping.

Ms. Catherine Fife: So these four ingredients that were listed before—

Ms. Debbie Walker: Propylene glycol, vegetable glycerine, nicotine and food flavouring.

Ms. Catherine Fife: Yes. You don't have any concern about the first item, the propylene?

Ms. Debbie Walker: Propylene glycol is in 90% of the foods that we ingest, from the information that I've found. It's in almost all things that we put in our bodies now.

I've been vaping for almost three years, and I haven't been to a doctor since I started vaping. I caught a cold this year, and I beat it in two weeks. Where everybody else was going to doctors, I did not need to go to a doctor. When I was smoking, I would have had to. I would have been on antibiotics.

Ms. Catherine Fife: How profitable is your business?

Ms. Debbie Walker: I'm not in it for the profit.

Ms. Catherine Fife: I'm just asking you a question. Are you making a profit? Is it a profitable business?

Ms. Debbie Walker: Yes. Yes, it is a—

Ms. Catherine Fife: And you said that you went from three employees to 11 employees?

Ms. Debbie Walker: From two employees to 11, correct.

Ms. Catherine Fife: Over the course of three years?

Ms. Debbie Walker: Two years.

Ms. Catherine Fife: And who are the demographic? Who are you serving? Tell us about the people who come into your—

Ms. Debbie Walker: Well, locally, we have a retail store in Oshawa. We took ourselves into an industrial area. We're not downtown, in a mall or that sort of thing. I don't agree with that. We do need to keep it away from minors. And we service online across this country, to the United States and other countries. We even distribute back to Hong Kong.

Ms. Catherine Fife: How do you ensure that your online customers are of age?

Ms. Debbie Walker: We have an age of majority checkbox before they can enter.

Ms. Catherine Fife: Okay. I do want—

The Chair (Mr. Grant Crack): Thank you very much.

Ms. Catherine Fife: Okay.

The Chair (Mr. Grant Crack): We appreciate that. We'll move to the government side, and we have Ms. Kiwala.

Ms. Sophie Kiwala: Thanks very much for coming, and well done on your presentation. I'll just lead right into the questions that I have for you.

According to your website, you produce and sell e-cigarette juice with nicotine in it. Is that correct?

Ms. Debbie Walker: Yes.

Ms. Sophie Kiwala: Are you aware that it's illegal without Health Canada approval?

Ms. Debbie Walker: A four-milligram or less dose, from my understanding, is not illegal.

Ms. Sophie Kiwala: From your understanding. Okay.

Ms. Debbie Walker: We don't go anywhere near that.

Ms. Sophie Kiwala: You don't have Health Canada approval, then, to sell nicotine products?

Ms. Debbie Walker: No. I don't believe there is any approval.

Ms. Sophie Kiwala: If not, what are you doing to come into compliance with the law?

Ms. Debbie Walker: I'm following all of the guidelines that I can. I did due diligence to find out that this

hearing was today and put together as much information as I could for you folks to read.

Ms. Sophie Kiwala: Perfect. On your website, you claim your e-cigarettes offer "better, and more improved health." The CVA, the first presenter, said it regularly checks websites for health claims. You don't have Health Canada approval to make health claims with respect to e-cigarettes, is that correct?

Ms. Debbie Walker: Correct.

Ms. Sophie Kiwala: What are you doing to come into compliance with that law?

Ms. Debbie Walker: I have a corporate lawyer working on it right now, as a matter of fact.

Ms. Sophie Kiwala: There have been reports of children and pets being poisoned by biting into nicotine-containing e-cigarette cartridges. Can you comment on these reports?

Ms. Debbie Walker: I've never heard of those reports. I did hear of one infant in the United States who died, and that was due to negligence. It was ruled, I believe, no-fault.

Ms. Sophie Kiwala: An infant who died.

Ms. Debbie Walker: It was an accident.

Ms. Sophie Kiwala: An accident. Okay.

Ms. Debbie Walker: We use childproof caps and we follow all the regulations that we possibly can.

Ms. Sophie Kiwala: Are you aware that the World Health Organization recently concluded that evidence for the effectiveness of e-cigarettes as smoking cessation aids is limited and does not allow conclusions to be reached?

Ms. Debbie Walker: I don't know how to answer you on that one. Can I get that question again? Sorry.

Ms. Sophie Kiwala: Sure. Are you aware that the World Health Organization recently concluded that evidence for the effectiveness of e-cigarettes as smoking cessation aids is limited and does not allow—as we've already heard here today—conclusions to be reached?

Ms. Debbie Walker: I don't believe there are any conclusions yet for any of this. I think there needs to be a whole lot more studying done and more research.

Ms. Sophie Kiwala: Yes, we agree.

Ms. Debbie Walker: Definitely.

Ms. Sophie Kiwala: Are you aware that the same report found that e-cigarettes do not produce merely water vapour, but pose threats to adolescents and fetuses, and increase exposure of non-smokers and bystanders to nicotine and a number of toxicants?

Ms. Debbie Walker: To that, I would like to say that every day, for the most part, we take a shower—five to 10 minutes in the shower. I don't even think that we think about the fact that we've got all the chemicals in our soaps, our shampoos. We are vaporizing them. We are steaming them and we are breathing them. That is, to me, no different—in fact, it's worse.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to Mr. Hillier.

Mr. Randy Hillier: Thank you, Chair, and thank you for being here. I am a little bit disappointed with the

quality of the questions being presented to you today. But I will ask you this question: Have you ever had anybody come into your store and say, “I am not a smoker. I have never smoked and I want to vape?”

Ms. Debbie Walker: No.

Mr. Randy Hillier: No. Everybody who comes into your retail store—what can you describe? What is their purpose for enquiring about vaping?

Ms. Debbie Walker: The general consensus of every customer coming in the store is, “I’m a smoker and I don’t want to smoke anymore.”

Mr. Randy Hillier: Right. That has been my experience. I’ll ask the Chair maybe if the research table could also—we’ve seen stacks and stacks of paper delivered to this committee today. Could you give us an indication of how many of those are testimonials to the effectiveness of using e-cigarettes to stop smoking? If not today, at some time we could compile that list.

The Chair (Mr. Grant Crack): Okay. So there has been a request for legislative research to compile that list. I’m doubtful that it would be available at this particular point, but I think it would be provided—

Mr. Randy Hillier: But I think it would be fair in saying to the research table that a good number of these pieces of paper on our tables are testimonials to the effectiveness of people quitting smoking. Would that be a fair statement?

The Chair (Mr. Grant Crack): Do you want to respond to that?

Mr. Jerry Richmond: With respect, Mr. Chair and Mr. Hillier, a suggestion: Possibly with the assistance of Ministry of Health officials, maybe I can tap into reputable studies that speak to this.

Mr. Randy Hillier: I see a number of reputable studies. I was just looking for the quantity of testimonials of people who have demonstrated the effectiveness.

I also just want to mention, as compared to the questions from the Liberal side: Are you aware that the Nova Scotia Legislature has removed their proposed regulations on e-cigarettes?

Ms. Debbie Walker: Yes.

Mr. Randy Hillier: Are you also aware that they had proposed these regulations back last fall and that they’ve done a substantial study and consultation since then? I believe that every member of the committee has this Legislative Assembly consultation report.

In it, contrary to what the member from Kingston and the Islands said, the Lung Association has clearly stated that there is substantial harm reduction achieved through the use of e-cigarettes. E-cigarettes do not contain tobacco. There is potential benefit and they are recognized for harm reduction. Those sheets of paper are on the desks of every committee member here today. I would encourage the committee members to read what the Lung Association had to say. I’d also encourage the committee members to read the—

The Chair (Mr. Grant Crack): Thank you very much, Mr. Hillier.

Mr. Randy Hillier: —report and see how making laws—

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The Chair (Mr. Grant Crack): Thank you very much, Mr. Hillier. I appreciate that. Thank you very much for coming before committee. We appreciate it.

Ms. Debbie Walker: Thank you very much.

IMPERIAL TOBACCO CANADA

The Chair (Mr. Grant Crack): We have, from Imperial Tobacco Canada Ltd., Mr. Gagnon, director of government and regulatory affairs. Welcome, Mr. Gagnon. You have five minutes.

Mr. Eric Gagnon: Thank you for the opportunity to discuss Bill 45. My comments will focus on schedule 2, which puts restrictions on flavoured tobacco products, and on schedule 3, which establishes a legislative framework for e-cigarettes.

First of all, Imperial Tobacco Canada supports what we believe to be the spirit of Bill 45, which is to keep tobacco products out of the hands of youth and establish a regulatory framework for e-cigarettes. However, Bill 45 was drafted without stakeholder consultation and, as a result, is poorly conceived and will have negative unintended consequences.

Let me start with schedule 2. Imperial Tobacco Canada, the largest legal tobacco manufacturer in Canada, believes kids should not smoke. There are important health risks associated with smoking and our products should be consumed by adults who have made a conscious decision knowing all the facts. We do not make or sell any candy-, fruity- or confectionary-flavoured tobacco products and we support legislation to ban them, if it is based on evidence to show that they are appealing to youth.

Overall, smoking rates are declining. Health Canada’s Youth Smoking Survey found that 4% of students in grades 6 to 12 are current smokers and Canada’s overall smoking rates are at an all-time low. Conversely, youth use of other substances is drastically higher. According to the Youth Smoking Survey, 41% of youth report using alcohol, yet government-controlled retail outlets sell an incredible array of flavoured alcohol products with names such as Skinnygirl Tangerine Vodka. If the government’s position is that flavours are appealing to youth, we look forward to the implementation of a flavoured alcohol ban in Ontario as well.

The only flavoured product we sell is menthol cigarettes. It is our position that this product should be exempt from the flavour ban for the following reasons.

First, when the federal government introduced a flavour ban on tobacco products, menthol was excluded from the ban because “there is no sufficient evidence to suggest menthol is appealing to youth.” In fact, menthol cigarettes are a traditional product that has been sold in Ontario for about 80 years and a product catering to an adult demographic. Indeed, independent market research from Gfk Research Dynamics confirms that menthol is more popular with smokers who are over 30 years old, which contradicts suggestions that menthol is a tobacco preferred by youth.

Second, the menthol cigarette category is not designed, packaged and priced to appeal to youth. Those cigarettes are only sold in legally mandated package sizes of at least 20 cigarettes, which puts them at a significantly higher price point than other flavoured tobacco products that may be sold individually or in small packages. It is also worth mentioning that menthol use has been declining for decades whereas the sale of other flavoured tobacco products has exploded in recent years.

Finally, and despite what some would like you to believe, the scientific weight of evidence does not support the conclusion that menthol cigarettes are more addictive than non-menthol, that menthol draws youth to smoking or that a menthol ban would have an impact on youth smoking rates.

No cause-and-effect relationship has been established, and to suggest otherwise is misleading. For example, the largely cited Canadian surveys from the Propel Centre were not developed to study the cause-and-effect relationship of smoking. Despite that, many use the data to suggest that the reported use of menthol cigarettes by youth smokers makes a ban an effective means to reduce smoking.

Those calling for a menthol ban are in fact deliberately distorting publicly available data to support their prohibition campaign. In fact, data from Health Canada's Youth Smoking Survey shows that upwards of 75% of youth from grades 6 to 12 get tobacco products from social sources, meaning family and friends. If the goal is really to eradicate youth smoking, it is respectfully submitted that this is where the Ontario government should focus its efforts.

The committee must also question the effectiveness of a menthol ban in Ontario where 40% of the tobacco products sold are contraband. Sales will simply shift from a legal taxed and regulated market to one that is illegal, unregulated and untaxed and one that is also far more accessible to youth.

We are now aware of at least 35 menthol cigarette brands being available for sale in the contraband market in Ontario, which is approximately double the number of legal menthol brands. That is your tobacco control reality in Ontario, and Bill 45 is completely blind to it.

As for schedule 3, our concern is twofold. First, despite the fact that e-cigs is a complex area and that there are vigorous debates within the public health community on the appropriate regulatory framework, Bill 45 was drafted without any stakeholder consultation.

The Chair (Mr. Grant Crack): Okay. Thank you very much for your comments. I apologize.

We'll move to the government side: Mr. Fraser.

Mr. John Fraser: Thank you very much for being here today, Mr. Gagnon. I would like to talk to you very briefly about the two things you talked about.

Again, anecdotally, as a smoker—a former smoker—as a youth, menthol was a gateway for me. I know that it was, personally. Now, that's obviously not empirical evidence.

But we did listen to the evidence from both Mr. Manske and Mr. Perley—if I could just go over that

again—that 29% of youth use menthol cigarettes; 50% of the regular daily smokers use menthol cigarettes; and youth who smoke menthol cigarettes smoke more cigarettes than youth who smoke regular cigarettes. So there is evidence that there's a predictor of future behaviour.

You said at the outset that kids should not smoke, and I think we all agree with that. Smoking is probably the number one public health issue of the last 75 years. It has been up at the top of the list.

I appreciate your representation in terms of menthol, and some of your concerns. I would equally say that it's anecdotal that it's going to drive contraband sales, and on top of that, that that's not going to solve the problem. I don't know if you want to comment on that.

Mr. Eric Gagnon: Yes. First of all, I don't think 40% of the market being illegal is anecdotal, to be honest. There is clear evidence that when a product is banned, it is available on the illegal market. We saw it when C-32, at the federal level, was implemented. That's the first thing.

The second thing is that there is no evidence to demonstrate that youth start smoking because of menthol products. I appreciate your example, but to be fair, that's not evidence-based. There are a lot of other cases where people have started smoking, and youth have started smoking, without smoking menthol products.

What the Propel Centre research says is that in the last 40 days, youth who are already smokers have tried a menthol product, and that could be one to two cigarettes.

Again, the evidence does not show that youth start smoking because of menthol products. As I said in my remarks, 75% of youth who smoke get their products from social sources, and that is the real issue that we need to address.

Mr. John Fraser: One comment that relates directly to the vulnerability of youth: You may have heard earlier that I quoted an American study that said that in 2013-14, the number of youth vaping tripled in the United States. Can you make a comment on that? I think it's further evidence of the vulnerability of youth, and that's what we're trying to address in this bill.

The Chair (Mr. Grant Crack): It will have to be quick—five seconds.

Mr. Eric Gagnon: As I said earlier, I think on the e-cigs front, the health community does not seem to agree. What we're saying is that before regulating e-cigarettes, there needs to be further consultation with the experts to make sure that the regulatory framework that is put in place meets the potential health-reducing products of e-cigarettes.

The Chair (Mr. Grant Crack): Thank you very much. We'll move to Mr. Walker.

Mr. Bill Walker: Thank you very much. There's a lot of information here, which is always the case. You talked a little bit about the study—Health Canada's Youth Smoking Survey found that 4% of students in grades six to 12 were current smokers. Can you tell me if that includes e-cigs, or does it only talk about traditional cigarette smoking?

Mr. Eric Gagnon: From my knowledge, this is only cigarettes.

Mr. Bill Walker: Earlier in your presentation: “Notwithstanding what you may have heard, notably from the tobacco control community, the scientific weight of evidence does not support the conclusion that menthol cigarettes are more addictive than non-menthol, that menthol draws youth to smoking, or that a menthol ban would have an impact on youth smoking rates.”

Are you aware of any studies, that are conclusively evidence-based, that can tell me yes or no?

Mr. Eric Gagnon: I can certainly share with you after this, but there is evidence to demonstrate that people who smoke menthol products do not smoke more than people who smoke non-menthol products. This is one piece of evidence.

What we’re saying is that that study specifically does not make a clear correlation between youth smoking and menthol products, and on that basis, it’s important that legislators understand the real evidence and not legislate based on wrong facts.

1510

Mr. Bill Walker: Right. And you didn’t really—and I realize you’re limited in time—talk about contraband with your whole package, but can you expand upon that? One of the things that has been talked about in the House during the debate was that there’s nothing in there about contraband. A lot of people are going to that market. Certainly, I hear it anecdotally in my riding of Bruce-Grey-Owen Sound. That’s where a lot of the youth are being—if there’s a gateway, that’s where it is, because they can buy a bag of cigarettes for seven or eight bucks, versus \$80 or \$90 for a carton. Can you talk about that a little bit?

Mr. Eric Gagnon: Of course. It’s not Imperial Tobacco alone that is talking about that. The RCMP has said that approximately 40% of the tobacco sold in Ontario is illegal. We know that there are reports of at least 35 menthol brands already on the illegal market. This is double the size of what’s available on the legal channel.

Seriously, it’s a no-brainer when you think about it. You’re banning a product from the legal channel which you need to be 18 or 21 in Ontario to purchase, which is sold in packs of 20. That is costly. What you are doing is giving it to the illegal traders, who are going to the schoolyards—and the RCMP has demonstrated that these dealers go to schoolyards and sell those products by units. They are also the same people who deal drugs and who are linked to terrorism.

What we’re saying is that before banning a product such as menthol, we need to recognize the reality in Ontario. The fact is that we’re only moving that product from the legal channel to the illegal channel.

Mr. Bill Walker: And on a similar—not just contraband—also with the banning of ethanol, does that necessarily mean they stop smoking ethanol—

M^{me} France Gélinas: Menthol.

Mr. Bill Walker: —menthol—sorry—or do they just go and find another source?

Mr. Eric Gagnon: Well, they’ll find another source. I think there was a survey published by the retail association in the newspapers that demonstrated that 70% or 75% of menthol smokers said that if the product were to be banned, they would purchase it illegally.

The Acting Chair (Mr. John Fraser): Thank you very much, Mr. Gagnon, for presenting—oh, sorry. Pardon me. Ms. Gélinas.

M^{me} France Gélinas: Thank you. Welcome to Queen’s Park.

Mr. Eric Gagnon: Thank you.

M^{me} France Gélinas: You opened by saying that Imperial Tobacco Canada does not have any fruit flavours, so you don’t oppose the ban, but you oppose the ban on menthol. Take me through what the difference is between the two. Why is it that it’s okay to ban certain flavours, but it’s not okay to ban the flavour that you manufacture?

Mr. Eric Gagnon: We don’t believe that bubble gum, cherry and that type of confectionary flavour should be part of a product like tobacco, to be honest. If there is evidence to show that these products are a gateway, they should be banned if they are appealing to youth. What we say is that there is no clear evidence to demonstrate that youth start smoking because of menthol products.

M^{me} France Gélinas: I don’t want to put words in your mouth, but does that mean that if we had a body of evidence that proved that it is a gateway, you would support the ban on menthol?

Mr. Eric Gagnon: What I’m saying is that as of today, there is no evidence to show that youth start smoking because of menthol products, and on that basis, there should not be a ban on menthol products. They should not be considered as other flavoured tobacco products.

M^{me} France Gélinas: Okay, but my question is, if we can show a body of evidence that shows that it is a gateway, then would your company agree?

Mr. Eric Gagnon: My answer is that to date, there is no evidence to show that, and on that basis—

M^{me} France Gélinas: You should be a politician.

My next question is, in your brief, when you talk about e-cigarettes, you talk about “companies like our affiliates.” Who are the affiliates of either British American Tobacco or Imperial Tobacco Canada that are doing work in e-cigarettes?

Mr. Eric Gagnon: Sorry, I’m not sure I got the question right.

M^{me} France Gélinas: In your brief, you said “companies like our affiliates” when you talk about your position on e-cigarettes. Who are those affiliates?

Mr. Eric Gagnon: Okay. We are owned by British American Tobacco. British American Tobacco has e-cigarettes on the market in the UK, but we don’t have any products in Canada.

Just to remind everybody, in Canada, e-cigarettes with nicotine are illegal unless approved by Health Canada, and as of today there are no e-cigarettes with nicotine that have been approved. So all the products that are being sold today in Ontario are illegal.

M^{me} France Gélinas: The markets that you have in the UK: Are you selling vaporizers with nicotine or without?

Mr. Eric Gagnon: With nicotine.

M^{me} France Gélinas: They are with nicotine. And do they sell flavours in the UK?

Mr. Eric Gagnon: I don't have enough information to answer that, but I can certainly follow up with you.

You have to understand that there's a difference between e-cigarettes—you need flavours in e-cigarettes to sell them; otherwise, it just doesn't work. There's a difference, though, with confectionary flavours and other flavours.

M^{me} France Gélinas: Okay, so I cannot get you to say on the record that if the body of evidence is strong enough that menthol is a gateway to youth smoking—but will you deny it then? If the body of evidence was there, would you still be opposed to banning menthol?

Mr. Eric Gagnon: Yes, but that's a question that is—we can be here all day. There's no evidence today to show for it. The day that there is, we can talk about it.

The Acting Chair (Mr. John Fraser): Thank you very much.

M^{me} France Gélinas: Thank you.

The Acting Chair (Mr. John Fraser): Thank you for presenting.

HEART AND STROKE FOUNDATION OF ONTARIO

The Acting Chair (Mr. John Fraser): Our next presenter from the Heart and Stroke Foundation of Ontario: Mark Holland, executive director.

Mr. Mark Holland: Thank you, Mr. Chairman, and thank you, members of the committee. It's a pleasure to be here before you today on behalf of the 140,000 volunteers and nearly two million donors nationally to the Heart and Stroke Foundation.

On behalf of all of those individuals we represent, I want to commend both the government and opposition members for the support of this bill. This represents important work in public health. This is really a revolutionary step forward in tobacco control and also with respect to helping inform Canadian consumers about the food they're eating and the caloric content. I commend the government.

We've made tremendous strides in tobacco control. We've done that in partnership with governments of many different stripes. If you go back to the 1960s, when we were at around 50% of Ontarians smoking, to today at 18%, it's through our collective efforts against a resourceful, determined industry that deals in disease and death—that never stops innovating to find ways to get people addicted to their products—that we've been able to get where we are.

The reality over the last number of years is that progress is stalled. So legislation like this and other action is absolutely needed.

Just very quickly on menthol, and I have to say this given the testimony you were hearing immediately before me: One third, roughly, of menthol smokers are teens. Menthol smokers smoke around 43 cigarettes per week versus 26. We can't get this out of the market fast enough—full stop, period. If we could have it done tomorrow, I'd be ecstatic. The legislation, I know, provides for a longer time horizon. We would like for it to be shorter.

I also want to talk about the newer provisions regarding e-cigarettes. The reality is, the jury is out on the effectiveness of e-cigarettes as a cessation tool, and we want to see where that evidence goes.

Let us remember that this bill does not ban the use for adults, at all, of e-cigarettes as a cessation option. As a foundation, we provide no guidance as to whether or not that is a good or bad option. We are a research-based organization, and we won't make a recommendation as such until the preponderance of research demonstrates that it's a safe and effective tool to use in cessation.

But what we do know—and I haven't heard any evidence to the contrary—is that we don't want e-cigarettes in the hands of kids. Moreover, we don't want to undo the work that we've done to this point on denormalizing the behaviour of smoking in public places.

Folks, I don't know about you, but when I walk into a restaurant or I'm in a bar, I don't see cigarette smoke anymore. It has become something that's abhorrent if I travel abroad. Now when I walk into a restaurant or bar and I see somebody puffing and I see smoke, at first I think somebody's breaking the law. Then I realize: No, it's an e-cigarette. It's renormalizing that behaviour.

When we look at the culture that's emergent in California, we also have to be worried, particularly when we don't know the effects of propylene glycol, when we don't know the effects of second-hand vapour and when we don't know other potential health implications.

I have to be very concerned when there begins to be a culture of non-tobacco users who are using this as something to do independent of tobacco. We only need to take a look at high school students. There was a Canadian Cancer Society study that was done showing that 18% of high school students who are non-tobacco users have used e-cigarettes—it's an emergence of a disturbing trend—and that 31% are interested. These are folks not interested in tobacco but are interested in e-cigarettes.

We're at the beginning of something we can stop from becoming a major problem, particularly when we don't know what the health implications are. Imagine before tobacco exploded if we'd had the same kind of opportunity to put the brakes on and think about it. The reality is, until the evidence is in, let adults use it as an option if they so choose, but let's not allow this to proliferate until it's a problem that we cannot undo.

Now we would say, with respect to the display, that so long as the display is inside a store—it's not visible to the outside, and it's not accessible to minors—we wouldn't have a problem with an amendment that would allow that inside stores of that nature that are only selling those products.

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I just want to say, as a last statement, that we do also have concerns with hookah smoke and its damage to the lungs and heart, and would ask that the bill provide regulatory authority to control indoor combustion of organic substances other than just tobacco. Thank you, Mr. Chairman.

The Acting Chair (Mr. John Fraser): Thank you very much, Mr. Holland. Mr. Hillier?

Mr. Randy Hillier: Thanks for being here. You said that we're not banning, but I think you would agree that this bill is significantly limiting access, availability and use, whether or not one might want to characterize that as a ban.

You should be familiar—in your testimony, you said that the jury's out. I want to take you to the testimony that Dr. John Britton from the United Kingdom Centre for Tobacco and Alcohol Studies presented to the House of Commons, which I'm sure you're familiar with. He said that they have found a couple of million smokers in the UK now have reduced their use of cigarettes with vaporizers and e-cigarettes, and that fully over 700,000 people have quit smoking altogether with the use of e-cigarettes and that 700,000 people quitting in four years is more than what the National Health Service smoking cessation services had achieved in the previous decade. Are you familiar with that testimony?

Mr. Mark Holland: Just two comments, if I could, Mr. Chairman.

The first one: Perhaps we have a different definition of banning, Mr. Hillier. A ban would be not allowing you to do something. This bill will absolutely allow folks to continue using e-cigarettes as a cessation tool if they so please; a ban would not allow them to. That's an important distinction. It does stop children from using it and it does stop us renormalizing the activity in the public.

The second thing is, we are a research-based organization. We, along with the Canadian Cancer Society, the World Health Organization and leading researchers in the world, are unanimous in our belief that the science is not there yet. We could spend all day trading studies, talking about the dangers and the benefits, the worries and the concerns, but the reality is, until the preponderance of that evidence is such that we are in a position that we are guaranteeing the health of Ontarians, we feel that this is appropriate and prudent legislation that we stand fully behind.

Mr. Randy Hillier: So you're willing to throw out what, by all indications, is an effective smoking cessation device, restrict its use and restrict its availability because it appears that you're more opposed to the appearance than the actual substance.

Mr. Mark Holland: Well, again, if I could, through you, Mr. Chairman—

Mr. Randy Hillier: So, I want to—700,000 people, greater cessation statistics out of the UK National Health Service in four years than the previous decade.

Is there any level of studies that you would agree would meet your threshold of preponderance? Is there any or would there always be some doubt in your mind?

Mr. Mark Holland: Through you, Mr. Chairman, let me reverse the question. Let me talk about the 18% of high school students using e-cigarettes who are not tobacco smokers. Sir, how would you feel if we found out five years from now that there was evidence that this was incredibly damaging to their health and they developed cancer or heart disease?

The Acting Chair (Mr. John Fraser): Mr. Holland, I'll have to ask you to finish—

Mr. Mark Holland: I'd rather side on the side of caution—

Mr. Randy Hillier: I have two sons who have used vaporizers and they've stopped smoking.

The Acting Chair (Mr. John Fraser): Mr. Hillier, time has elapsed for your question. Ms. Gélinas, please.

M^{me} France Gélinas: I really appreciate the work that the Heart and Stroke Foundation does here in Ontario.

To you, how much anecdotal evidence does it take to convince you that something is science?

Mr. Mark Holland: Thank you very much for the question, and thank you, Ms. Gélinas, for your work on this bill and many others. You've been a real leader in this field, and, on behalf of the foundation, I appreciate your work.

The answer is that it's certainly not me or any individual who decides. We rely upon scientists and researchers to take a look at the body of evidence and to come to conclusions that something represents a safe and effective tool.

What we're saying is, right now, if somebody wants to use this, by all means, please do, if you're an adult. This bill doesn't stop you from doing it. But we can't be in a position to recommend it, and we certainly can't be in a position to see children using this. That's why we think the bill is effective. What would pass that line is when the research community, the people we rely on to make sure that we're reducing heart disease and stroke, tell us that it's going to be a net positive and that it's going to reduce harm.

M^{me} France Gélinas: Counting the number of people who have written to us in all of this, it doesn't matter what the numbers are; it's still not scientific evidence. Scientific evidence is built otherwise than by anecdotes.

Mr. Mark Holland: Yes. I appreciate that people are very passionate about products they use. We're not in the business of telling people to not use a product that they want to use, but we are in the business of making sure that fewer people die of heart disease and stroke. So what we want to make sure of is that we don't allow something to balloon out of control, that we get a situation where this really takes hold and entrenches and we find out later that the scientific evidence isn't there; that in fact it does more damage. We have to err on the side of protection of the public health, and I think that this bill does that.

M^{me} France Gélinas: Would you say that the body of evidence is there to support the fact that menthol is a gateway to smoking for young people?

Mr. Mark Holland: In my opinion, and in the research as we see it, there is no doubt that menthol

makes it easier for youth to smoke, that there are a great number of youth who use menthol for smoking, and that they use the product more than traditional smokers. As such, it is something that we would like to see out of the marketplace as soon as possible.

M^{me} France Gélinas: I know that the gains that Ontario has made to decrease the number of smokers, as you said, have stalled; are you encouraged that, if we move forward with this bill, we will make progress again?

Mr. Mark Holland: I believe that this is an important step. It's going to be a long journey. We can't hold out false hope that this alone will do it. I think that we have to continue to work together as a not-for-profit sector, as government, as opposition, to continue to find a way to get rid of this.

Look, the reality is—and one of the reasons why I'm so passionate, Mr. Chairman, just to finish on this point—is that it is still the number two killer when it comes to our disease. It's the number two cause.

The Acting Chair (Mr. John Fraser): Thank you very much, Mr. Holland.

Ms. Hoggarth?

Ms. Ann Hoggarth: Thank you, Chair. Welcome, Mr. Holland, and thank you for your presentation.

I'm very proud of this bill, as a former educator. I think it does a lot to protect our youngest citizens in Ontario, and to me that's very important.

I'd like to switch to the other part of the bill, which has to do with food and nutrition and protecting our children. Why is healthy weight important, especially in childhood?

Mr. Mark Holland: Thank you very much for the question. We have an epidemic when it comes to childhood obesity. I commend the government's work on the Healthy Kids Panel. You've adopted many of the recommendations. This was one of them. We were part of the consultations.

The reality is, when you look at heart disease and stroke, obesity and childhood malhealth are a major driver of that. Nutrition is a major driver of it. It's very difficult for parents to be able to have the information that they require to make informed choices, to make sure that they're making choices that are best for their child's health.

If we don't turn this ship around, it's not only a problem with the fact that kids will end up having shorter lifespans than their parents—that's a tragic enough thing—but imagine the cost to our health system. We look at it just from the perspective of our diseases, and it is literally going to be a tsunami of sickness, illness, disease and death that will hit us if we don't turn around childhood obesity. There's an imperative here.

Again, I don't want to hold this out as a panacea. This information that's provided in the bill is an important step, but there are other things that we must do, and we're really looking forward to working with the government on some of those other things as well.

Ms. Ann Hoggarth: Good. I think you agree that obesity is increasing. I saw it in my junior kinder-

garteners when they come in, year after year. You can definitely see that this is what's happening.

Is menu labelling an effective way to influence consumer choice?

Mr. Mark Holland: Menu labelling is—yes. The evidence out of other jurisdictions that have used it has demonstrated that menu labelling helps inform choices. Anecdotally, I can say that when I go and I take—

Interjections.

Ms. Ann Hoggarth: Excuse me, Chair: point of order.

The Acting Chair (Mr. John Fraser): Yes?

Ms. Ann Hoggarth: Could we please have the discussion move outside, so we can hear the presentation?

The Acting Chair (Mr. John Fraser): Okay. Thank you, Ms. Hoggarth.

Ms. Ann Hoggarth: Sorry, Mr. Holland.

Mr. Mark Holland: No problem. Through you, Mr. Chairman, I—I'm sorry, I lost my train of thought. What was the question again?

Ms. Ann Hoggarth: I asked you if menu labelling was an effective choice to influence consumers.

Mr. Mark Holland: Yes. The evidence is still relatively nascent, but what evidence we do have shows that it does influence consumer behaviour. In fact, there's a lot of research being done out of the University of Toronto, right next door to us here, that is backing that up and showing that this is absolutely the right direction to go in.

I was just going to say, anecdotally even, when I've been in places—and I'm sure members of the committee would have experienced the same thing. When you're trying to make a choice and you look at a menu and you have the information there, it's a helpful tool in making a healthy choice.

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The Acting Chair (Mr. John Fraser): Thank you very much, Mr. Holland.

Mr. Mark Holland: Thank you, Mr. Chairman.

The Acting Chair (Mr. John Fraser): Thank you for your presentation.

180 SMOKE

The Acting Chair (Mr. John Fraser): Our next presenter is 180 Smoke: Boris Giller, co-founder and managing director.

I would just like to say very quickly for people in the public gallery that you cannot participate in the meeting, which means no clapping, shouting or yelling. I'd ask that you respect that rule. Thank you very much.

Mr. Boris Giller: Thank you very much for giving me this opportunity today. I'd like to say that I'm very proud to be in Canada, where we have processes like these in place to get some public opinion before a law becomes a law.

My name is Boris Giller. I'm a co-founder of 180 Smoke, which is a leading e-cigarette brand in Canada. I do have a vested interest in this discussion. I'm an ex-smoker and an ex-vaper. My mother is an ex-smoker and

a current vaper, and my father passed away from smoking five years ago. So this is a personal subject for me.

I also want to mention that I'm co-founder of an e-cigarette company, so I do profit from e-cigarette sales. As you look at my testimony with a grain of skepticism, I would also like to ask you to look at other testimonies with a grain of skepticism, such as the Canadian Cancer Society, directly funded by Nicorette. Nicorette is paying money for ads battling vaping. The same thing with Pfizer, makers of Nicotrol: They're funding the Lung Association, and the Lung Association releases similar statements. The same thing with Mr. Holland previously, and it's also a matter of public knowledge now that the pharma industry is actively lobbying against e-cigarettes. There have been articles in the Bloomberg newspaper and other publications.

We're talking about vaping versus e-cigarettes. A few basic assumptions: Vaping is safer than smoking. That is undisputed. Not even the harshest critics of e-cigarettes would say that smoking is better for you than vaping. I would ask you to view it as a transitional tool and a harm reduction tool, not a smoking-cessation tool necessarily. I would ask you not to neglect the non-quitters. It is not a quit-or-die paradigm. People don't have to suffer withdrawal syndromes or die from the health hazards. There's a third option.

I'm going to be making the presentation under the assumption that it is in the best interests of the government not to discourage Canadians from switching at this point in time while smoking is still a big problem. We're asking you to incentivize smokers to make a switch by making it more appealing and supporting the value proposition compared to regular cigarettes and providing a regulatory advantage.

So let's talk about the ban on indoor vaping, which is a big part of this bill. It is not based on science at the moment. Being able to vape indoors is a big incentive to smokers, especially in cold Canada. There's no proof of second-hand vaping harm at the moment. There are more particles being emitted into the air from candles, fireplaces and carpets. The objective is to be safe here, but the ban is harmful as it disincentivizes smokers on the fence while failing to prevent any real harm. I would ask you to look into existing air quality research, and we do have enough research on the subject. So we would ask you to allow indoor vaping and don't send ex-smokers outside with the smokers breathing second-hand smoke.

Ban on promoting and displaying the products: This cripples our ability to demonstrate real benefits of the product compared to cigarettes, and it slows the recruitment of smokers. It also cripples our ability to demonstrate proper use and dosage to new users, which could result in misuse.

The most famous study criticizing e-cigarettes at the moment, the one that says they have 10 times more carcinogens than cigarettes, is a retracted study from Japan that has been making a lot of circles. The way they manage to get those high levels of carcinogens is by abusing a very old model of the product. So proper use is very important.

I'd like to also address the gateway to smoking and the renormalization myth. The data simply doesn't support it. A large UK study shows that e-cigarettes were almost exclusively used by smokers and ex-smokers, almost none by those who had never smoked. In addition, the limited data suggests that the likelihood of abuse from e-cigarettes could be smaller than that of traditional NRT—patches and gums. There's another study by the US government.

There's also enough data to support that there is an inverse correlation between smoking rates and vaping rates. When vaping was banned in New York, smoking rates skyrocketed. As vaping was reintroduced, they dropped back again.

Another point, the ban of flavours: 100% of our customers are over 19. An overwhelming majority of them prefer flavours. To say that only children like flavours is ageist. When he switches, a smoker's taste palate changes; the tobacco taste becomes unpleasant and there is a disassociation, so it is a positive thing to move them away from tobacco. Banning flavours will drive the e-juice industry underground and will create a whole DIY industry. This is where the real damage can happen. We also currently have a lot of other adult-only products with flavours. Should we all start banning flavoured vodka now?

I would ask you also to listen to vapers instead of to pundits like Mr. Holland. Please don't ignore mounting testimonials of actual long-term users of these products, instead of pharma pundits with arguments like, "We simply don't know," "But it looks like smoking, so it will lead to smoking," and "There's not enough research." Well, there has been a decade of usage and research—

The Acting Chair (Mr. John Fraser): Thank you very much, Mr. Giller. I'm following the rotation to the left of me here, so we'll begin over here. Ms. Kiwala?

Ms. Sophie Kiwala: Thank you for your presentation. Just a couple of things: This is a precautionary piece of legislation. As precautionary legislation—I do believe that a responsible government should not leave the health of its citizens to chance. I'm just going to say that at the outset. I'm one of those people who started smoking young with menthol cigarettes; electronic cigarettes weren't there at that time, obviously.

I do want to also ask you: According to your website, you produce and sell e-cigarette juice with nicotine in it. Is that correct?

Mr. Boris Giller: Correct.

Ms. Sophie Kiwala: Do you have Health Canada approval to sell nicotine products?

Mr. Boris Giller: No. There is currently an advisory against it, and our legal team has corresponded with Health Canada. At the moment, we're selling it.

Ms. Sophie Kiwala: Thank you. What are you doing to come into compliance with that law?

Mr. Boris Giller: We are communicating with them. The correspondence is with our lawyers. At the moment, we have been advised that we can continue.

Ms. Sophie Kiwala: Are you aware that the World Health Organization recently found that e-cigarettes do

not produce merely water vapour, but pose threats to adolescents and fetuses, and increase exposure of non-smokers and bystanders to nicotine and a number of toxicants?

Mr. Boris Giller: Well, the World Health Organization and other organizations are very tied in with many other interests, so I'm going to question their interest there.

Ms. Sophie Kiwala: Namely the health of citizens.

Did you know that Bill 45 would allow the government to make a number of changes to e-cigarette regulations to respond to any new research that may arise? In other words, there's some flexibility built in, and if it is proven at a later date that it is a successful cessation tool, then there would be regulations in place that would allow that change to be made.

Mr. Boris Giller: Well, currently there is no evidence of harm; therefore, why spend government money on banning something with potential harm. We think the potential benefit outweighs the potential harm. Nothing is 100% safe; neither is your cellphone, by the way, but we're not banning cellphone use.

Ms. Sophie Kiwala: I realize that you feel that there is no potential harm.

Mr. Boris Giller: It outweighs—

Ms. Sophie Kiwala: You said yourself that when vaping was banned in one jurisdiction, immediately smoking skyrocketed. That suggests that there may be some habits that have been created and instilled—

Mr. Boris Giller: That's the conclusion you draw from this?

Ms. Sophie Kiwala: Pardon?

Mr. Boris Giller: That's the conclusion? That if vaping goes down, smoking goes up, and therefore vaping is bad?

Ms. Sophie Kiwala: Whatever. Your conclusions are a little faulty, I would say, but that's okay.

Are you aware that the government is funding research into the potential health impacts of e-cigarettes?

Mr. Boris Giller: Yes. We strongly support that.

Ms. Sophie Kiwala: Okay. That's excellent. All right.

The Acting Chair (Mr. John Fraser): That's all the time you have for your questions. Thank you very much. Mr. Hillier?

Mr. Randy Hillier: Maybe I'll just start by reiterating something. The purpose of a committee is to examine, investigate and evaluate testimony, not to engage in frivolous and fruitless lines of questioning. It's supposed to be, actually—

Mr. Mike Colle: Point of order.

Mr. Randy Hillier: —to investigate the testimony. I will say—

The Acting Chair (Mr. John Fraser): Mr. Hillier.
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Mr. Mike Colle: The members of this committee can ask the questions that they feel appropriate. It is not appropriate for other members to impugn motive or quality of questions. They should do their job and ask questions of the presenters and not criticize other members—

The Acting Chair (Mr. John Fraser): Thank you very much, Mr. Colle. Mr. Hillier, I'd ask you to direct your questions and not—

Mr. Randy Hillier: But the purpose of the committee is to examine your testimony and everybody's testimony. The purpose is to ensure that our laws are good laws that are supported by evidence, not just ideology.

I've reiterated about the Nova Scotia Law Amendments Committee. They had a bill in front of the Nova Scotia assembly. They pulled it; they engaged in substantial consultation. After that substantial consultation and actually examining and consulting with deputants, they removed the e-cigarette regulations that are being proposed here. That is a smart, intelligent and thoughtful way to develop laws: engage with people and examine.

Maybe if you take a moment, you've got in your package here that Big Pharma is a big proponent and big supporter of these bans on e-cigarettes because of their own products. They want to advantage their own products as tobacco cessation devices. Maybe you could just expand on that a little bit for the committee.

Mr. Boris Giller: Well, this is a matter of public record now. A lot of these organizations are mainly funded by Big Pharma. Big Pharma, right now, purchases ads. It's not a secret, behind-the-scenes activity; they purchase ads. A lot of memos have leaked about the lobbying they've done. The main method is funding health organizations, using organizations such as Heart and Stroke, the Lung Association, the Canadian Cancer Society, and it's been done the same way in other countries as well.

Mr. Randy Hillier: Big money influencing their outcomes is what you're suggesting.

Mr. Boris Giller: We thought it was going to be Big Tobacco coming after us, but we were surprised to learn that it was Big Pharma.

Mr. Randy Hillier: Yes. Thank you.

The Acting Chair (Mr. John Fraser): Ms. Fife?

Ms. Catherine Fife: Thank you for coming in for your presentation.

You were in the room prior to the previous delegation, and he cited that 18% of youth who are not smokers have expressed an increased interest in trying e-cigarettes and vapour cigarettes. Is that the first time you'd heard that stat?

Mr. Boris Giller: No. The study has been abused and twisted around for a while now. A couple of points about that study is that it's not people who've used cigarettes, it's people who have tried at least once in the past 60 days, and there are other holes in that. I can follow up with you regarding that specific study, if you like.

Ms. Catherine Fife: Okay. I've said this previously, that in downtown Waterloo four new stores have opened. One of them is in a mall, close to a high school. It's a pretty, shiny store; there's lots of neon, there are some couches, there's some paraphernalia, and free coffee and what have you. As someone who has obviously expressed support for e-cigarettes, but obviously not for

those under the age of 19, would you think that's appropriate, that setting is appropriate? Can you comment on that, please?

Mr. Boris Giller: Yes. A couple of things: We absolutely support a ban for underage use. Currently, the industry is self-regulating in that area. Before the regulation is out, we already are serving people 19 and over, and every competitor of mine that I know. The second thing is, just because it's styled in a certain way—I mean, cigar lounges are stylish—it doesn't mean that they appeal to youth; right? As long as it's banned, as long as people check IDs, as long as the online sales are regulated for age—because a lot of couriers allow for ID check upon receipt—as long as those measurements are in place, I think beyond that would be—

Ms. Catherine Fife: Okay. I don't know if you were here previously for another presentation around hookahs, because that's also being compared to the e-cigarettes. The hookah lounges and the paraphernalia are not regulated under the provincial law. We're looking for some regulation on e-cigarettes.

Mr. Boris Giller: Hookahs are about 200 times—you smoke about 200 cigarettes in one hookah session, as far as smoke volume goes. Just because the water cools it down it doesn't reduce any of the harmful effects, it just cools it down. E-cigarettes are not the same at all. They're not in the same category.

Ms. Catherine Fife: So you share our concerns around hookah and—

Mr. Boris Giller: Absolutely. We have an electronic hookah device. We actually released it, open-source, for free for people who can't afford one, where they can just put it on top of a hookah and stick to disposable e-cigarettes and turn their old, traditional hookah into an electronic harmless hookah.

Ms. Catherine Fife: So you're recycling hookahs now?

Mr. Boris Giller: Yes.

Ms. Catherine Fife: Thank you.

The Acting Chair (Mr. John Fraser): Thank you very much, Ms. Fife. Thank you very much, Mr. Giller, for your presentation.

Mr. Boris Giller: Sorry, the last point is that we have a petition with us—

The Acting Chair (Mr. John Fraser): Your time is up. I'm sorry. Thank you.

ONTARIO TOBACCO RESEARCH UNIT

The Acting Chair (Mr. John Fraser): Our next presenter is the Ontario Tobacco Research Unit, University of Toronto: Robert Schwartz, executive director. Thank you very much for being here today, Mr. Schwartz.

Mr. Robert Schwartz: Thank you for having me. It's my pleasure. I've come to represent the voice of science and also to relate to those questions that I've heard, while sitting in the audience, about what is science and what is evidence.

We are conducting a scientific, systematic study of many aspects of e-cigarettes, including a systematic, scientific knowledge synthesis about the cessation aid effectiveness of e-cigarettes and about the health effects of e-cigarettes. I'm going to say a couple of words about those.

The bottom line is that really, at this point in time, there is not sufficient research to determine that e-cigarettes are, in effect, a cessation aid, nor is there sufficient research to determine that e-cigarettes are healthy or unhealthy.

A few words in case these data haven't been in front of you: We have two population surveys in Ontario that demonstrate that the prevalence of e-cigarette use among youngsters 19 years of age and under is about 15%. That's the highest rate of e-cigarette use among all ages, apart from those aged 20 to 24, where it is at 18%. For all people aged 15 and above, it's at 5.6%. That just gives you a sense of who's picking up e-cigarettes and what the prevalence of use is amongst different parts of the population.

What are the potential health effects of e-cigarettes? Well, as I said, we don't really know. There is very limited research, and I wouldn't venture, as a scientist, to say one way or another that e-cigarettes are healthy. There are some studies that suggest that they are not benign for the people who are vaping, the people themselves who are using the e-cigarettes. There are a few studies. There are not sufficient numbers of studies, but there are some that suggest that there are some harmful effects having to do in particular with those e-cigarettes that contain nicotine.

Knowing that today Health Canada doesn't approve nicotine e-cigarettes in this country, we'd also need to take into account that upwards of a quarter of the people using e-cigarettes self-report that they definitely use nicotine in their e-cigarettes. Somewhere near 40% say they don't know if they have nicotine in them or not. In a panel study that we're conducting amongst 2,000 smokers who are using e-cigarettes, 50% self-report that they're using nicotine e-cigarettes. So the potential nicotine health effects of e-cigarettes is something that I think needs to be taken into account in Ontario, despite the fact that Health Canada doesn't currently approve nicotine in e-cigarettes.

We also have some evidence—again, not conclusive—that second-hand exposure to vaping, to the use of e-cigarettes, may have increases in cotinine levels, which is a marker for nicotine, suggesting that there could be harm from that.

There's also some suggestion that some of the flavours in some of the e-cigarettes are quite toxic and also that exposure to e-cigarettes containing nicotine decreases cell viability, with potential—that's potential; it's far from conclusive—ramifications for cancer in the future.

The main problems is that we only have a limited number of studies, and even those studies that we have, for the most part, are not sufficiently well done. We have graded these in a systematic review. The evidence is weak to very weak for the synthesis of those studies.

Moreover, we have no evidence on the long-term effects of ingesting vapours into the lungs for many years on a daily or weekly basis. We just don't know. So that's the science on that.

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About cessation aid effectiveness, quickly: The state of the evidence is very weak. We have graded all of the studies that have come out until March 2015 about the effectiveness of e-cigarettes. The scientific community will certainly agree on this: There is non-conclusive evidence about the cessation aid effectiveness of e-cigarettes.

A word about—

The Acting Chair (Mr. John Fraser): Thank you very much, Mr. Schwartz.

Mr. Robert Schwartz: Okay. Thank you.

The Acting Chair (Mr. John Fraser): We'll begin the questioning with the official opposition. Mr. Hillier.

Mr. Randy Hillier: I'm really surprised that so many people from the health professions are saying that there's not enough evidence. In our package today, along with the hundreds and hundreds of anecdotal testimonials to the effectiveness, here's one directly from the experts. I think it has over 60 or 70 studies—peer-reviewed, published research on electronic vapour products. Just how many studies do we need to have to meet your threshold that there would now be conclusive evidence?

Mr. Robert Schwartz: Sir, it has not only to do with the quantity of studies, but also with the quality of the studies. We have assessed the quality of those studies in a systematic, scientific way and come to the conclusion—it's not us only; others who have done these systematic reviews have come to a similar conclusion—that there is currently not the quality of evidence necessary in order to draw conclusions.

Mr. Randy Hillier: I saw one from the Centre for Addiction and Mental Health—over 6,500 people studied over an extended period of time. They came to the conclusion that e-cigarettes were a hundredfold more effective than any other nicotine replacement therapy or cessation tool. That's a pretty substantial study from a very highly regarded group of individuals.

You've mentioned that there is no conclusive evidence either which way. There's fairly substantial evidence to demonstrate that there are possibly huge benefits. I'll take you back to that statement by Dr. Britton from the UK Centre for Tobacco and Alcohol Studies: 700,000 people quit smoking as a result of using e-cigarettes, more so in four years than in an entire decade of patches and gums and inhalers and hypnosis and acupuncture and whatever else is being done. Is that not a pretty powerful statement, when the director of the UK Centre for Tobacco and Alcohol Studies testifies to the Canadian House of Commons?

Mr. Robert Schwartz: As I said, the evidence is inconclusive. That single statement by a single researcher about an epidemiological study, not an experimental study, wouldn't be rated highly in the overall assessment of the state of knowledge.

The Acting Chair (Mr. John Fraser): Thank you very much. Your time is up.

Mr. Randy Hillier: Is there any level—

The Acting Chair (Mr. John Fraser): Mr. Hillier, your time is up.

Ms. Fife.

Ms. Catherine Fife: Thank you very much, Mr. Schwartz, for coming in and raising the issue, because you can see where this debate is going. It's going between who can shape their evidence. Your point saying that it's not the quantity of the studies, it's the quality of the research and the evidence—and that it's inconclusive. So I think there's some responsibility for us to demonstrate caution.

I want to go to your points that you made around the flavours of e-cigarettes, because this is something that hasn't really come up. Remembering that bubble gum is not a naturally occurring flavour in our environment, can you speak to the toxicity of some of those flavours? Because they're quite diverse.

Mr. Robert Schwartz: There are hundreds, if not thousands of different flavours being used in e-cigarettes. I don't believe any of them are natural. There have been individual studies that are suggestive of high levels of toxicity in some flavours; cinnamon, for example, is one that comes up. Why? I don't know. Again, single studies—I wouldn't say that those are conclusive.

Ms. Catherine Fife: The other salient point that I took from your presentation is that we really don't have any long-term studies on e-cigarettes because it's a fairly new phenomenon—maybe five years. So that evidence, I think, is needed before we move forward.

The research that was brought forward earlier today by Steve Manske, from the University of Waterloo, is on flavours, though. I think that it's an attractor for e-cigarettes, and for smokers, period, it's also resonating. Are you aware of any current studies that are specifically addressing, in addition to this research, the flavour aspect of e-cigarettes?

Mr. Robert Schwartz: Not yet. We do have a study out of our own that is surveying youth and young adults, and we are asking them about flavours, their use of flavours and why they're choosing which flavours.

I will add that the age of initiation for tobacco cigarettes, regular cigarettes, is under 22. Almost nobody starts smoking regular cigarettes above the age of 22. It's quite likely that a similar finding will arise for e-cigarette use.

Ms. Catherine Fife: One other point: You mentioned that Health Canada does not approve nicotine in e-juice. Right? So if businesses are putting nicotine into e-juice, are they then in a state of non-compliance?

Mr. Robert Schwartz: I'm not a legal expert. That's my understanding, but I wouldn't venture an expert opinion on that.

Ms. Catherine Fife: Thank you very much.

The Chair (Mr. Grant Crack): Thank you. Ms. Kiwala?

Ms. Sophie Kiwala: Thank you very much, Mr. Schwartz. We appreciate your testimony today. I appre-

ciate the scientific aspect of your testimony, particularly that the long-term effects on lungs are just not known yet.

I want to go back to something else that I said previously about this being precautionary legislation which I'm very supportive of. I think that private testimony from private individuals and owners of stores who may have increased their staffing levels from two to 11—there's obviously some stakeholder interest that's financially motivated. I think that as a responsible government we should be concerned overall about our citizens' health. I'm just going to say that.

I'm wondering if you can reiterate for me—I think you may have alluded to it previously—how widespread is the use of flavoured tobacco among Ontario youth?

Mr. Robert Schwartz: Flavoured tobacco is mainly used in cigars or small cigars, cigarillos, and 83% of cigars consumed in Ontario are flavoured. I believe it's 5% of Ontarians aged 12 and over have smoked cigars in the past 30 days.

Ms. Sophie Kiwala: Have flavoured tobacco products been proven to be a gateway to tobacco use and addiction for our youth?

Mr. Robert Schwartz: There are many studies, and the body of evidence would support that statement.

Ms. Sophie Kiwala: Do you consider menthol an adult product?

Mr. Robert Schwartz: Menthol has been demonstrated in many studies to be easier to smoke than non-menthol cigarettes. As such, whether you define it as an adult product or a product that ought not to be out there is arguable.

Ms. Sophie Kiwala: Do you know how many adult smokers started out smoking with menthol cigarettes or other flavoured—

Mr. Robert Schwartz: I don't have a direct answer to that although the data demonstrate that upwards of 30%, and I believe it's closer to 40%, of kids, youngsters who are smoking, are using menthol, and a very tiny proportion of adults who are smoking are using menthol. So we'd have to actually look at a cohort effect to determine that conclusively, but the evidence is quite suggestive that people start with menthol and then go on to regular.

Ms. Sophie Kiwala: There's three out of three right here.

The Chair (Mr. Grant Crack): Thank you very much.

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Ms. Sophie Kiwala: Thank you.

The Chair (Mr. Grant Crack): I appreciate that, Mr. Schwartz, for coming before committee. Have a great afternoon.

Mr. Robert Schwartz: Thank you.

ONTARIO LUNG ASSOCIATION

The Chair (Mr. Grant Crack): Next we have the Ontario Lung Association. I believe we have Mr. Chris Yaccato, provincial manager, government relations and

public affairs. And we also have another, so perhaps you'll—

Mr. Chris Yaccato: I'll be sharing my time.

The Chair (Mr. Grant Crack): Okay. Could you just introduce both of yourselves, please, for the record?

Mr. Chris Yaccato: Yes. Good afternoon, Chair, Clerk and members. Thank you for taking the time to listen to us. My name is Chris Yaccato, manager of public affairs and government relations with the Ontario Lung Association. I'll be sharing most of the time with Tirthesha, a young volunteer with the OLA who I feel can better advocate to show our support for Bill 45.

I'm going to hand it over to Tirthesha.

The Chair (Mr. Grant Crack): Welcome.

Ms. Tirthesha Pandya: Good afternoon, Chair, Clerk and committee members. My name is Tirthesha Pandya, and I am a high school student and an Ontario Lung Association volunteer. I have been involved in organized tobacco control for over three years, but I have been a tobacco-free advocate since birth.

My uncle was 16 when he got hooked on menthol chewing tobacco, and he has been addicted to it ever since. I have tried to help him quit and have seen how difficult and painful those many attempts have been. I'm 16 now, and I know that I don't want to be targeted by the tobacco industry like he was.

Nearly everyone who becomes addicted to tobacco starts as a teenager, and they think they can quit at any time. It's only when they try to quit that they realize how hard it really is. Resources are available to people who are trying to quit, but it would be so much better if we supported people in not using tobacco in the first place. Protecting young Ontarians from the influence of tobacco marketing is a great place to start.

As the weather gets warmer, my friends and I will be eating a lot of frozen yogurt. If you've ever been to a frozen yogurt shop, you've probably seen and been amazed by the endless variety of flavours: cherry, vanilla, chocolate, mint, cinnamon—sounds delicious, doesn't it? Unfortunately, these flavours aren't only found in frozen yogurt. These flavours are also placed in tobacco products designed to tempt young people and get them addicted.

Research shows that more than half of Canadian youth who use tobacco are using flavoured products. These can include flavoured cigars and cigarillos, chewing tobacco, and flavoured tobacco in water pipes and shisha. This research also found that almost one in three youth cigarette smokers used menthol cigarettes in the previous 30 days.

Many young people are attracted to flavoured tobacco because it seems less harmful, and it tastes and looks like candy. The tobacco industry deliberately packages and markets these products to teenagers like me, and it has to stop. This is why I support Bill 45. By prohibiting flavours in tobacco products, you will be protecting young people like me from the temptation of trying and becoming addicted to this deadly product.

Bill 45 also regulates the sale and use of electronic cigarettes, including a ban on the sale and supply to

anyone under 19. This is so important, because we don't know the long-term health impacts of using e-cigs. Many young people assume they're safer than regular cigarettes because of the way they are promoted and marketed, and again, because they come in these youth-friendly flavours.

In 2013, approximately 15% of Ontario youth in grades 9 to 12 used e-cigarettes, and nearly 5% of those used e-cigarettes containing nicotine. The reality is that e-cigarettes are still getting a generation hooked on nicotine, leading them down the path to tobacco use, addiction, and the terrible health impacts that will almost inevitably follow.

The Ontario Lung Association and I fully support Bill 45. That being said, we have one very important suggestion, and that is to ban menthol at the same time as other flavours. Our worry is that if you give the tobacco industry an inch, they will take a mile.

The Chair (Mr. Grant Crack): Thank you very much. I appreciate that. We will begin with the third party. Ms. Fife?

Ms. Catherine Fife: Thank you very much for your presentation. Thanks also for participating in the plan with Ms. Gélinas. I think it's very empowering to hear the voices of youth weigh in on this issue.

The legislation, as it's crafted right now, gives a two-year window to continue menthol cigarettes in the province. Would you like to comment on that?

Ms. Tirthesha Pandya: Yes. We know that the tobacco industry will take advantage of any leniency or time that they are given and figure out a way to victimize even more youth. Nova Scotia is on its way to a full ban on menthol. If they can do it, I think we can, too.

Ms. Catherine Fife: Okay. I know you had that statement in your notes, but why would the government leave that window open, do you think?

Ms. Tirthesha Pandya: I think it's more for the adults. If we do ban menthol, the adults may have a problem. It would be really hard for them. Knowing that my uncle, personally, does do menthol and chew tobacco, it would be really hard if there was a ban on menthol. But that would also motivate him, at the same time, to figure out another way to get around by not using menthol chewing tobacco anymore.

Ms. Catherine Fife: So your uncle is chewing tobacco?

Ms. Tirthesha Pandya: Yes.

Ms. Catherine Fife: Menthol chewing tobacco. I know my son, who is 16, has told me that chewing tobacco is making a comeback, which is just disgusting. I mean, flavoured chewing tobacco: It's awful.

I just want to thank you very much for coming in, and the association, because you're absolutely right: Young people have to stand up for themselves and their voices need to be reflected in this legislation. Thanks.

Ms. Tirthesha Pandya: Thank you so much.

The Chair (Mr. Grant Crack): Thank you very much. Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you for your presentation. You're an amazing young woman.

I'd like to just ask Chris, can you give us some clarification about what was being said about the Nova Scotia Lung Association? Could you clear that up for us, please?

Mr. Chris Yaccato: Yes. I think there's some miscommunication there. The way the Lung Associations across Canada work is we have a central Canadian Lung Association followed by provincial associations. The Nova Scotia Lung Association took the step of reaching out to the public, listening and seeking input back: Are e-cigarettes safe? Are they bad? Can they help you get off smoking? Do they not? It's that kind of combination of thinking that I think is where the line of questioning was coming from, from MPP Hillier.

I have to send the committee a little more information on that, simply because there is no broad position statement. So I wasn't sure where that quote came from. Make no mistake: All the Lung Associations across the country are united in their belief that regulation and the approach that the province of Ontario and other jurisdictions are taking is adequate.

Ms. Ann Hoggarth: Better to be safe than sorry.

Mr. Chris Yaccato: Better safe than sorry.

Ms. Ann Hoggarth: I just wanted to ask you, Ms. Pandya—is that how you pronounce it?

Ms. Tirthesha Pandya: Yes.

Ms. Ann Hoggarth: Thank you. I'd like to thank you for being with us here today. Why is it that you've become such a huge advocate for lung health?

Ms. Tirthesha Pandya: I came from India. I was an immigrant. Back in India, it was pretty normal for people to be chewing tobacco and using tobacco products, but when I came here and I learned more about the health impacts and the negative impacts of tobacco in general, I knew that I did not want my family or anyone who I cared about to be affected.

I knew at that point that I needed to step up and inform myself about the negative impacts so I could inform my family, my peers and other members who are affected by this. Some of them don't even know. They don't even have an idea of how bad this product is for them.

Ms. Ann Hoggarth: I just wanted to ask, is flavoured tobacco being marketed to young people, and if so, how do you see that happening?

Ms. Tirthesha Pandya: Personally, some of my friends do use flavoured tobacco products. I've talked to some of them and they have said that it's the same thing as, as I said, frozen yogurt. When you go and you see these amazing flavours right in front of you, you get curious to try them. You try them once and then you're like, "Whoa, that tastes like candy. That was really good." You try it again. At one point, you think you can just stop, but the truth is you do get addicted, and you can't really do anything about it as a young person, so you just keep doing it.

Ms. Ann Hoggarth: Do your friends know there's nicotine in the e-cigarettes?

Ms. Tirthesha Pandya: Some of them don't because they don't really ask. They think they're doing it one time and then they're going to be done with it. That's why I said I wanted to be informed about it: so I could inform them and let them know that there are negative impacts.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate that. Mr. Walker.

Mr. Bill Walker: Welcome to both of you. It was a great presentation. I'm again a little bit conflicted because of the Lung Association of Nova Scotia, Chris. The report, which I believe has been provided to all of us, is the Flavoured Products Consultation Report. They're suggesting in here that "E-cigarettes do not contain tobacco, there is a lack of evidence about them, no harm proven, there may be a potential benefit, and they are recognized for harm reduction." The recommendation says, "The Lung Association of Nova Scotia recommended that the issue of tobacco smoking and e-cigarette use be considered independently. To combine two fundamentally different products will skew the discussion and likely make intended outcomes more difficult to realize." 1610

I'm struggling, to be honest, because I have a large cohort of people in my riding—and across the province, with all of the anecdotal stuff we've received—who are saying, "This is a good thing. I stopped smoking."

You may not have been here earlier. I have four siblings who all smoked. Thank goodness they've all stopped. Sadly, one of them died; another has cancer. So anything, to me, that helps stop—and they tried nicotine. They tried the patch. They tried everything. They tried cold turkey. These things helped them. So I'm not prepared to just say an absolute, "Let's not go there."

I want to have a little bit of evidence that's conclusive that says a youth smoking an e-cigarette actually turns to proper tobacco. There's lots of anecdotal—don't get me wrong—but a lot of people do that with alcohol. There's flavoured alcohol. It's known that it's harmful to our health. We have to be consistent in what we're doing.

One of the members of the government today said a number of other things about banning. Cellphones are supposed to be potentially harmful to our health, but we all have them beside our ears.

What I'm trying to figure out is a balanced way to look at this and say, "What is the upside to doing this?" Yes, there are some conclusive studies. There's one here, and it is from Professor Igor Burstyn—I hope I've said it right—at the Drexel University School of Public Health. It confirms that chemicals in electronic cigarettes pose no health concern for users or bystanders. "By reviewing over 9,000 observations about the chemistry of the vapor and the liquid in e-cigarettes, Dr. Burstyn was able to determine that the levels of contaminants e-cigarette users are exposed to are insignificant, far below levels that would pose any health risk.... Proposals to ban e-cigarettes in places where smoking is banned have been based on concern there is a potential risk." I want absolutely conclusive.

Yes, we can go on the precautionary principle. We could do that in a lot of things. I said, when I first stood up in the House, this is one piece of it that I think needs more time, needs more deliberation, needs conclusive—and when I see one of your colleague's associations saying, "We've polled this back," it gives me more pause.

I'm the first guy to say we want to protect the public. We all come here with the inherent interest in protecting the public. But I also don't want to throw out the baby with the bathwater.

Mr. Chris Yaccato: No, no, no. If I can address that, I'm not familiar with that report, but I think you've captured the essence of the bill. You're right: We absolutely need a balanced approach, so by regulating the industry now and dealing with it as we learn the studies and Mr. Schwartz does the research, we can come out and look at it if need be. But the approach taken now in banning it in cars and with youth or those under 19, I think, is a reasonable approach that is a good step to dealing with even your types of suggestions.

The Chair (Mr. Grant Crack): Thank you very much—

Mr. Bill Walker: Yes, and I think if we took them clause by clause—

The Chair (Mr. Grant Crack): Thank you very much, and thank you for respecting the Chair, Mr. Walker. I appreciate that.

Mr. Bill Walker: Always.

The Chair (Mr. Grant Crack): Thank you for coming. We really appreciate that.

ONTARIO RESTAURANT HOTEL AND MOTEL ASSOCIATION

The Chair (Mr. Grant Crack): Next on the agenda, we have the Ontario Restaurant Hotel and Motel Association. My list had included four, but perhaps if you could just take some time and introduce yourselves prior to commencing, that would be wonderful. Welcome.

Ms. Leslie Smejkal: Good afternoon. My name is Leslie Smejkal. I am vice-president of government relations with the Ontario Restaurant Hotel and Motel Association. We are Canada's largest provincial hospitality association, representing well over 11,000 members. With me today is our president and CEO, Tony Elenis, from ORHMA as well.

Today, I will be speaking to you about the nutritional labelling legislation within Bill 45. It does not surprise us that the provincial government is proceeding with legislation requiring how and which restaurants provide calories to menu items to be posted on their menu boards and menus. Such legislation is not new in North America. Many other jurisdictions have it.

We know the restaurant industry has already shown leadership. Many already have nutritional information available at their restaurants on tray liners, posters, pamphlets, QR codes or nutritional information apps. Many also have nutritional information available on their

websites so their guests can plan ahead before dining out or ordering.

Many believe it is in response to political pressure that restaurants are offering nutrition information. However, we do know our consumers are seeking nutritional information, and many restaurants have already stepped up to do this for decades.

As we know, municipalities, led by the city of Toronto, were preparing to regulate menu labelling. This would have led to a patchwork of policy models all over Ontario. It would have had dire consequences for our industry, and we are pleased to see that the provincial legislation supersedes any municipal bylaws.

We are also supportive of the government's requirement to post calories only on applicable standard food items. If one was required to post other nutritional values, such as sodium, it would be cumbersome and challenging to read and post on the menu board.

Our members implicated by the creation of this menu labelling legislation ask for a longer implementation period to ensure compliance. The restaurant industry, since the recession of 2008-09, has changed. It's not about revenue growth anymore; it's about pressures on the expense line impacting the razor-thin business bottom lines, currently running at an average of 3.5% pre-tax profit. Full-service restaurants are operating at about 2.5%, pre-tax. Today, our restaurants in Ontario have the lowest profit margin in all of Canada, and they will have to pay for nutritional labelling, not the government.

This is another cost for thousands of franchisees and corporate restaurants. We ask that you take this into consideration and revise the legislation to include a longer implementation period of 18 months. This will allow franchisees to build these costs into their business plans gradually as this legislation directly impacts their business bottom line—another ongoing cost, just like labour, hydro and food.

It is our understanding, having consultations with the Ministry of Health, that there will be a requirement for posting of calories on beverage alcohol. We ask that the government not require the posting of calories for beverage alcohol on restaurant menus. We ask this because the purpose of menu labelling was to address childhood obesity, and we all know it's illegal and inappropriate for children to drink alcohol.

The requirement to post alcoholic beverages is unfair. The LCBO is a publicly owned asset that continues to provide our hospitality sector with alcohol and they are not required to post calories, but the private restaurant operator will be legally obligated to do so. We feel this is unfair. If the LCBO is exempt, our restaurants should be as well.

The Beer Store is not included in this legislation either. They are not required to post calories on their menu board, but restaurant operators will be. Again, this is an unfair disadvantage for our industry.

We ask that the government contribute to an education campaign to ensure awareness and to ensure public health inspectors are fully trained on the legislative

requirements and do not get bogged down on the font size of calories.

ORHMA and our membership will continue to work with the government on the legislation regulations to mitigate more red tape and costs to our industry.

I appreciate your time. I'll take questions now. Thank you.

The Chair (Mr. Grant Crack): Thank you very much—about a minute to go. We shall start with Mr. Walker from the opposition.

Mr. Bill Walker: Thank you very much for your presentation. A key component of this—and again, I spoke to it in the House. I'm a rec guy from way back, "rec" being recreation. I was wondering why the government didn't include some of this about obesity and the ability to actually lead a fitter life, which actually has a lot more impact on some of the other things that I think have been put in the bill.

I want to ask a point of clarification. You referenced the longer time to be able to adhere to this and to make plans, which makes sense. Most of us, I think, would not be able to adjust overnight. Did you receive any consultation as a stakeholder prior to this bill being introduced, from an industry perspective?

Ms. Leslie Smejkal: The ministry did have consultations and a round table discussion prior to the election on particular pieces of this bill and forming the legislation. The compliance was discussed as far as 12 months versus 18 months, and our industry had asked for 18 months, and we continue to advocate for that. A lot of it is based on business plans, year over year. Corporations need the time and the ability to adjust their costs—because the costs will be downloaded onto franchisees for the cost of posting, changing menus or changing the digital menu boards.

Mr. Bill Walker: Sure. I certainly share your concern that without a public education campaign and awareness so people actually understand what the numbers or data that they're being provided with say—the other side is a good thing, and I believe that if you had that, that would be more palatable.

The other side of this is actually about the enforcement and policing. I have a real concern, from your industry perspective that has been brought to my attention—you are trying to be co-operative, you are trying to work with them, but someone can walk into one of your establishments and say, "You're not up to date. That changed three days ago and you haven't got the labelling." This goes to a broad thing about labelling that I hear a fair bit about across all of our industries. It's that compliance and that enforcement.

We don't want people running around like they do with regard to the new College of Trades, where they're actually going out and trying to find the good, abiding citizens of our province, who are trying to create jobs and keep people working, and fining them, leaving the people who are running the under-the-cover shops going. So I really have a concern with that.

The fairness and the red tape is absolutely—I mean, we talk every day about the amount of red tape, particularly as business owners. I hear every day in my constituency, as I'm sure all of my colleagues here do, "The amount of regulation that we have to adhere to with regard to filing forms leaves me very little time to talk to my customer and the person who actually pays the freight here."

I'm concerned at times with some of this legislation. I'm glad to hear that there was at least some consultation; I don't always hear that. I think I also heard you say, though, that some aspects were discussed. I'm not certain if all of those made it into the bill, or if some of the things you were asking for didn't make it. So I'd like to provide you with an opportunity, if there's any other specific ones to provide back, and I'll open it up to my two colleagues.

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Ms. Leslie Smejkal: Can I address that?

Mr. Bill Walker: Yes.

The Chair (Mr. Grant Crack): You have 15 seconds.

Ms. Leslie Smejkal: As far as the regulations, they'll have to be prescriptive, absolutely. I mean, it took over three years in the United States to get this right with the regulations to be compiled.

I think, for our sector, we were not consulted on the regulations, we were consulted on the legislation. We did get involved, asking for regulation opportunities, and we have not been privy to those at this time. If they're being drafted, we would want them to be prescriptive to address all the issues you've just raised.

The biggest aspect for many of our corporate members, as well, is to have the data and the recipes in every restaurant. Wouldn't it be easier just to go to the corporate head office and have a one-stop shop—they compile the data and make sure they're in compliance for their standard products—as opposed to allowing the franchisee to have to have binders in their back office?

The Chair (Mr. Grant Crack): Thank you very much. We'll have to move over to Ms. Fife.

Mr. Tony Elenis: Just back to, in the way of customer service—it also inhibits and curtails innovation. The chef of today is an artist—he likes to paint—and that would limit culinary investment.

Ms. Catherine Fife: Thank you very much for the presentation, Leslie and Tony. I guess the risk is, if we don't get it right, then things don't change. So you're making the case for additional time to roll this out.

I do want to say, I think the Ontario restaurant association and your respective hotels are already adapting to the needs of consumers, so you've already been changing.

If there was one thing in this legislation which you could actually change right now, to make sure that we get it right—that the government gets right—what would it be?

Mr. Tony Elenis: Not to include alcohol, as Leslie mentioned.

Ms. Catherine Fife: Not to include alcohol?

Mr. Tony Elenis: Alcoholic beverages. When you look at wines, a bottle of Amarone has 14.5% alcohol, Chianti has 13%. The higher you go, the higher the sugar. There are hot summers that influence that. It can get really complicated with something that should be a culinary experience. Many drinks have flavours and ingredients that vary, and again that can get complicated.

Ms. Catherine Fife: And Leslie?

Ms. Leslie Smejkal: If I can just add, we purchase our alcohol and our beverages from either the LCBO or the Beer Store. If they're not obligated to post calories on their bottles, how are our restaurant owners supposed to go to the backroom and figure out the range of calories. Wines age, as they sit in a cellar; the content changes, the sugar changes—everything about it. So the range could be anywhere from a thousand to wherever. So how is that actually being honest with the consumer?

For us, the bigger issue is, we can't actually supply that. We're looking to the distributor, who would also be obligated to post this. But my understanding in the conversations is that the LCBO is working with the ministry on this.

Mr. Tony Elenis: I would also advise that there might be trade implications, as we recently found with the recent announcement, from where alcoholic beverages are rooted, coming into this country.

Ms. Catherine Fife: Sure. That's a good point. Thank you very much for your presentation.

The Chair (Mr. Grant Crack): We shall move to the government side. Ms. Kiwala?

Ms. Sophie Kiwala: Thank you so much for your presentation. It's nice to see you both here.

I just wanted to highlight a couple of points. Bill 45 will help parents make healthier choices for their children. One of the primary concerns of this schedule of the bill is about obesity in children, and calories are the most appropriate information, with respect to obesity, on menus.

You said that you did have some consultations prior to the legislation. Can I ask you, were those consultations part of the government's Healthy Kids Strategy?

Ms. Leslie Smejkal: It was a result of the Healthy Kids Strategy. They had set up two days of consultation to talk about the content of the panel and putting together nutritional labelling—menu labelling—legislation.

Ms. Sophie Kiwala: Do you agree that it's important to empower parents with that nutritional information as transparently as possible so that parents can make better choices for their children?

Ms. Leslie Smejkal: As a mother with young children, I think, at the end of the day, I have a common-sense factor of what is good and what is bad. Will it matter if I see calorie ranges? I don't think it will for me particularly because I work in the hospitality industry and I have a good understanding of what is in our food.

Transparency: You're only getting part of the story when you talk about calories and looking at a menu board. Many of our brand members have nutritional information in a pamphlet and others in QR codes, or

they have it on the website. You get the full story there. You get all the nutritional values there. To me, having that as a lawyer is the bonus in all of this.

Mr. Tony Elenis: If I can add something to that: The concern is also that foodservice only makes up 25% to 30% at the most of food consumed. Most of it is eaten at home and outside of restaurants—

Ms. Sophie Kiwala: Actually, there's an increasing rate of Canadians who are eating out now—

Mr. Tony Elenis: And we realize that.

Ms. Sophie Kiwala: —and Canadians, as you know, are increasingly busy—

Mr. Tony Elenis: We realize that, but it's still a large share outside.

Ms. Sophie Kiwala: You've mentioned a couple of times that the information is sometimes available on websites. But if you're out in a restaurant, I'm not sure how inclined people would be to look up how many calories you would have on a website.

I'm wondering if you can tell me, do you feel it's appropriate that Bill 45 would not require a single location mom-and-pop type restaurants to list calories on their menus? Are you pleased to see that it's for restaurants that have 20 or more locations?

Mr. Tony Elenis: We're very pleased with that. It becomes a burden—and a lot of inaccuracies when you're dealing with a smaller business.

The Chair (Mr. Grant Crack): Okay. Thank you very much. We appreciate you coming before the committee this afternoon.

RESTAURANTS CANADA

The Chair (Mr. Grant Crack): Next, we have Restaurants Canada. I believe Mr. Rilett and Ms. Reynolds are here with us this afternoon. Welcome. You have five minutes for your presentation.

Mr. Jamie Rilett: Excellent. Thank you. My name is Jamie Rilett. I'm vice-president, Ontario, with Restaurants Canada. With me is Joyce Reynolds, executive vice-president for government affairs. Thank you for the opportunity to speak about the calorie-posting part of the bill.

First, we recognize that obesity is a serious and complicated issue requiring multi-faceted solutions. Our members have taken action to support the goals of improving diets and reducing obesity by reformulating their menus and offering more healthy options, making changes to portion sizes and investing in sports and activity-based sponsorships to help hundreds of thousands of Canadians live actively. Chain restaurants also work hard to put meaningful information into the hands of their consumers so they can make informed choices, and most provide nutritional information in a variety of ways.

Our members are responding to the information needs of their customers, which include nutrient values beyond calories, including carbohydrates, saturated fats, trans fats, fibre, protein and sodium. It had been our hope that

Ontario would be part of the Informed Dining program developed by the province of British Columbia, which would provide nutrition information to restaurant patrons across Canada in a consistent way using a common symbol method.

Now that the government has chosen to follow the lead of the US instead, using a calorie-posting system, we are prepared to work with the government on a smooth implementation.

One of the biggest concerns with calorie posting on menus and menu boards is the inevitable call for the expansion of nutrient values. Our industry has been faced with policy proposals to post allergens, GMOs, trans fat, carbohydrates, sodium and gluten. Now we're hearing about sugar, both natural and added. To confirm our concerns, you are already being asked to double the scope of the program before the legislation has even passed.

When more than one value is added to the menu, it becomes much more complex to communicate information to customers in a meaningful way. Consumers are forced to make quick judgments based on conflicting values. Ministry of Health officials cite studies that state that consumer response is reduced when more values are added.

Sodium values are particularly challenging, given consumer confusion and lack of scientific consensus on maximum and minimum limits.

Restaurants offer menu choices in multiple varieties, flavours and options for customization. Canadians like to customize the toppings on their pizza, the make-up of their sub and the condiments and fixings on their hamburgers. Restaurants typically offer multiple flavours and sizes of drinks, baked goods and sides that aren't individually listed on a menu or a menu board. There is a myriad of options when ordering coffee.

Every circumstance needs to be properly addressed for clarity, and with each additional value, these complications rise exponentially. Don't get fooled by those who say that calorie posting is not complex. The US FDA took five years to develop their regulations with the assistance of a massive stakeholder engagement.

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Everyone wants to get this right. It is in no one's interest for this experiment to fail. That is why it is important to get the program in place, work out the kinks and evaluate its success before considering expansion.

Our second request of this committee is to require the Ministry of Health to implement a pre-approval process to ensure uniform application of the law. Chains operate across the province, and enforcement will be outsourced to municipalities. That is why we support the section of the legislation that guarantees the legislation will supersede municipal authority. The higher penalties cited in the legislation make it incumbent on the government to leave no room for varied interpretation.

The menu creation process is long and expensive. Design alone can take four to six months, and menus often stay in rotation for a year or more. The government must have a process whereby companies can get pre-

approval early in the process to avoid costly delays and multiple interpretations.

Finally, I would urge you to insert a clause guaranteeing an implementation period of 18 to 24 months after royal assent. Restaurants cannot begin their development and testing processes until the regulations are complete. With all chains looking at the same resource pools for testing and design services, the implementation period needs to be long enough to get the program right.

In conclusion, we urge you to take the time to get it right. This means limiting the scope to calorie posting, ensuring there is a pre-approval process for menus and menu boards, and an implementation period of 18 to 24 months. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We'll start with the third party. Ms. Fife.

Ms. Catherine Fife: Thank you very much. I appreciate, actually, the format in which you brought your asks to us. I appreciate the ask for more time so that we actually do it right the first time.

The approval process I find interesting. You cite here that the government has decided to outsource the enforcement to municipalities; you cite some concerns about that. Then you also say, "Without an approval process ... inspectors hold an unreasonable amount of interpretive power." Can you expand on that a little bit?

Mr. Jamie Rilett: I guess what we're looking at—and anybody who has a rural riding will remember a few years ago when the interpretation of public health rules led to inspectors going out to church basements and dumping bleach on sandwiches and stopping pie contests etc. We don't want to run into something like that. All we're asking for is if they want to have the enforcement go to the public health boards, at least give them some guidance so that if we get something approved centrally, then we can't have a board somewhere else overrule that.

Ms. Joyce Reynolds: And if I could add to that: One of our big concerns is the massive expenditure that there will be initially to design the menu boards and design the menus. And then once the menus are printed, circulated and distributed, if somebody says, "Well, actually, the range value is wrong. You should have done the range from this to this," to have to go and reprint all those menus and recirculate them—so it makes sense that you'd have a Ministry of Health official look at these beforehand and approve them.

Ms. Catherine Fife: Yes, I think that's a very good suggestion. I'm interested in this because when the government brought in their changes to school boards—their green, yellow and red light on certain foods—there were churches that were baking muffins for hungry kids who didn't have a breakfast program, and there were apparently a couple of extra grams of fat in those muffins, so those kids didn't get the muffins. I would argue that some food is better than no food. So I appreciate this sort of pre-emptive move with regard to this.

But the research on sodium is pretty strong right now. I just want to give you an opportunity to weigh in, because we really feel that sodium is a huge issue in

food, and it has detrimental effects to health. Yet you sort of counter some of that research in your thoughts here. Do you want to speak to that, please?

Ms. Joyce Reynolds: Well, there is a recent McMaster University study that questions the limits. There are actually several studies that question the current sodium limits, but that's really not the issue. Our concern is really the complexity and the confusion, the legibility and how meaningful the information can be if you include too many values on both a menu and menu board. Already, because of the format of a menu board, where you only have one line, the price, for, let's say, muffins, they have a range of calories. But then if you bring sodium into the mix, then you're going to have an entirely different range. It's very difficult to interpret data when you try to—and we have experience from the US to show how confusing and how little the information is used.

Ms. Catherine Fife: I think the key piece is the education, right? Because otherwise, they don't know what they're buying.

The Chair (Mr. Grant Crack): Thank you very much. I apologize. It's a little over time as well.

We'll go to the government. Ms. Hoggarth.

Ms. Ann Hoggarth: Thank you very much for your presentation here today. I am a patron of many of the restaurants all around Ontario. I eat out way too much. The amount of sodium that is in products does concern me, more as an educator who sees more and more young children eating in restaurants.

Also, I just want to know: Do you agree that it's important to empower parents with nutritional information as transparently as possible, so far as they can make better choices for their kids due to the fact that we have this rising amount of obesity in children?

Mr. Jamie Rilett: First of all, I don't blame you. Barrie has some great restaurants, so you're lucky.

Ms. Ann Hoggarth: Sorry?

Mr. Jamie Rilett: Barrie has some great restaurants, so you're lucky in that.

Ms. Ann Hoggarth: I know. We have wonderful ones. Thank you.

Mr. Jamie Rilett: Quickly on the education: Yes, we do find that education is important. That's a part needed to get parents to make the right decisions. But that information has always been there. I have three children. If my daughter has a basketball tournament and she's been practising all week and I want to treat her to a meal out, I know what's good and what's not. I don't need to see the calories right above. But if the decision has been made to go down that road, I think the problem with adding a second value is that it makes parents have to make the decision, "Do I have a higher sodium thing with lower calories, or do I have lower calories with the higher sodium?" I think just working with restaurants to help them rejig their menus and getting people to ask for the lower sodium items will go a long way.

Often a lot of products are brought forward in restaurants that simply don't sell because they're not popular with the customers. An education program helps

as well, but I think most parents know what's good and what's not. If this provides them with a little extra information, that would be great, but we really need to get it right first before we think about expanding it.

Ms. Ann Hoggarth: When I was in the States, for years I had been going to the Olive Garden and picking something; then all of a sudden they had the nutritional value and the calories on it, and I realized I had better pick something different because it was about three times more than my second choice with regard to calories.

Is it important that we have a consistent approach on menu labelling across Ontario? No matter what it is, it needs to be consistent?

Ms. Joyce Reynolds: Absolutely.

Mr. Jamie Rilett: Yes. I think we should have it across the country as well.

Ms. Ann Hoggarth: Thank you.

The Chair (Mr. Grant Crack): Ms. Thompson.

Ms. Lisa M. Thompson: How do I say this? The government of the day has a habit of picking winners and losers. I'm wondering if you feel that this particular Bill 45 is doing just that. They're burdening you with more red tape in terms of calorie counts. Are there other sectors of food providers or meal providers that we're missing? How should we be addressing that? My husband probably went to the grocery store today and bought us lunch from the deli counter. Those calories won't be included. So I'd be interested to know your perspective on that.

Mr. Jamie Rilett: When we first started talking about this in the previous iteration of this bill, we did ask that all prepared foods be treated equally, and I believe that's the government's intention. A lot of this is in regulations, so we won't know exactly, but the intention, we were told, is that prepared foods in grocery stores and things like movie theatres etc. will be included. I don't want to guess what the government's intention is vis-à-vis winners and losers, but I do take them at their word that they will include everyone who does prepare food in this legislation.

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Ms. Lisa M. Thompson: What does your gut tell you? Is this going to change habit?

Mr. Jamie Rilett: We haven't seen any indication in studies that this does change habits. You see, the studies that show that it does are performed in a closed setting or with people who say, "What is your intention?" But all the studies we've seen where they've actually implemented it in an area—the most well-known is the New Jersey study—showed that it didn't affect behaviour whatsoever. Anecdotally, it actually showed, on certain teenagers especially, that they saw calories as a value. So if I have \$5 to spend and I could get the combo that has 1,000 calories or the combo that has 1,500, it's more value for my money to get the 1,500 one.

Ms. Lisa M. Thompson: So in actual fact it had the converse result?

Mr. Jamie Rilett: That second part was anecdotal, so we don't know. But for sure the study did say that there was no effect on ordering patterns.

Ms. Lisa M. Thompson: How much is it going to cost a franchise, per se, to change their menus over? You're already being burdened with ORPP, lots of red tape, electricity costs etc. How much is this going to cost businesses?

Ms. Joyce Reynolds: It's going to cost them thousands of dollars. We don't know. We have to see what the regulations say.

I did want to just touch on another question, though, in terms of who it applies to and the limit of 20. One of the things that our members have said where they feel that there's still some unfairness is, you have new brands coming in from the US. They may only have a couple of stores here in Canada initially, but they're a very big brand in the US. So those in Canada feel that some of these chains may have an unfair advantage if they're not required to do it if they're a well-known brand in the US.

Ms. Lisa M. Thompson: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate the two of you coming before the committee.

NATIONAL COALITION AGAINST CONTRABAND TOBACCO

The Chair (Mr. Grant Crack): Next, we have the National Coalition Against Contraband Tobacco, Mr. Gary Grant, who is the national spokesman—glorious last name. Welcome, sir. You have five minutes.

Mr. Gary Grant: Thank you.

The Chair (Mr. Grant Crack): You're welcome.

Mr. Gary Grant: I am the spokesperson with the National Coalition Against Contraband Tobacco and a 39-and-a-half-year retired veteran of the Toronto Police Service.

Our coalition is made up of 17 organizations from across Canada representing industry associations, business groups and law enforcement. The NCACT is a non-profit, non-partisan organization whose goal is to make the public and the government more aware of the problem of illegal cigarettes and contraband tobacco.

Ontario has the worst contraband tobacco problem in Canada, with one in three cigarettes purchased over the past year being illegal—that's bad for all Ontarians. Illegal cigarettes are a cash cow for organized crime with criminals using the proceeds to fund other illegal activities, including guns, drugs and even human smuggling. The RCMP have identified more than \$100 million in suspicious transactions from one contraband hot spot alone.

What is contraband? As we know, it's unregulated and it is extremely cheap. A baggie of 200 illegal cigarettes sells for as little as \$8—less than the price of a movie ticket. Also of serious concern, the criminals that sell them certainly don't ask for identification from our young people. It is no wonder that contraband tobacco has a direct impact on youth smoking. In fact, the Centre for Addiction and Mental Health has flagged contraband's easy availability as a prime reason for Ontario's stubbornly high youth smoking rate.

One of the functions of the NCACT is making sure that the public understands the impact of illegal cigarettes, something that many Ontarians may incorrectly view as a victimless crime. The fact is illegal cigarettes fund some of Canada's least desirable elements. The RCMP estimates that contraband tobacco is the cash cow of more than 175 criminal gangs who use the proceeds to finance their other activities, as I mentioned.

The Ontario government has identified this as a problem. This past November, the Minister of Finance announced the need to take more action against contraband tobacco, but failed to actually introduce new measures to address the problem. Just one week following Minister Sousa's statement on the need to combat the province's illegal tobacco trade, Bill 45, the Making Healthier Choices Act, was introduced, which places a ban on flavoured tobacco, including menthol.

The NCACT has many times seen that when a tobacco product is banned, demand for an illegal substitute spikes. Last year, a report on the RCMP's Federal Tobacco Control Strategy noted that illicit manufacturers are producing flavoured little cigars to meet the growing demand on the black market, particularly following the federal ban on these products.

It is no different with menthol cigarettes, where there are already twice as many illegal menthol products available as legal ones. This legislation will effectively hand 5% of the province's legal cigarette market to organized crime. To put it in clearer terms: That's more than 300 million cigarettes each and every year, representing more than \$130 million in lost tax revenues.

Without first addressing Ontario's rampant contraband tobacco problem by introducing real measures to address contraband tobacco, Ontario, through Bill 45, is effectively handing organized crime groups more of Ontario's contraband tobacco market.

The contraband tobacco problem is out of control in Ontario. The federal government has started to take more tough action through Bill C-10, which allows police to lay criminal charges against contraband smugglers. Ontario, however, is falling behind and has consistently failed to introduce new measures to address this problem.

Ontario has made commitments in the last three provincial budgets to implement new anti-contraband tobacco measures, and seeing as we are just days away from the budget we hope to see measures included that have demonstrated success in other jurisdictions like Quebec. These include tougher fines and additional powers for local, municipal and provincial police to lead anti-contraband investigations, as well as a greater licensing of cigarette manufacturing materials.

The successful introduction of measures like this must come before drastic changes are made to the legal market. Without doing so, Bill 45 will be a boon to the criminals that smuggle illegal cigarettes with little change in the availability of a flavoured tobacco product.

So we come here with the recommendation to exempt menthol from the flavoured tobacco ban until such a time as meaningful progress has been made on contraband

tobacco. If the illegal tobacco problem in Ontario continues to be as significant as it is currently, this menthol ban will absolutely create a larger contraband market and drive consumers to the underground economy. The government should commit to implementing a review of the potential ban in two years rather than automatic implementation.

Thank you for your time. I'm happy to answer any questions.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Grant. We'll move to Mr. Colle from the government side.

Mr. Mike Colle: Welcome, Mr. Grant. Welcome back.

Mr. Gary Grant: Hello, Mr. Colle.

Mr. Mike Colle: How are you doing?

Mr. Gary Grant: I'm great, thanks.

Mr. Mike Colle: New chief today.

Mr. Gary Grant: We do. Great man.

Mr. Mike Colle: Yes. Worked his way up from the bottom.

In terms of the contraband, you mentioned that Ontario should take extra steps. What specifically should we be doing to try and combat it?

Mr. Gary Grant: I would suggest taking a look at best practices, and right now I suggest that Quebec has the best practice. They have authorized their provincial and municipal police officers to conduct whole contraband investigations, whereas in Ontario it's been that if a municipal police officer seizes a large amount of contraband, they normally have to turn it over to the RCMP or Ontario revenue for investigation, and this doesn't really motivate police officers to get involved. If the provincial and municipal police officers had full authority to take the investigation from arrest, seizure, all the way through the courts to a conviction or not, that would be an impetus.

Also in Quebec there is a fund put aside—I can't remember the name of it right now—that much like our RIDE program here in Ontario that's proven successful, any fines that come in on the contraband tobacco, say from Stratford, for instance, that money would go back to Stratford, to the provincial force or to the municipal service that the fines were from. And they reintroduced that to fund more tobacco enforcement.

Mr. Mike Colle: So basically the proceeds from crime would stay with the force that undertook the investigation, right?

Mr. Gary Grant: For sure the fine money. I can't speak for certain about what they're doing with the proceeds, but I would assume it would be—it would certainly be a great step.

Mr. Mike Colle: So these people, criminal gangs that are involved in this very lucrative business, where are they getting their tobacco from?

Mr. Gary Grant: Most of the tobacco is coming from First Nations, quite a bit of it is smuggled in from the United States. While I was in Windsor last week there was a huge seizure—sorry, Niagara Falls—there was a

huge seizure at the border coming in. It's being brought in in the Cornwall area very significantly, and it comes in from First Nations reserves. But it's so lucrative now to criminals. It's not just a few people driving to the smoke shop and getting some cigarettes; it's transport trailers full of tobacco or contraband cigarettes being smuggled into the province through various ways, whether it's across the St. Lawrence or at a regular land border crossing. But it is coming in, mostly from the States and through First Nations land.

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Mr. Mike Colle: Does it come in already as cigarettes or does it come in as tobacco?

Mr. Gary Grant: Sometimes it's tobacco, but usually it's full cigarettes. The RCMP has estimated that there are 50 illegal cigarette-manufacturing plants on First Nations land in Canada.

The Chair (Mr. Grant Crack): Thank you. I appreciate it. We'll move to the official opposition. Mr. Walker.

Mr. Bill Walker: Thank you very much, Mr. Chair. Thank you, Mr. Grant. It seems interesting to me that we've spent a lot of time on this bill around a precautionary principle specifically to vaping and e-cigarettes. But contraband is a reality. If a government, in my mind, has put in their commitment for three years, that seems to me that there's absolutely something there that they are trying to address. I would suggest to you that in three years they haven't followed through on much of a commitment to do anything action-wise. Is that a fair statement?

Mr. Gary Grant: I'm not suggesting that. They did pass Bill 186 a couple of years ago, and I know, in meeting with various people, that they're developing certain initiatives. But certainly from the coalition's standpoint, they haven't introduced any meaningful action that will actually cut down on the contraband trade.

Mr. Bill Walker: Fair enough. "Meaningful" is the exact word.

Interestingly, earlier today someone made a presentation. I didn't get a chance to ask this question, so I'd just like to ask you. This is Mr. Schwartz from the Ontario Tobacco Research Unit: "Self-reported data on purchase of contraband cigarettes based on large population-based surveys show a significant decline between 2008 and 2012 in Ontario—a period during which tobacco taxes increased moderately." I find that that is not anywhere close to what I would have thought and certainly what I see anecdotally in my riding.

Mr. Gary Grant: I would disagree with that, anecdotally, as well as from a study that was done last year and the last few years by a market and consumer information firm called GfK which has found that in 2014 one out of every three cigarettes purchased in Ontario was a contraband cigarette.

I do notice that we have the member here from, I think, Sudbury. The bad news for Sudbury is that it has the highest rate in the province in 2014, at 35% contraband. But that's not leading the pack by any great

margin, because every municipality is running at about 33% of contraband cigarettes being sold.

Mr. Bill Walker: Yes, and I don't see any evidence that suggests that just because you smoked an e-cigarette as a youth you actually go to real tobacco, but I do think that certainly a couple of hundred for eight bucks is a huge influence for people to continue to smoke all kinds of tobacco, real tobacco.

Mr. Gary Grant: For everyone, in a sense, to do that, but I'm most concerned, as a police officer and father of four daughters, with the ready availability and targeting of young people.

I teach at Humber College and I ask all of my students if they know where to get contraband and what it is, and they all do. They all know where to get it. Some students are even selling it out of their locker to make extra money. It teaches them that it's okay to break the law, and it starts them smoking again. Plus, they can buy other things from these criminals.

Mr. Bill Walker: Absolutely. I turn it over to my colleague, who has a question as well.

Ms. Lisa M. Thompson: I really appreciate your time here today. Earlier I mentioned that this government has a habit of picking winners and losers. Why do you think this government is not going after contraband?

Mr. Gary Grant: I don't have a comment on that. I just wish they would go after it in a more stringent fashion.

Ms. Lisa M. Thompson: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We will move to the third party. Ms. Fife.

Ms. Catherine Fife: Thank you very much. Thanks, Mr. Grant. I'm just trying to get a sense of your coalition. You say that you're 17 organizations. Are any of those organizations actually from the tobacco industry?

Mr. Gary Grant: Yes. One of the organization members is the Canadian Tobacco Manufacturers' Council, I believe, as well as 17 others, including the border guard association, Toronto Crime Stoppers and many others.

Ms. Catherine Fife: So you're advocating to maintain menthol cigarettes in the system, specifically around contraband?

Mr. Gary Grant: Specifically contraband. I'm a non-smoker. I think nobody should smoke; we all know that. But I think it's putting the cart before the horse to ban menthol cigarettes, which about 80,000 Ontarians smoke—about 5% of the population—without cutting off the illegal conduit, which is contraband, which is where they'll go. As I said, there are twice as many menthol brands now as there are legal brands.

Ms. Catherine Fife: This government, though, has left a two-year window for menthol. That could be a driver, perhaps, to demonstrate that. We don't support the two-year window, actually, because the research out there around menthol cigarettes is pretty profound, from our perspective.

Just on the contraband piece, Mr. Grant: You mentioned in your presentation that obviously there have

been commitments in the last three budgets but very little action on anti-contraband tobacco measures, but you say that aside from tougher fines and giving local police more powers—you say “as well as a greater licensing of cigarette-manufacturing materials.” Can you expand on that, please?

Mr. Gary Grant: Well, the provincial government talked about licensing the tobacco that makes contraband cigarettes, but that’s a bit of a non-starter because most of the tobacco gets smuggled in from the States, so they’re not going to be able to license that anyway. We’re suggesting that they license things like the cigarette papers and the material. I forget the name. I think it’s called acetate tow. There are only two companies in the world, I’m told, that make it, and those are the things that make the filters, which are needed for all cigarettes. We should be following the chain there and licensing that more stringently than just talking about tobacco.

Ms. Catherine Fife: That’s very interesting actually, but your association is advocating just to leave menthol cigarettes in place indefinitely or until—

Mr. Gary Grant: No, for at least two years. Until maybe the legislation—until maybe they can get a good handle on tobacco. Until they introduce meaningful legislation to stop the contraband trade, which will choke off that other alternative measure—a place where people can buy contraband.

Ms. Catherine Fife: Budget day is Thursday, so I’m sure I’ll be hearing from you as to whether or not there’s going to be anything in this upcoming budget to actually address this very serious issue. Thank you.

Mr. Gary Grant: I hope so. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We appreciate it, Mr. Grant. We appreciate your time in coming before our committee this afternoon.

Mr. Gary Grant: My pleasure. Have a nice day.

The Chair (Mr. Grant Crack): You, too, sir.

BLOW VAPOR

The Chair (Mr. Grant Crack): Next on the agenda we have Blow Vapor. We have, I believe, the president with us, Mr. Di Carlo. Are you alone today, sir?

Mr. Fernando Di Carlo: Yes, alone.

The Chair (Mr. Grant Crack): Welcome. You have five minutes.

Mr. Fernando Di Carlo: Thank you for allowing me the opportunity to present to you this afternoon. My name is Fernando Di Carlo. I’m the president of Blow Vapor, a rapidly growing manufacturer and distributor of e-cigarette products, headquartered in Vaughan.

I am here to speak to you not only about my company, Blow Vapor, but about the potential of the e-cigarette market from both an economic and public health perspective.

Let me be clear before I continue that, as a legitimate producer of a popular consumer good, we are supportive of Bill 45 in principle and greatly welcome government regulation in this market.

My goal here today is three things: (1) illustrate the need for more regulation; (2) change any negative perceptions of legitimate e-cigarette producers; and (3) warn of overregulation, which would drive the market underground.

Let me speak quickly about my company. I founded Blow Vapor about six years ago in Woodbridge, Ontario. Last year, we reached domestic and global sales of over \$500,000. Our manufacturing facility is located in Pickering and will soon employ over 60 people. We currently export our various e-cigarette products to a number of stores in the US and to 130 sites in Europe. We have been growing at a rate of about 200% per year.

We have always subscribed to a set of principles that align with public health and have never marketed to youth.

On the perception issue, let me start by saying that I understand that this is a very new product and that it has become quite controversial. Many e-cigarettes and e-liquids are produced overseas, mostly in China. They wind up in our jurisdictions where they are bought and sold at flea markets and other unregulated outlets. Since there is no regulation, we don’t know what’s in these liquids and if they are even safe to consume. There are also no enforcement mechanisms to shut down retailers who are found to be selling dangerous, untested e-cigarette products. This has all led to a negative perception of the e-cigarette industry.

There are good players out there and legitimate products that can provide specific benefits to the right consumer.

I agree with many who feel more studies need to be done before making a proper determination on e-cigarettes. That said, there are some undeniable positive qualities that have been noted by many reports and many credible researchers.

An independent group of 50 scientists and medical experts recently issued a public letter to the World Health Organization that stated e-cigarettes “could be among the most significant health innovations of the 21st century—perhaps saving hundreds of millions of lives.”

There are so many other studies, many of which have been mentioned here today. Overwhelmingly, they point to an opportunity to harness the value of e-cigarettes for the public benefit.

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Again, our company is supportive of greater regulation in our industry. That said, we feel there are elements of Bill 45 that should be revisited to ensure the public health benefits of our products are realized.

My thoughts include the following:

—E-cigarettes with nicotine should only be sold by licensed retailers that are subject to the oversight of public health officials.

—Flavouring in e-cigarettes should not be restricted, as they help smokers disassociate nicotine with tobacco flavour.

—In-store displays should be allowed so long as they are not crafted in a way that appeal to youth; Blow Vapor

has in-store displays that provide informational material by way of video on how to consume the product safely and that limit access to the product via lock and key.

—E-cigarettes should be allowed to be consumed in most, if not all, outdoor public spaces.

These recommendations accommodate the public's concern while allowing existing smokers the opportunity to take advantage of this technology to quit. I am happy to build on these specific recommendations in the question-and-answer time.

Just in conclusion, I want to stress that, through this process, the government has a great opportunity to: (1) harness the positive benefits of e-cigarettes from a public health/smoking cessation perspective; (2) avoid driving the market underground; (3) attract investment in a newly regulated industry in Ontario; and (4) save money for public health care.

Thank you for your time. I look forward to taking some questions.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Di Carlo. We shall start with the NDP, the third party. Ms. Gélinas.

M^{me} France Gélinas: Thank you so much for being here. Specifically, what is it in the bill that you don't want? There are big parts of the regulation that you seem to be in favour of. From your deputation, what I got is that you oppose the display and ban on flavouring?

Mr. Fernando Di Carlo: Yes.

M^{me} France Gélinas: The rest of it you're okay with?

Mr. Fernando Di Carlo: Yes.

M^{me} France Gélinas: Okay. So you really see your products as something where people will come into your store, and there won't be big advertising outside the store; there will be educational material once you reach inside the store. They will buy your products there, go home and use it as they see fit?

Mr. Fernando Di Carlo: Yes. Just to be clear—sorry—we're not retailers. We're actually manufacturers and suppliers.

M^{me} France Gélinas: Okay. You're manufacturers and suppliers.

Mr. Fernando Di Carlo: Yes.

M^{me} France Gélinas: Sorry, you had said that. How do you know that the people you will be selling to will be adhering to that?

Mr. Fernando Di Carlo: I think in one of my points, I mentioned that it should go to retail stores who already have that in place, typically those who sell tobacco products today. I believe there should be age verification. As a matter of fact, we have it in our displays under lock and key, which means they can see them, but there should be age verification upon the sale.

M^{me} France Gélinas: Okay. Do you manufacture the actual e-cig or just the cartridges or both?

Mr. Fernando Di Carlo: Both.

M^{me} France Gélinas: How many versions of e-cigarettes do you manufacture?

Mr. Fernando Di Carlo: Well, there are three types of e-cigarettes. Maybe I should kind of explain just the

breakdown very quickly. One is what's called a "disposable," which means you use it and once it's consumed, you throw it away. The second one is what's called a "cartomizer," which means you replace the flavour to it and it's a battery-operated system. The third one is a liquid system where you buy a tank, you choose your flavour liquid and your nicotine level, and you vape the liquid that you want.

M^{me} France Gélinas: Do you presently have products that have nicotine in them?

Mr. Fernando Di Carlo: Yes, we do.

M^{me} France Gélinas: You do?

Mr. Fernando Di Carlo: Yes.

M^{me} France Gélinas: How do you get around the fact—

Mr. Fernando Di Carlo: We don't sell any of those in Canada. We have a US office and we sell those only to the US market and Europe.

M^{me} France Gélinas: Okay.

Mr. Fernando Di Carlo: The UK specifically, actually.

M^{me} France Gélinas: Do you see selling those in Canada at some point?

Mr. Fernando Di Carlo: We'd love to, yes. We believe that smoking cessation is impossible without nicotine.

M^{me} France Gélinas: Smoking cessation is what?

Mr. Fernando Di Carlo: Is impossible without nicotine. The first adopters to e-cigarettes are smokers. Smokers need nicotine in order to wean off what they're doing now.

M^{me} France Gélinas: What do you think of vapour lounges where people actually go to use these products as a social activity?

Mr. Fernando Di Carlo: I have no problem with it, quite frankly. I'm not in big favour of combustibles, which means—I know a gentleman showed hookahs earlier today. I think combustibles are dangerous, no matter what form they're in. But I think if you have a vaping lounge like you have a cigar lounge, if it's age-appropriate, it's no different than a bar.

M^{me} France Gélinas: And who does the testing on the products that you put out? Those liquids and those cartridges, who does the testing?

Mr. Fernando Di Carlo: Right now, we do, and we would love some regulation on that. We would actually love to help the government craft some regulation about what liquids need and how you actually determine what's safe and what's not.

The Chair (Mr. Grant Crack): Thank you very much; we appreciate it. We'll move to the government. Ms. Hoggarth.

Ms. Ann Hoggarth: Hello, Fernando. Good to see you again.

Mr. Fernando Di Carlo: Hi. Thank you.

Ms. Ann Hoggarth: I appreciate that you believe that there should be some control over the liquid.

Mr. Fernando Di Carlo: No question.

Ms. Ann Hoggarth: However, there is supposed to be a control in that nicotine is not supposed to be used in it. Correct?

Mr. Fernando Di Carlo: Correct.

Ms. Ann Hoggarth: And you do use it—

Mr. Fernando Di Carlo: We don't.

Ms. Ann Hoggarth: You're telling me it's not sold in Ontario.

Mr. Fernando Di Carlo: That's right. We don't even distribute it in Canada. Our products come and go straight to our US office.

Ms. Ann Hoggarth: Okay. I have another question here. Your website describes Blow Vapor as a "bold and new sexy lifestyle brand" for "those who have a controversial side, a sexy side, a fun side, and an edgy side." Your site says that your products provide retailers "large margins and 'low-maintenance selling'" and can be used "in bars, restaurants ... offices and other places where smoking bans are typically in effect." So are you really marketing to people who want to quit smoking?

Mr. Fernando Di Carlo: I think we are. Actually, I don't even think we are; we definitely are. I have to make something clear: Because in Canada we're not allowed to sell nicotine, we are only selling our product for smoking cessation. For those of you who are smokers—I'm not one of them—the ability to move something to your mouth, according to research, is very important. We only have flavour available for those to help them wean off of nicotine or off of tobacco combustible products. That's all we can do in Canada, unfortunately. We're abiding by the law, and the law clearly—our attorneys say that no nicotine is allowed so—

Ms. Ann Hoggarth: Well, I appreciate that you're abiding by the law. There have not been too many people here today who are. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the official opposition. Mr. Hillier.

Mr. Randy Hillier: Thank you very much for being here today. I just want to go over your recommendations—I think they're important—and maybe restate a couple of elements for the committee.

E-cigarettes with nicotine, you believe, should be sold by licensed retailers?

Mr. Fernando Di Carlo: No question.

Mr. Randy Hillier: Flavouring in e-cigarettes should not be restricted, as they help with the cessation or the replacement, however you want to—maybe I should make a comment there. There's smoking cessation, and there's also nicotine replacement therapy. Those are two different phrases that we see. Often they're combined, though, as well. So we see the patches, the Nicorette gum and the inhalers. They are all nicotine replacement therapies but also hoping to end smoking. Right?

Mr. Fernando Di Carlo: Correct.

Mr. Randy Hillier: Okay. You are of the view that you need to have that nicotine component in there to wean people off as an effective cessation device or replacement therapy.

Mr. Fernando Di Carlo: Yes.

Mr. Randy Hillier: In-store displays should be allowed so long as they're not crafted to appeal to youth. I think everybody has been pretty solidly behind solid regulations that prevent providing or selling vaporizers to youth. I don't think there's any disagreement or argument there.

You also have in here, e-cigarettes should also be allowed to be consumed in most if not all outdoor public places, and we've heard that from a number of people. Different people have qualified it that in indoor facilities that are exclusively for adults, where youth cannot be. Maybe you can expand on that one element. Why is that important, in your view, for vaporizers?

Mr. Fernando Di Carlo: There are two things. Number one, on the indoor: I'm not really opposed to a ban of indoor vaporizing. Some people are. I'm not necessarily in favour of either way. I'm kind of okay. But I believe outdoors there shouldn't be a ban. I think it's totally different to allow vaping on an outdoor open patio versus something where you're inside of a restaurant. I know that earlier somebody had mentioned about seeing clouds in a restaurant. Well, that could make people uncomfortable.

Mr. Randy Hillier: Yes. From all the evidence that I've seen, it appears that it's an effective way to move people off smoking, that it's a gateway out of tobacco. Making people who are trying to get away from tobacco go huddle up outside with smokers is probably not the most effective way to get them to stop smoking. Being able to use a vaporizer on a patio or other adult locations would be that incentive to continue to stop smoking.

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The Chair (Mr. Grant Crack): A final quick comment. Do you have any response to that? Because your time is well over.

Mr. Fernando Di Carlo: I agree. I think that the more freedom we give to adults to have the option and have the alternative to vape, as opposed to smoking any combustible product, is a great option.

The Chair (Mr. Grant Crack): Thank you very much for coming before the committee this afternoon. We appreciate it.

Mr. Fernando Di Carlo: Thank you for your time.

ONTARIO CONVENIENCE STORES ASSOCIATION

The Chair (Mr. Grant Crack): I believe the Ontario Convenience Stores Association is next, and I believe the CEO, Mr. Bryans, is here, and the owner of a convenience store, Mr. Di Pasquale, is here. Welcome, gentlemen. I hope I pronounced that properly.

Mr. Dave Bryans: Thank you. Good afternoon. I'd like to thank the members of the committee for taking time to hear from the Ontario Convenience Stores Association. We represent over 7,000 small business owners and operators in Ontario. I'm proud today to be joined by a small business retailer, Robert Di Pasquale, who operates Downsview Market in Downsview, Ontario.

We appreciate the opportunity to provide the convenience store industry's perspective on Bill 45, particularly regarding the banning of menthol tobacco, a product that has been sold to adults in our channel for over 60 years in Ontario. It impacts about 80,000 current menthol smokers, and 63% of all menthol smokers surveyed by Abacus Research stated they would source these products from aboriginal reserves, where we know there are over 30 menthol non-taxed brands presently available, with more to come.

As committee members are likely aware, convenience stores are the largest retail provider of legal tobacco products in the province of Ontario. Our retailers take this responsibility very seriously, complying with all Health Canada rules and all Smoke-Free Ontario regulations pertaining to display bans, age testing and more. We're the gatekeepers that prevent tobacco products from winding up in the hands of minors. If a retailer disobeys the law here in Ontario, they're immediately fined and could potentially lose their store for not age testing for tobacco products. This is something our association has always supported and will continue to support.

It is because of this commitment to preventing youth smoking that I feel our association must address some of the statistics that have come out through the Propel study and others relating to flavoured tobacco in Canada, and specifically with respect to menthol.

Thus far, the OCSA—myself—has refrained from weighing in on the Propel study, which has been used by various groups and government officials as the rationale behind a menthol tobacco ban in Ontario. I want to clarify some of the statements and myths around this study, as well as to present some data of my own.

Tobacco use by young people in Canada is at a historic low of 7%, according to Health Canada. We can all agree that any percentage of youth consumption is way too high. Until this number is at zero, there will always be work to be done together to educate and change the next generation's behaviours on smoking. However, 7% overall youth tobacco consumption is a very different number than what is cited in the Propel study, which suggests it is double that amount.

The important note here is that the Propel study only measures tobacco use in a 30-day period, not prolonged use. However, these statistics are driving policy decisions under the premise that it is the ongoing norm in the province of Ontario.

With this in mind, the Propel study data actually reveals that, of the 14% of Canadian youth who have tried a tobacco product in the last 30 days, 32% of that 14% tried a menthol product. That means that just under 4% of all youth in Canada had tried a menthol product in a month's time. While it isn't zero, 4% is a far cry from the 30% number being cited by some groups.

Again, our position is very clear, that no young person should have any tobacco in their possession, but we feel a flavour ban is just a band-aid solution to this problem. Instead, we propose that the Ontario government introduce a possession, consumption and purchasing ban on

tobacco by anyone under the age of 19. This has been introduced in other jurisdictions throughout Canada and the United States, and with proper enforcement we feel this will, over time, change the behaviours and attitudes of young people towards smoking.

Should the committee and government wish to proceed with a ban on flavoured tobacco products and menthol products, it is critically important that retailers are provided a fair adjustment period to ensure that we can transition these products out of our stores. Removing these items immediately will just bring a knee-jerk reaction from consumers to run to the black market. We, as an association, must be able to adequately educate all retailers in Ontario about this change so that they all can be compliant. As such, we propose a two-year transition period from the time the legislation achieves royal assent for retailers to remove these products from their shelves. This is not an ideal outcome for small businesses in Ontario, but time to implement change is only fair to our retailers.

I'd like to close my remarks by briefly touching on the topic of electronic cigarettes. We agree with the government that convenience stores should be trusted to sell and handle these products and that they should not be sold to minors. It is important that we maintain control of this new, emerging product category, and that they are only available for sale in licensed establishments that are inspected by local public health units. Opening up the sale of these products beyond convenience stores does not guarantee that age checks, display bans or other measures will be enforced.

As this does represent a unique opportunity for our business, we suggest that the committee consider approving the sale of e-cigarettes containing nicotine until such time that Health Canada has provided their official rulings.

Once again, I'd like to thank everyone for letting us sit and talk to you today. Robert and I would be glad to answer any questions.

The Chair (Mr. Grant Crack): Thank you very much. We'll begin with the government side. Ms. Kiwala.

Ms. Sophie Kiwala: Thank you very much for your testimony and to you both for being here, Mr. Bryans and Mr. Di Pasquale. I just wanted to start out by saying that I'm very supportive of the work that the convenience stores have done with respect to the changes that were made around smoking in general in the past many years—fantastic job. I used to work in a federal office and got lots of literature, which I was surprised to see, but you've been really solid on that front. I thank you for your work there.

You've brought up the Propel Centre and some of the statistics. We're looking at statistics from the Propel Centre that say that young smokers disproportionately use menthol—about one in four compared to approximately 5% of adult smokers. How can you continue to claim that it's an adult product?

Mr. Dave Bryans: I'll answer that. That's a great question. I think I clarified in my speech that it isn't one

in four; it's 4% of young people. That's clarifying the Propel study.

Ms. Sophie Kiwala: Okay. Well, the information that we have that's coming forward does state those statistics.

In 2011, the University of Waterloo's International Tobacco Control Policy Evaluation Project surveyed Canadian menthol smokers and asked what they would do if menthol were no longer available: 35% said that they would quit smoking; 40% said that they would choose another cigarette brand; 21% said that they didn't know; and 4% said that they would both choose another brand and stop smoking, which ultimately is what we're here to do. We hope that more people do quit smoking with this precautionary legislation.

What do these numbers tell us about the claim that menthol smokers will turn to contraband sources if menthol cigarettes are banned?

Mr. Dave Bryans: We did an Abacus study in January 2015, so it's just recent. We have shared it with the health department. Some 63% of all smokers said that if you were to ban a flavour like menthol, they would get it from aboriginal reserves. With 63% of 80,000 smokers, you would hurt small business by sending our customers to the underground economy.

I'll let Robert comment.

Mr. Robert Di Pasquale: I was just going to comment that I can't speak to these large numbers, but I can tell you that I was talking to my customer, whose name is Antonella, and another customer of mine, whose name is Maria. Maria smokes Vogue Slims Menthol and Antonella smokes the same. They are friends. I brought this to their attention and asked them to contact their MPP to give them feedback, and they both told me that it's kind of a non-issue for them. They know where they can buy contraband and if I don't have it, they know where they can get it, where it's available.

Ms. Sophie Kiwala: We do have some studies that suggest they'll come back—

The Chair (Mr. Grant Crack): Thank you very much. We appreciate that. We'll move to the official opposition: Mr. Walker.

Mr. Bill Walker: Thank you both for coming today. Thank you for bringing that fact of the 4% as opposed to one in four, because that's pretty easy to get mixed up. I would reference that, recently, we had a researcher in who used another fact about contraband going down, and the contraband association that just came in refuted that. So there are a lot of facts out there; just because you hear it, it doesn't make it true.

I want to also add that, with our interim leader, Jim Wilson, I met recently with the Korean business association on this and a number of other factors. One of the things that they're concerned with absolutely is that it's hard enough now to make a go in business with all the regulations and the red tape and the reporting and the inspections and the overzealous inspectors that are coming in, when they're doing their best—they don't want to see you smoking, either. They can lose their livelihood if they do that. So they're working very hard to do that.

1720

I found it interesting: Again, one of the key points that I pulled out of your presentation is the idea of making possession illegal. If you're under 19 you can't possess alcohol, so why, if they really wanted to get at the root of youth smoking—a lot of where we see the distribution centres—the point of sale, if you will—is on our school grounds, and that's not just the adolescents; that's on our public school grounds, as well.

I have two boys. If they both knew it was illegal—it's a lot different than “Oh, yeah, we're not supposed to, but there's nothing that's actually going to happen, Dad, if I get caught with this.” I think that's a huge thing.

I would like to know if they consulted you on any of this before it was actually brought in as legislation.

Mr. Dave Bryans: We've had meetings with the health department, but everyone's pretty adamant, as you've heard from past questions—

Mr. Bill Walker: Clarification: not the health department. I'm asking specifically about the Liberal government. Did they consult you as an industry, as an organization, prior to bringing this legislation forward?

Mr. Dave Bryans: The ministry has had us in for meetings, and we've expressed our opinion that banning menthol would hurt small business and would send 80,000 adult smokers to the underground economy. No one seems to have the interest at this time to help us correct contraband, so those are the two reasons why we've said don't ban menthol, and let's help our youth by banning possession, consumption and purchasing. If we're not going to fix the illegal market and we're going to keep banning things because of youth, then let's ban youth like they do with alcohol. I agree with that. Thank you.

Mr. Bill Walker: Certainly anecdotally, a lot of retailers in my riding of Bruce-Grey-Owen Sound have said to me, “They're going. They're not stopping smoking; they're just going to go somewhere else. You're not going to get the taxes, I'm not going to have as big a business and I'm going to probably lay people off. Think about this before you do it.”

I'll turn it over to my colleague.

Ms. Lisa M. Thompson: Very good. Thanks for being here today. Have you done your own butt study, so to speak?

Mr. Dave Bryans: We have.

Ms. Lisa M. Thompson: And what did you find?

Mr. Dave Bryans: We do a butt study every year. We sweep the same 130 sites. In there we sweep high schools, hospitals and racetracks, and we find that youth possession of contraband is as high as 48% in some high schools and as low as zero in others, so congratulations to that high school. But the trend line shows that it's going up, it's not going down. It's an unscientific study—I think we've said it in past meetings—but nobody's admitting they're selling it and no one's admitting they're buying it.

We do have issues around the growth of contraband. I think I've sang like a canary at this committee for about

four years now, or other committees, saying that it's time to fix contraband. It hasn't gone anywhere, but the butt study reaffirms—and this October, I will be doing the same 130 sites to show you the trend line, and we'll see where it goes as far as illegal products.

Ms. Lisa M. Thompson: Why do you think this government is avoiding that issue, the contraband issue?

The Chair (Mr. Grant Crack): One quick response.

Mr. Dave Bryans: I wish I had the answer.

Ms. Lisa M. Thompson: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to Ms. Gélinas.

M^{me} France Gélinas: Nice to see you again. You've asked that if they are to move ahead with banning flavoured products, including menthol—you wrote, "We propose a two-year transition period from the time legislation achieves royal assent for retailers to remove these products from their shelves."

Take me through why you need two years. Why not two months? Why not three years? And how will you use that time? Why is it that we need that two years? What will you do? Walk me through it.

Mr. Robert Di Pasquale: To be honest, I don't believe you should ban it in two years. Right now it's a regulated market. We have to go through licensing from the city. We have a provincial licence to sell tobacco—it's called a PTP; that's a provincial tax permit. None of the tobacco companies will deal with us without these licences etc. Right now it's regulated. It's controlled. If my staff—

M^{me} France Gélinas: You're missing your opportunity here. If you don't convince me that it takes two years, well, then why don't we just do it January 2016, like we will ban every other flavour? If you want menthol to have an extension, what are you going to use those two years for?

Mr. Dave Bryans: I'll answer that. What we need the two years for is to pay to get our customers adjusted. They're going to have to change. If they don't change, they're going to go to the underground market.

We also need time to realign our business, because we're going to lose another 5% to 8% of our daily sales. I don't know how small business is ever going to replace all of these rules that are coming out. We have a pension plan coming that's going to cost us 2%. We have punishing hydro rates. To now eliminate a product overnight which is—probably 60% of your sales in the total tobacco category?

Mr. Robert Di Pasquale: Yes.

Mr. Dave Bryans: To eliminate part of that would really put small business—in the United States convenience stores are growing at 1.5% a year. In Ontario, they're dying at 3% a year, and that's because we're overregulated. We need time to adjust our whole business model.

It's not just one specific date. Two years is a number that was already suggested to me from the ministry, and I agree with that. It could be five years, but I'm not going

to sit here and think out of the box and say that will work. It won't work.

M^{me} France Gélinas: So the two years is really, you said, to help your customer transition away from menthol. How does a small business owner do that?

Mr. Dave Bryans: Tobacco is a sunset category; it's dropping at about 1.5% to 2% a year. Menthol will kick it up to 7% immediately, so you'll probably lose about 300 stores immediately. So what we're saying is, give us time to work with our business model and our customers to educate them that change is coming. We're going to face a ban on flavoured cigars. We're going to face a ban on flavoured chew. A big part of our business is going out the door. I know there's not a lot of sympathy for the tobacco industry or tobacco business, but I think there has to be some acceptance that small businesses just can't be cut off over night.

Mr. Robert Di Pasquale: Not to mention that we don't want our customers immediately going to contraband. Hopefully within two years' time, the government comes up with a solution to better handle contraband and the contraband market. It will allow you guys sufficient time to improve laws and legislation against contraband so our customers aren't switching to an alternative market that's unregulated.

The Chair (Mr. Grant Crack): Okay. Thank you very much for your input in this afternoon's delegations—appreciate it.

CANADIAN CANCER SOCIETY

The Chair (Mr. Grant Crack): Next we have the Canadian Cancer Society, national office. I believe Mr. Rob Cunningham is with us, senior policy analyst. Welcome, sir.

Mr. Rob Cunningham: Thank you. I have lots of samples.

M^{me} France Gélinas: Did you empty my fridge? I have the exact same things in there.

Mr. Rob Cunningham: Chair, members of the committee, my name is Rob Cunningham. I'm a lawyer and senior policy analyst with the Canadian Cancer Society, national office. Thank you very much for the opportunity to testify today with respect to Bill 45. This is a bill that's going to make a difference to reduce tobacco use in Ontario. We commend the bill for being brought forward. We commend this bill to all MLAs for their support.

You have four handouts from me: two of these deal with proposed amendments. You've already heard reference today to proposals to add regulatory authority—in an amendment to the bill—to allow controls on use of non-tobacco herbal water pipe smoking; so to be able, by regulation in the future, to say that wherever smoking is banned you wouldn't be able to use this water pipe smoking, the herbal shisha. Nova Scotia has already done that. That comes into force May 31. Vancouver has already done it. More municipalities have already done it. Alberta has legislation that's not yet proclaimed that does exactly that.

The second amendment is with respect to banning flavoured cigarette papers. I have with me all kinds of flavours: root beer, cotton candy, many others. If these are not banned, there will be a loophole. They would be able to undermine the intent of the ban on flavours. These should not be allowed to be sold. As part of one of your handouts, you have scanned images of these packages for future reference for members of the committee once I take these packages away.

Nova Scotia's bill introduced on Friday to ban flavoured tobacco includes a ban on cigarette papers. US national legislation which bans flavoured cigarettes includes cigarette papers when sold separately in other components of a cigarette. The US national legislation exempts menthol.

In terms of what the trends are in terms of flavoured legislation, Ontario is consistent with those trends. Bill 90 introduced Friday in Nova Scotia will ban flavours in all tobacco products—a few cigar exceptions—but includes a ban on menthol. Essentially the Nova Scotia bill will do what the Ontario bill is doing. In the European Union, which has 28 countries, there's going to be a ban on menthol that's being implemented in a very complex legislative environment. New York City adopted a city ordinance in 2009 to ban flavours in all tobacco products. It exempted menthol. But now the US FDA, the Food and Drug Administration, is looking at what they can do with respect to banning menthol. Other provinces are looking at this. Legislation is expected in Quebec. Alberta has legislation. Ontario is building on that. It's consistent with the international trends.

With respect to the trends for e-cigarette legislation, we see more municipalities and provinces and states adopting legislation along the lines of what Ontario has done. The best example is Nova Scotia. Just to clarify what happened in Nova Scotia, there is a bill that received royal assent in November. What was adopted is actually very similar to Bill 45. The flavour part of that bill was removed in committee, as was mentioned, so there are no restrictions on flavours that have been adopted yet, although the bill introduced on Friday will give regulatory authority to restrict flavoured e-cigarettes, which is exactly the same provision as you see in Bill 45.

As of May 31, in Nova Scotia, sales to minors of e-cigarettes are banned. The use of e-cigarettes in workplaces and public places where smoking is banned—that's going to come into force. In Nova Scotia, the e-cigarette specialty retailers supported that ban on the use in public places and workplaces where smoking was banned, just as the representative of Blow Vapor did here today.

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The Ontario bill, from a provincial responsibility perspective, implements many of the recommendations of the House of Commons Standing Committee on Health. So there's consistency in the approach that's evolving.

With respect to contraband, if I could have a few comments on that before I close: The final handout you

have from me provides data from the international tobacco companies that is different from what we heard today. This particular graph from Philip Morris International documents that in Ontario there is a tremendous decrease in the proportion of contraband, from 49% in 2008 to 27% in 2011. The Ontario Convenience Stores Association gave a release last fall saying that, according to their butt study, it was 21.5% province-wide in 2014, compared to 20% in 2013. We haven't seen their methodology to see if this is even an overestimate, but their numbers—and I will provide that news release to members of the committee—are significantly lower than the estimates that have been heard today.

The tobacco industry and the associations they belong to, such as the convenience stores association, have a long history of opposing all types of legislation, saying there's going to be contraband. They oppose tobacco taxes. They oppose putting larger warnings on packages because it's going to cause contraband. They oppose federal Bill C-32 because of flavoured cigarillos. They oppose hard tobacco. It's always contraband is why we can't do it.

The Chair (Mr. Grant Crack): A quick comment; final one.

Mr. Rob Cunningham: In summary, it's only 4% of the market that represents menthol in terms of cigarette sales—far lower than in other countries. This is a very feasible measure. It's one that we strongly support. This is a measure that's going to reduce tobacco use in Ontario. We support the bill and commit it to your consideration. Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the official opposition. Mr. Hillier.

Mr. Randy Hillier: Thank you very much, and thanks for being here today.

I find it interesting that you're using a Philip Morris study on illicit tobacco and contraband. I don't know how peer-reviewed that is, but you're accepting that at face value, that contraband or illicit tobacco has gone down.

Then what we've heard often from people in the NGOs and the not-for-profits is that they're not willing to accept—that there are not enough studies yet on the benefits or the positives of e-cigarettes as cessation devices or nicotine replacement therapies. I find it interesting that you would put that out, that Philip Morris says illicit tobacco is down and that we should take that, because we have heard from Gary Grant earlier that contraband tobacco is indeed increasing.

In my area, we have more native smoke shops in my riding now than we did three and four years ago. They no longer have to be on reservations. They are on Highway 7 now. The availability, the accessibility, of contraband tobacco is growing from all evidence that I can see.

Mr. Rob Cunningham: Sometimes the tobacco industry says one thing publicly and a different thing to investors and stock analysts. These are reports that they gave to stock analysts. So we want to clarify that their

statements today are not consistent with their statements elsewhere.

Mr. Randy Hillier: Right.

Mr. Rob Cunningham: There are indications that contraband has gone down. At the same time, more could be done to further reduce contraband. We made recommendations along those lines to the federal government and the Ontario government. If we need to step up measures with respect to contraband in companion to this bill, that's certainly something we would support.

Mr. Randy Hillier: Okay. So you don't really believe that contraband tobacco has gone down?

Mr. Rob Cunningham: No. I think by all indications, in terms of the legal tax-paid sales, in terms of looking at the actual government data, that is further indication that contraband has gone down in Ontario and in Canada.

Mr. Randy Hillier: You're saying that contraband has gone down?

Mr. Rob Cunningham: Yes, it has.

Mr. Randy Hillier: There's fewer illicit tobacco shops or the use of tobacco?

Mr. Rob Cunningham: Well, I think that the volume of illegal cigarettes sold has gone down. Whether that affects the number of smoke shacks, I don't know in terms of the number of stores, but the quantity of illegal cigarettes in Ontario has gone down substantially, as Philip Morris International has told stock analysts.

Mr. Randy Hillier: Again, I just find that interesting, in that you are pretty confident and assertive in that statement, but we can't get anywhere near that level of assertiveness or certainty from the hundreds of studies that are showing e-cigarettes to be a positive and beneficial cessation device. Thank you.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Hillier. Ms. Gélinas.

M^{me} France Gélinas: I will ask you the same question that I asked: Could you think of a reason why we would delay banning menthol for two years?

Mr. Rob Cunningham: No. In Nova Scotia, the implementation date is May 31, 2015. When we've implemented federal measures to restrict flavours and to change package warnings, it has been far, far less than two years.

M^{me} France Gélinas: Do you believe that if we passed the ban on flavoured tobacco, including menthol, less Ontarians will smoke?

Mr. Rob Cunningham: Yes. I think that we'll see a decrease in smoking and tobacco use, and that will accumulate over time.

M^{me} France Gélinas: From the point of view of the Canadian Cancer Society, do you see menthol as a gateway for young people to start smoking?

Mr. Rob Cunningham: Yes. Menthol encourages youth to begin. It's a local anaesthetic. It soothes the throat and reduces harshness. It also discourages cessation among adults. There is some very good evidence with respect to that effect.

For a product that's highly addictive and causes death, there's no reason why we should allow flavours to make

it taste better. For kids who have medicines that don't taste good—we want kids to take the medicines, and that's why we add flavours. Cigarettes kill.

M^{me} France Gélinas: There's no reason for it. When it comes to e-cigarettes, you've heard some of the arguments that say the product is the flavour: If we ban the flavour in e-cigarettes, we ban the products. Do you believe that to be true?

Mr. Rob Cunningham: This bill will give regulatory authority to restrict flavours. There's no ban on flavours in this bill. Should there be some restrictions on flavours? Yes. Should we have cotton candy- and chocolate-flavoured e-cigarettes? No. Should there be some restrictions? Absolutely, but this bill doesn't do that.

M^{me} France Gélinas: And is the Canadian Cancer Society looking at the value of e-cigarettes as a smoking cessation aid?

Mr. Rob Cunningham: We're continually studying this and evaluating the research. The research continues to emerge. Even with a future consensus that this is very good, it's not one-dimensional, because we have industry marketing that is using this to keep people smoking through lifestyle marketing, encouraging people to use this where smoking is banned and encouraging dual use. The purpose of this bill recognizes potential benefits and potential risks. Regulation is needed. This bill deals with the portion that is a potential risk, so we need to minimize the downside.

M^{me} France Gélinas: Thank you.

The Chair (Mr. Grant Crack): Thank you very much. We shall move to the government side and Ms. Kiwala.

Ms. Sophie Kiwala: Thank you very much for being here today, Mr. Cunningham. We have appreciated your testimony. I'm wondering, considering the last couple of witnesses we had here, if you could clarify the stats from the Propel Centre regarding the incidence of youth smokers.

Mr. Rob Cunningham: I think that study is very important. Canada-wide, 50% of high school students who use tobacco use flavoured tobacco; 29% of high school smokers smoke menthol. If you look at grades 6, 7 and 8, where the smoking prevalence is very low, which is what Mr. Bryans, the previous witness, said, that will distort the overall average, because we know that as you get older—more and more people start smoking during their adolescence. If you only look at grade 12 students, the number is far higher, enormously higher than when you mix in grades 6, 7 and 8.

Ms. Sophie Kiwala: All right. Thank you. Is there definitive scientific evidence that suggests that e-cigarettes are not a health risk for users or the public, or that they are effective as tobacco smoking cessation devices?

Mr. Rob Cunningham: With respect to second-hand vapour, so it's called, we have to recognize as well that not all e-cigarettes are the same. Some e-cigarettes have additional ingredients than the four that were mentioned earlier today. There are substances that are in e-cigarette vapour that need to be regulated. That's why there is

widespread support and increasing legislative action to ensure that workplaces and public places do not have use of e-cigarettes.

There's another point: Smoke-free workplaces and public places are a really effective motivator to get people to quit. If you allow e-cigarettes in those locations, it can encourage dual use and decrease that motivation to quit. That can sustain smoking, and that is not the intent that we've heard from any companies.

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Ms. Sophie Kiwala: Do you believe that Bill 45 takes an appropriate approach to regulating e-cigarettes in Ontario?

Mr. Rob Cunningham: Yes. What Ontario is doing is similar to what BC and what Nova Scotia are doing and what is being considered in other provinces. It takes an appropriate approach. E-cigarettes clearly need regulation. The regulation in Bill 45 is appropriate regulation.

Ms. Sophie Kiwala: That's great.

Mr. Mike Colle: Do we have time?

The Chair (Mr. Grant Crack): Twenty seconds, Mr. Colle.

Mr. Mike Colle: I think Mr. Hillier raised a good question here about the motivation of this chart. I guess our friends at Philip Morris are trying to persuade their shareholders that things are good and that they're not losing that much market share to the underground economy, so therefore they don't mind demonstrating that this loss to the underground economy isn't as much as they say in other forums about the underground economy. Am I interpreting this right, in a general way? Trying to interpret Philip Morris—

The Chair (Mr. Grant Crack): A very quick response: Yes or no.

Mr. Rob Cunningham: The thing is, if they give misrepresentation to their shareholders, there are serious sanctions for that.

Mr. Mike Colle: Okay.

The Chair (Mr. Grant Crack): Okay, thank you very much—appreciate that and appreciate your coming before committee, Mr. Cunningham, this afternoon.

CANADIAN BEVERAGE ASSOCIATION

The Chair (Mr. Grant Crack): Next, we have the Canadian Beverage Association: Mr. Jim Goats? Gates?

Ms. Lisa M. Thompson: Goetz.

The Chair (Mr. Grant Crack): Goetz? My apologies, sir.

Mr. Jim Goetz: No problem.

The Chair (Mr. Grant Crack): We welcome you here this afternoon, Mr. Goetz, president of the Canadian Beverage Association. You have five minutes.

Mr. Jim Goetz: Thank you, Mr. Chair. Let me begin by expressing my gratitude for the invitation to appear today. My name is Jim Goetz, and I am the president of the Canadian Beverage Association, representing the non-alcoholic, non-dairy beverage industry.

Our industry makes a substantial contribution to the economic life of Ontario. Our member companies provide direct employment for some 7,700 Ontarians and indirectly employ over 17,000 more through jobs related to our industry, such as transportation, production, distribution, construction, retail and the restaurant sector. In total, we have more than 60 facilities province-wide, including facilities in Windsor, London, Kingston, Barrie and Owen Sound, generating \$2.9 billion of added value to Ontario's economy.

We are proud of our economic footprint. We are also aware that, as an industry, we bear important responsibilities, especially when it comes to offering consumers a healthy balance of beverage choices and the necessary information to make informed beverage choice decisions.

Our industry has already voluntarily implemented a caloric labelling initiative, Clear on Calories. Started in 2011, this industry-led initiative provides front-of-pack caloric labeling on all of our members' products. Clear on Calories is designed to help consumers be aware of both the caloric content and serving size of the beverages they are choosing.

Our industry has been and will continue to be a leader in addressing issues such as public health through product innovation, educational advertising, smaller package sizes and industry-specific guidelines and initiatives. The Canadian Beverage Association believes that industry-led initiatives which provide the necessary caloric information and education are essential if Ontarians are going to be able to make the choices that are best for themselves and their families.

Considering our industry's track record in providing consumers with clear, standardized and visible caloric information on our packaged products, we respectfully ask the committee to consider some flexibility in the caloric labelling requirement for fountain beverages sold at restaurants across Ontario. Due to the wide array of beverage cup sizes and flavours available to consumers, it would be very difficult and cumbersome for our consumers and the restaurant food and service industry as well to display the specific caloric content for such a wide variety of options.

To ensure that Ontarians are still adequately informed of the caloric content of our fountain beverages, we propose that the legislation or regulation consider caloric designation ranges on menu and menu board labelling. These calorie designations would provide the range of calories for each cup size without requiring restaurants to list up to 50 separate flavours and varieties. We believe this is a balanced solution to ensure Ontarians are aware of the caloric content of their fountain beverage choices while reducing the burden on consumers and clients.

Secondly, we would also like to propose an exemption for calorie labelling requirements for packaged beverages where the product's Clear on Calories front-of-pack declaration is visible to consumers. This includes, for example, reach-in coolers at cafeterias, quick-service restaurants or where sample packages are clearly displayed. With the caloric content of each product so

clearly displayed, we believe that additional labelling is not required to properly educate the consumer.

We sincerely believe that these two proposals are aligned with the legislation's intent while minimizing any unnecessary labelling requirements to our consumers and the interaction between our consumers and sales teams.

I want to emphasize: We recognize that we must be part of a shared effort and we're very committed to doing our part. At the Canadian Beverage Association, we're more than prepared to keep working in partnership with the government of Ontario in pursuit of those goals, from industry-led initiatives, such as Clear on Calories, to our future initiatives, which will reduce beverage calories in the Canadian diet.

On that note, I bring my remarks to a close. Thank you again for the opportunity to appear in front of you and I welcome any questions.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Goetz. We shall move to Mr. Colle from the government side.

Mr. Mike Colle: It's good to see you again.

Mr. Jim Goetz: Hello.

Mr. Mike Colle: Yes. One of my pet peeves: If I look at the back, the writing is always so small in terms of—because I do look to see how many calories am I going to drink and how much sodium. I look for calories and sodium. What I find—and I don't know if it's just the beverage industry or whether it's your members, but they're playing a little trick. Some of the containers will say for one can, there are no calories; some other containers will have for half a can, there are so many calories.

I would pick it up and I'd look at the calorie count, and I think that's the calorie count for the full can, rather than the half can. I think they do that for some food products, too. Is that what you're talking about when you're talking about clear calories, or that program?

Mr. Jim Goetz: The beverage industry, when we introduced the Clear on Calories program in 2011, made changes to the serving size ratio versus the calories. Depending on the age of that can in front of you, you should see on the very front of it that there is a Clear on Calorie tablet, which would—if that's a diet Coke, I believe?

Mr. Mike Colle: Yes.

Mr. Jim Goetz: It should say it, I believe—

Mr. Mike Colle: This one here, zero?

Mr. Jim Goetz: Yes. There's a tablet on the front. That is for that serving size. Where we also made some changes were on the slightly larger bottles with 500 millilitres or 591. Those used to be labelled on the caloric content as a multi-serve. In 2011, the industry made that change. The calories reflected on the front and on the back are now for the entire bottle.

When you get into larger sizes, larger bottles which are taken home and consumed over a weekend or whatever, that is then labelled as a serving size, as dictated by Health Canada.

Mr. Mike Colle: Like one cup or so many millilitres.

Mr. Jim Goetz: Yes, and that's standardized. But all of what are considered single serve now are single serve with the calories.

Mr. Mike Colle: So it's single serve. And who are your members?

Mr. Jim Goetz: Coca-Cola, Pepsi, Canada Dry Mott's, Nestlé Waters, Cott Beverages.

Mr. Mike Colle: So these other, smaller organizations may not treat it the same way, then?

Mr. Jim Goetz: Not everyone is on board with our program, but our industry represents approximately 85% to 90% of the market in Canada.

Mr. Mike Colle: So if I pick up a can of Coke or Pepsi, I'm looking at the calorie count and I'm trying to read it with my glasses—

Mr. Jim Goetz: It is standardized.

Mr. Mike Colle: It's standardized for the container.

Mr. Jim Goetz: Yes, it is.

Mr. Mike Colle: Unless it's a big sucker, like the Americans drink. They walk around with these—

Interjection: Big Gulps, two-litre.

Mr. Mike Colle: —Big Gulps, mega gulps. Then it's a different story. But for the ordinary Canadian little guy, it's basically very clear for that container.

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Mr. Jim Goetz: Yes, those are standardized. What is unique about our program is that some other individual companies have different practices for caloric labelling etc. This is the only initiative in North America, quite frankly, where it's across multiple companies. So to your point, Pepsi, Coke, Canada Dry, Mott's—it's all the standard packaging and all the standard rules on how many calories will be put on the front.

The Chair (Mr. Grant Crack): Thank you very much, Mr. Colle. I know that you could go on for a long time here, but we'll have to go to Mr. Walker.

Mr. Bill Walker: Lisa, you go ahead first.

Ms. Lisa M. Thompson: Thanks for coming here today. I have one question for you: Were you consulted prior to Bill 45 coming to the House?

Mr. Jim Goetz: In a formal way, we were not.

Ms. Lisa M. Thompson: You were not?

Mr. Jim Goetz: No.

Ms. Lisa M. Thompson: Okay. Thank you very much.

The Chair (Mr. Grant Crack): Mr. Walker?

Mr. Bill Walker: Mr. Goetz, how are you?

Mr. Jim Goetz: Good.

Mr. Bill Walker: Mine is kind of a little different area. I'm fully on board with regard to anything we can do to stop our kids from maintaining obesity, and anything we can do to help families and anyone who is struggling with that type of thing.

One of the concerns I have with some of the caloric labelling is that all of us have different metabolisms, all of us have different sizes, all of us may have drunk something earlier before we went into that restaurant. My concern is really, again, that we're kind of doing one little piece but I'm not certain that it's enough.

I think what I would have liked to have seen in this bill, again, had we been consulted, similar to your industry—we could have put some things forward in at least tabling the draft that would have talked about physical fitness and the things that are going to have more impact than just caloric labelling.

We had the restaurants' association in. One of the concerns they have is the repetitive cost and what happens on the overzealous inspection side of things. Do you share any of those similar concerns?

Mr. Jim Goetz: I'm not a doctor and my specialty is not obesity. However, it's well documented that obesity is a very complex issue. The food and beverages you consume are certainly one part of it, but they are one part of it. We, as an industry, are doing what we can to show that some of our beverages do contain calories, but in a 2,200-calorie daily intake diet there are a wide range of beverages you can choose which suit your lifestyle.

I consume full-calorie and diet various times in the week. I've maintained the same weight I've been since university. However, what we are trying to do with our initiative is provide the information to consumers, similar to what's in this bill. However, in this bill we're putting forward what we think are some reasonable compromises on exactly how those calories would be displayed.

For example, a restaurant of over 20 chains may just list beverages: pop and juice. Well, they might have 10 varieties of each in the back. That's why we're asking for some discussions about a range. For some of those you can't just put the highest range because our diet products contain zero calories. You can't put the lowest, either. We understand that. It is about transparency.

Where in some restaurants you walk up and pull your product off the shelf, we have already put the calories on the label. For our customers to have to change that when there might be 30 products in that fridge is very cumbersome.

The Chair (Mr. Grant Crack): Okay. Thank you very much.

Ms. Lisa M. Thompson: Are we done?

The Chair (Mr. Grant Crack): Yes. Thank you. Ms. Gélinas?

M^{me} France Gélinas: I want to continue down—do you figure that the way the bill is written now would not allow for different flavours of juice that are similar in calorie content to be captured under one? Is this the impression you have?

Mr. Jim Goetz: We're just here to try to make sure that that can and does happen, quite frankly.

M^{me} France Gélinas: Okay. So you're not coming with amendments where you want us to change the content of the bill. You just want to make sure that we're all on the same page, that when we go to a restaurant and a number of juices have between 100 and 120 calories, it will list a whole bunch of flavours between 100 and 120 calories. But you wouldn't put pop, zero to 250, because then that doesn't help anybody

Mr. Jim Goetz: But some of the pop does contain zero calories. Some of it may contain 250. That's a fact.

So that has to be reflected in what consumers are being legislated to look at on those menus. On behalf of our industry, we are constantly innovating to give products that are zero-calorie or somewhere in between or full calorie, and that has to be reflected. It's misleading for the consumer to either, as I stated, just list them all as full calorie when they're not, or some—

M^{me} France Gélinas: Okay, but I want to make sure—and our time is really limited, so I want to make sure. The way I understood the bill before—because I have written it eight times—is that if all of the juices that are within 10% of the calories could be listed as one, the same thing with the pop, but you would not put a pop at zero and a pop at 250 with the same—within 10% of one another is the way that the bill presently is meant to be rolled out. Are you saying that we should have it bigger than this? Like, if it's more than 10%, they could still be grouped together?

Mr. Jim Goetz: Well, there are going to be juices that will not fit within that 10%.

M^{me} France Gélinas: Then you would have to list them separately.

Mr. Jim Goetz: That could be pretty cumbersome on the menus. The fact is, it's misleading to consumers, on the juice side or the pop side, to not fully show what their calorie options are. At the same time, it is unworkable on certain menus to list all the options that might be available.

M^{me} France Gélinas: Do you have anybody in mind where it would be unworkable? The people you deal with right now: Who's going to have a hard time with this?

Mr. Jim Goetz: I'm not going to speak on behalf of our restaurant clients. I'm just stating that we have a lot of products on the market that give all consumers options on their calories, and we believe that that should be properly reflected in the information that the province is asking those clients to put forward.

M^{me} France Gélinas: Okay. This idea that if you are within 10%, you could be grouped together—that's not good enough for you?

Mr. Jim Goetz: There are lots of restaurants that might provide 30 or 40 different beverage options. So 10% on calories, given the innovation that our industry is bringing to the market, is a pretty narrow window.

The Chair (Mr. Grant Crack): Okay. Thank you very much. We appreciate it, Mr. Goetz, for you coming forward and sharing your thoughts with us this afternoon.

Mr. Walker.

Mr. Bill Walker: A point of order: Thank you very much, Mr. Chair. It has been a great day, a lot of information shared today. As such, I would like to move that the committee amend the method of proceeding on Bill 45—

The Chair (Mr. Grant Crack): I have to interject. You can't move a motion on a point of order. Do you have a specific point of order? If not—

Mr. Bill Walker: I have a motion. Sorry, maybe I used the wrong terminology. My apologies, Mr. Chair. I'll retract the point of order.

The Chair (Mr. Grant Crack): Thank you.

Mr. Bill Walker: I would ask, if I could—and I believe this motion will be shared with everyone—I move that the committee amend the method of proceeding on Bill 45, An Act to enhance public health by enacting the Healthy Menu Choices Act, 2014 and the Electronic Cigarettes Act, 2014 and by amending the Smoke-Free Ontario Act, to reflect the following:

(1) That the committee hold public hearings on Bill 45 in Toronto, at Queen's Park, on Monday, April 27 and on Wednesday, April 29, 2015, during its regular meeting times.

(2) That any additional witnesses are to be selected from the prioritized list previously supplied to the Clerk by the subcommittee members.

(3) That groups and individuals be offered five minutes for their presentations, followed by up to nine minutes for questions by committee members.

(4) That the deadline for receipt of written submissions on Bill 45 be 5 p.m. on Wednesday, April 29, 2015.

(5) That amendments to Bill 45 be filed with the Clerk of the Committee by 3 p.m. on Thursday, April 30, 2015.

(6) That the committee meet on Monday, May 4, 2015, during its regular meeting time for clause-by-clause consideration of Bill 45.

Thank you, Mr. Chair.

The Chair (Mr. Grant Crack): Mr. Walker has moved this particular motion. Is there any further discussion?

Mr. John Fraser: Yes. We will not be supporting the motion.

Mr. Bill Walker: You won't even consider having a discussion on it?

Interjections.

Mr. John Fraser: No. We've added an extra day of hearings, and we won't be supporting the motion. I'm being straight with you about it.

Mr. Bill Walker: So the health of Ontarians—you're not going to give us an extra day or two days?

Ms. Lisa M. Thompson: And we've heard that you do not consult with key—

The Chair (Mr. Grant Crack): Order, please. If this is still on the table at 6 o'clock, I have to advise the committee members—and we're almost there—that it will be discussed at the next committee meeting, which is tomorrow at 9 a.m. We already have scheduled delegations coming before us. This looks like it could be a hearty debate.

I would just like to let everyone on the committee know that I have to actually adjourn the meeting now. It is 6 o'clock. We will introduce this—

Mr. Mike Colle: Can we call the vote right now?

Interjections.

The Chair (Mr. Grant Crack): As Chair, I wouldn't call the vote anyway, because there has to be some discussion on it.

The bells have rung. It is 6 o'clock. This meeting is adjourned.

The committee adjourned at 1800.

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Mr. John Fraser (Ottawa South L)

Mr. Bill Walker (Bruce–Grey–Owen Sound PC)

Also taking part / Autres participants et participantes

M^{me} France Gélinas (Nickel Belt ND)

Mr. Randy Hillier (Lanark–Frontenac–Lennox and Addington PC)

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