

FOR THE RECORD

Memorandum in Opposition

New York City Council

Intro 433-A

REASON FOR
OPPOSITION:

The Cigar Association of America (CAA) is a national trade organization of responsible cigar manufacturers, importers, distributors and suppliers which was originally established in New York City in 1937.

While the CAA strongly supports the stated goal of the proposed legislation to curb youth usage of tobacco products, we feel that the bill in its current form will not have the desired affect of quickening the decline in youth usage of tobacco products. This legislation will however have an extremely negative impact on retailers of legitimate products used responsibly by adults. We feel that during these difficult economic times, placing such a radical and broad ban on these products will significantly hurt retailers and their ability to continue to operate their businesses throughout the City. By the Council's own estimates, as many as 40% of cigars currently and legally sold in the City of New York will be subject to this ban. Even with this potentially huge loss in sales, the economic impact has not been adequately accounted for in regards to the loss of revenue due to the additional problems that will face retailers.

Stores throughout the City rely on cigar sales to stay open. If they lose their ability to sell 40% of their tobacco-related inventory, then these stores and retailers will be faced with having to continue to pay their rent and their employees with only a little more than half the income that they have traditionally earned from tobacco-related products. During these extremely difficult economic times, dramatically limiting what an industry can and cannot sell is a huge hindrance to businesses and completely counterproductive. New York City has seen a steep decline in tax revenue in the last couple of years, and passing this legislation will only exacerbate this continuing problem.

It is for these reasons that the Cigar Association of America wholeheartedly OPPOSES proposed City Council 433-A.

Respectfully submitted by,

The Cigar Association of America