

Thank you, Chairman and Ranking Member, for the opportunity to testify about a Food and Drug Administration rule that is having a devastating impact on small businesses across the country.

I'd also like to thank the committee for including my proposed language in **last year's** Agriculture Appropriations bill, which would have defunded the implementation of this FDA rule to regulate premium cigars in the same manner as cigarettes and smokeless tobacco.

How We Got Here

- Back in 2009, Congress passed the Tobacco Control Act with a key objective in mind: **preventing our youth from accessing tobacco products.**
- Traditional handcrafted cigars, however, are **NOT** a product used by, marketed to or accessible to children, and therefore were not included within the Tobacco Control Act's scope.
- Unfortunately, that didn't stop the FDA from advancing regulations that are now crippling the premium cigar industry from top to bottom.
- Such regulation ignores the distinction of the premium cigar market, with its established artisan

traditions and cultural niche. Premium cigars are sold in mom and pop shops and enjoyed by adults in moderation or during celebratory occasions.

- They are NOT the type of cigars you get at your local gas station – the ones with plastic tips, filters, or nontobacco mouthpieces.
- Instead, what I am describing are traditional large and premium cigars, which I have clearly defined in legislation that I have introduced every Congress since the FDA proposed these overreaching regulations. Our legislation has drawn strong bipartisan support.

Premium Cigar Industry Background

- Premium cigars have a rich history in Florida with more than 50 manufacturers headquartered in the state and more than 250 premium cigar retail shops - several of which are owned by, employ, and serve my constituents.
- On a national level, tens of thousands of American jobs are sustained by the industry.
- Using the narrow definition in my bill, and included in the FY '17 Subcommittee bill, we can ensure that Americans continue to have the freedom to enjoy

these products while also allowing the FDA to use their authority as Congress intended: to prevent children from using tobacco products.

Impacts of FDA's Rule on U.S. Soldiers

- We must act quickly though, as the FDA's rule has already had negative consequences across the country, and even overseas where our troops are now being told that they can no longer receive donated premium cigars.
- You heard that correctly. Our warfighters - who put their lives on the line for our freedom - are now being told by bureaucrats at the FDA that they can no longer enjoy a donated cigar in their downtime.

Jobs and Economic Impact

- For the record though, it's not our troops primarily who have fallen victim to the FDA's lack of common-sense.
- Since the regulations took effect last August, manufacturers have been forced to raise prices and reduce production of new blends.
- Retailers have had to increase costs, halt events for customers to sample products, and delay opening

new locations due to compliance costs and anticipated inventory reductions.

- It is disappointing that the FDA willfully ignored these very real economic concerns when crafting their rule.
- With additional compliance deadlines looming in 2017 and 2018, the significant economic toll on main street retailers, law-abiding consumers, and the premium cigar industry as a whole will only get worse.

Conclusion

- The goal of the Tobacco Control Act was never to regulate premium cigars, but rather to regulate tobacco products that are marketed to youth.
- Let's refocus the FDA to serve this purpose by including language to exempt premium cigars from this one-size-fits all policy.
- I thank the Committee for their time, and am happy to answer any questions. Thank you.