

Like the Map at the Mall Says ... You Are Here

Written by Bob Alexander

Wednesday, 30 April 2014 19:29 - Last Updated Wednesday, 30 April 2014 19:56

In 2012, Bonnie Herzog, leading tobacco analyst for Wells Fargo, predicted electronic cigarettes will overtake tobacco cigarettes within ten years. In 2013 she confirmed that projection and said Big Tobacco will take over most of the market.

A competitive free market was *not* going to determine the winners or losers in the e-cig industry. With this kind of money at stake it was going to take the participation of one of the United States federal executive departments, the FDA, to guarantee the takeover.

On April 24th the FDA's long awaited deeming regulations regarding electronic cigarettes were released. If these regulations go into effect as written, the number of legal e-cig manufacturers will go from about a thousand ... to about five. The twenty thousand legal e-cig products will be cut to ... around six. It will cost an e-cig manufacturer close to ten million dollars to file an application with the FDA for *each* e-cig product. Only Big Tobacco, who has already entered the e-cig market, can afford to jump through those hoops. There will always be e-cigs. Just not the ones I use. Just not the ones I buy from the vendors I like.

In short, the FDA's 241 pages of provisions give the e-cigarette industry to Big Tobacco.

It took two and a half years for the FDA to come up with these regulations. The public comment period will last only 75 days. Soon there will be much activity by e-cig users, vendors, The Consumer Advocates for Smoke-free Alternatives Association, and tobacco harm reduction experts, to extend the comment period. There will be petitions to sign and letters sent to members of congress. If the deeming regulations go into law as written, within three to four years virtually all the e-cigs in use today will be banned, and Ms. Herzog's projection about Big Tobacco's primacy in the market will come to pass.

As Dr. Michael Siegel, Professor in the Department of Community Health Sciences, Boston University School of Public Health, wrote, "*All in all, the deeming regulations are a disaster. ... The negative side is ... virtually every product on the market will require a substantial equivalence determination ... and that manufacturers will be forced to implicitly lie about the intended purpose and relative safety of the product by not being allowed to correctly point out that these products are much safer than tobacco cigarettes*

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*“Moreover, what scientific evidence is the FDA looking for in order to approve a simple claim that electronic cigarettes are safer than tobacco cigarettes? If the overwhelming current evidence is not sufficient, **then no evidence will ever be sufficient** because there is no further research that is necessary in order to draw this conclusion. It doesn't take a rocket scientist to figure out that a product which burns tobacco, and produces tobacco smoke, with more than 10,000 chemicals including more than 60 carcinogens, and causes more than 400,000 deaths per year, is more harmful than a product which merely heats and aerosolizes nicotine from a solution of propylene glycol*

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Now the reason I went into all this isn't just because I'm an e-cig user. It's not about how the FDA will enforce regulations to the detriment of public health, ignore reams of scientific evidence, and conspire with Big Tobacco to drive almost all e-cig companies out of business. No. I told you that story in order to tell you another one.

I was listening to a panel of e-cig vendors and tobacco harm reduction activists discussing the new regulations and a word popped up I wasn't familiar with: Oligopoly. Since I'm a sucker for a new word, especially if it sounds like it came from a Dr. Seuss book, I looked it up.

Oligopoly: A market or industry dominated by a small number of sellers and can result from various forms of collusion which reduce competition and leads to higher prices for consumers.

Good to know we don't have to make up a new word to describe what the FDA and Big Tobacco are up to.

After much clicking around The Internet I came across a new study jointly conducted by Princeton and Northwestern universities.

In the study, *Testing Theories of American Politics: Elites, Interest Groups and Average Citizens*, co-authors Martin Gilens and Benjamin Page, compared 1,800 different U.S. policies that were put in place by politicians between 1981 and 2002 to the type of policies preferred by the average Americans and special interest groups. Gilens and Page concluded

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that U.S. policies are formed more by special interest groups than by politicians properly representing the will of the people.

“The central point that emerges from our research is that economic elites and organized groups representing business interests have substantial independent impacts on U.S. government policy, while mass-based interest groups and average citizens have little or no independent influence.”

The Washington Times headlined the story, “*America is an oligarchy, not a democracy or republic, university study finds*”

Gilens and Page found it did not matter whether the majority party was Democrat or Republican -- both tend to ignore public opinion. I think we already knew that. But it's nice a couple of PhD's compiled the data so our conversations about current events have a more scholarly ring to them.

In the last section of the study the authors write, “*In the United States, our findings indicate, the majority does not rule -- at least not in the causal sense of actually determining policy outcomes. When a majority of citizens disagrees with economic elites and/or with organized interests, they generally lose. Moreover, because of the strong status quo bias built into the U.S. political system, even when fairly large majorities of Americans favor policy change, they generally do not get it.*”

For everyone convinced real change can only happen at the grass roots level, Boer Deng from Slate.com asked Gilens and Page whether they thought the affluent and interest groups had more clout at local and state levels. Though their data couldn't predict the answer, they suspect that the rich may be even more influential there.

For anyone who still thinks there might be a solution floating around somewhere out there I suggest you plow through all 696 pages of French economist Dr. Thomas Piketty's latest book, *Capital in the Twenty-First Century*.

The book's central thesis is inequality is not an accident, but rather a *feature*

of capitalism, and can only be reversed through state intervention. I assume Piketty is referring

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to a Democratic state intervention because historically an Oligarchy has never voluntarily dismantled itself.

So here I am ... along with everybody else ... stuck in the middle with you.

We met a couple of ex-pat Truthseekers up here in Beautiful British Columbia and was kindly sent a link to a great article, *In Defense of Inaction* by Dave Pollard.

<http://howtosavetheworld.ca/2014/04/20/in-defence-of-inaction/>

Everybody should read it. It's *not* a solution.