



ENSP

European Network for
Smoking and Tobacco Prevention



International Union Against
Tuberculosis and Lung Disease
The Union Europe Office



November 10, 2014

Viktor Khristenko
Chairman of the Board
Eurasian Economic Commission

Dear Chairman Khristenko,

We, the undersigned, are international public health organizations committed to the reduction of tobacco addiction and tobacco-related deaths throughout the world, with the end goal of protecting individuals, families, and societies facing the devastating harms produced by tobacco consumption and exposure to secondhand smoke.

In the past few years, the Eurasian region firmly positioned its global leadership in the fight against tobacco use. In Russia, President Putin signed into law some of the strongest laws to combat tobacco use in the world. The laws reflect the growing concern over the horrific toll of tobacco in Russia, where one-third of citizens smoke — including an estimated 60 percent of men — and tobacco kills nearly 400,000 people each year, contributing to the country's "demographic crisis" of falling life expectancy and declining population. In Kazakhstan, the government passed changes to public health law that expanded tobacco control protections and mandated use of pictorial pack warnings that are among the strongest in the world, and which influenced Russia to do the same.

Although these successes over the tobacco industry provide a stunning example for the Eurasia region and the world, the job is far from finished. Currently, the Eurasian Economic Commission is considering adopting a tobacco tax harmonization proposal through the (EEC). If adopted the tobacco tax proposal would leave prices of tobacco products in the region among the lowest in the world, keeping cigarettes cheap and plentiful for young smokers. The proposal would also undermine all EEC countries' strong support of FCTC Article 6 at this year's COP, as well as Russia's commitment to bring taxes on tobacco products in line with standards set in the Euro region.

We fear this proposal may have originated out of the Eurasian Economic Commission's memorandum of understanding with the International Tax and Investment Center. Founded in 1993, the ITIC claims to be an independent, nonprofit research and education foundation that serves as a "clearinghouse" for best practices in taxation and investment policy. However, ITIC's sponsors include all of the leading transnational tobacco companies, and its Board of Directors includes representatives from Philip Morris International, British American Tobacco, Imperial Tobacco, and JT Group (formerly Japanese Tobacco).

In addition, ITIC materials available on the organization's website and internal tobacco industry documents made public through U.S.-based litigation settlements show that ITIC has worked with the tobacco industry for more than two decades to undermine tobacco control policies. For example, in 2013 alone, ITIC published at least four pro-tobacco reports sponsored by the tobacco industry and hosted at least four pro-tobacco seminars with government officials and tobacco industry representatives.

Despite efforts to present themselves as responsible corporate citizens, tobacco companies are not like other businesses. For decades, the tobacco industry has marketed its deadly products to kids, deceived the public about the harmful effects of tobacco use, and fought the passage and implementation of effective measures to reduce tobacco use in order to keep selling a product that kills up to one-half of all of long-term consumers.

In fact, in a landmark 2006 U.S. federal court ruling, the big cigarette makers were found to be racketeers who engaged in wide-spread fraud by lying about the health risks of smoking and their marketing to children. The tobacco industry's work with the ITIC to undermine lifesaving public health policies around the world is yet another example of the industry's self-serving and unethical behavior.

At a press conference last December, Veronika Skvortsova, the Russian Minister of Health, appealed to the Ministries of Health of the EEC member states to urge the EEC to reject any tobacco tax harmonization proposals that would freeze excise taxes on tobacco products.

Tobacco tax increases offer a win-win solution for countries, especially as they face severe fiscal crisis and work to balance budgets while preserving essential public services.

- **Health Win:** increasing the price of tobacco through tobacco tax increases is the most effective way to reduce smoking and other tobacco use, especially among vulnerable populations, such as youth. Every 10 percent increase in cigarette prices will reduce total cigarette consumption by about four to 8 percent.
- **Revenue Win:** every nation and subnational entity with an efficient tax system that has significantly increased its cigarette tax has enjoyed substantial increases in revenue, even while reducing smoking. Higher tobacco taxes also save governments money by reducing tobacco-related health care costs. Increase revenue from tobacco taxes can also provide governments with funds for other tobacco control efforts, further reducing tobacco use and saving lives.

Given that the Eurasian Union has the potential to help guide the world in the fight against tobacco use, we strongly urge you to take action to prevent unnecessary death and disease across Eurasia by:

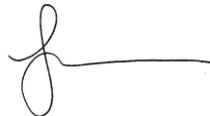
- 1) Terminating the Eurasian Economic Commission's Memorandum of Understanding with all tobacco industry front groups including the International Tax and Investment Center, and
- 2) Adopting the recommendations for the Customs Union and Uniform economic space regulatory documents on tobacco taxation put forward by the Russian Minister of Health and adopting policies that will lay the framework for increasing tobacco taxes across the region.

Thank you for your attention to this issue. Your action could significantly reduce tobacco addiction and tobacco-related deaths in Eurasia and further demonstrate Eurasia's leadership internationally in tobacco control.

Sincerely,



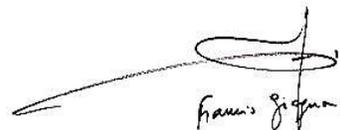
Matthew L. Myers
President
Campaign for Tobacco-Free Kids



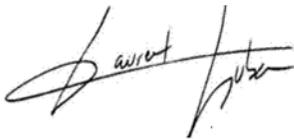
Johanna Ralston
Chief Executive Officer
World Heart Foundation



José Luis Castro
Executive Director
International Union Against Tuberculosis and Lung Disease



Francis Grogna
Secretary General
European Network for Smoking and Tobacco Prevention



Laurent Huber
Director
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Peter Baldini
Chief Executive Officer
World Lung Foundation



John Stewart
Campaign Director
Corporate Accountability International

