

DAILY NEWS CLIPS

May 22, 2012

IL CIGARETTE TAX PICKS UP SUPPORT

By Mary Anne Meyers
Public News Service (IL)
May 22, 2012

Illinois lawmakers have less than two weeks in this session to do something about approximately \$8 billion in overdue bills. The Democrats and Governor Pat Quinn have proposed a dollar-a-pack hike in the cigarette tax to offset painful cuts. The idea seems to be picking up steam.

Late last week, Republican state comptroller Judy Barr Topinka announced that she would support the cigarette tax if it's combined with spending cuts, and the latest poll finds 74 percent of Illinoisans would support it as well.

Kathy Ryg, president of Voices for Illinois Children, has analyzed the numbers.

"There would be a \$50 million savings in Medicaid in the first year. That's a very sound policy and budget decision."

Ryg says the money brought in by the cigarette tax, when it's used for Medicaid, would be matched by federal dollars. Overall, the cigarette tax is expected to bring in around \$700 million.

Quinn is looking to cut \$2.7 billion from the Medicaid budget. If nothing is done, Medicaid bills are expected to hit \$21 billion in five years.

Ryg says state lawmakers need to think about the long-term effect of cuts. For example, she says, the Teen Reach program that keeps pupils busy after school has been cut in half over the last three years and if proposed cuts for next year are passed, thousands of young people who will be left out may wind up costing the state a whole lot more.

"Those programs cost an average of \$700 a youth per year. But if those kids engage in risky behavior and end up in the juvenile justice system, that cost is \$70,000 a year."

To opponents who that say raising taxes on cigarettes would only encourage smokers to buy cigarettes elsewhere, Ryg answers:

"But it's a very sound policy position, by reducing the number of Illinois kids who would become smokers, and the Illinois Medicaid costs for smoking-related costs."

The American Lung Association of Illinois says that smoking-related illnesses cost nearly \$2 billion a year. It estimates that a dollar-a-pack increase in the cigarette tax would result in more than 59,000 Illinois adults quitting and would discourage nearly 80,000 young people from ever starting.

In addition to the cigarette tax hike, Senate Democrats propose cutting 4 percent from most state agencies. Some Republican leaders say that's not enough.

Originally published here: <http://www.publicnewsservice.org/index.php?/content/article/26555-1>

THINK TANK OFFERS CONSERVATIVE PLAN TO CUT STATE'S MEDICAID BUDGET

By Greg Heinz
Chicago Business
May 21, 2012

A conservative/libertarian think tank today is laying out its own ideas about how to carve \$2.7 billion out of the state's Medicaid program, and the proposal underlines a developing big split among Illinois Republicans.

The Illinois Policy Institute says the state can begin to bring Medicaid into balance without cutting reimbursement rates for hospitals and without imposing a \$1-a-pack cigarette hike that Gov. Pat Quinn says would pull in \$700 million in new revenue.

The Illinois Hospital Association is one of the bigger-spending lobbying groups in Springfield, and has been in negotiations to whittle down the size of any cut that would come from its members. But the cigarette tax has begun to pull some backing from the other side of the aisle.

Late last week, for instance, Illinois Comptroller Judy Baar Topinka, a former state rep who can influence some votes, released a statement she could back a "compromise" that includes the cigarette hike.

But the institute is saying no — in no uncertain terms.

Instead of raising taxes and cutting rates that end up depriving the poor of service, the state needs to do things such as better manage drug prescriptions by using a pharmacy benefit manager and switching to more generics. That would save \$200 million, according to the institute.

The group also wants to better manage admissions, said to be worth \$350 million, and enforce eligibility before recipients get into the system rather than afterward, as it says Mr. Quinn wants to do, saving \$360 million a year.

Some of the ideas clearly make sense, such as better price transparency, worth \$185 million a year. But the \$350 million to be saved by shifting the ill from care facilities to home-based services would work only if those services actually exist and can be quickly expanded. Institute CEO John Tillman conceded that could take some time.

Why protect hospitals from a rate cut, given that some these days have lobbies that resemble the Taj Mahal?

"A central government determining what the proper price is is never good," Mr. Tillman replied. Far better to "use the market," he said.

And what about the risk of getting no plan at all if Mr. Quinn — a liberal Democrat who is making at least \$1.5 billion in real cuts — can't get some revenue from a relatively non-controversial tobacco tax?

"They haven't earned the right to ask for more from taxpayers," Mr. Tillman replied.

We'll see how it all plays out — and whether conservative groups really do come down on any GOP lawmaker who goes the other way.

Mr. Quinn is expected to unveil actual legislation sometime this week, in hopes of passing something before the General Assembly's scheduled May 31 adjournment.

Originally published here: <http://www.chicagobusiness.com/article/20120521/BLOGS02/120529974/think-tank-offers-conservative-plan-to-cut-states-medicaid-budget#ixzz1vbbABz9y>

FORUM: CIGARETTE TAX A LOGICAL USER FEE

Opinion by Kathy Drea, Vice President, Advocacy, American Lung Association in Illinois

PJStar.com (IL)

May 19, 2012

Re. Phil Luciano column of May 17, "Smoke, mirrors hide real objective"

Mr. Luciano starts off the article talking about "sin" taxes, including the cigarette tax. Cigarette taxes may have traditionally been viewed as a sin tax, but in reality they are something different. They are a user fee.

Cigarette users can and should be charged a fee to contribute to the Medicaid program, as they are the ones who will eventually be reaping the benefits of the program. Smoking-related illnesses cost Illinois' Medicaid program approximately \$1.8 billion every year. It only seems logical that the smokers themselves are charged a fee to subsidize their health care costs.

Mr. Luciano questions if a price increase will really encourage smokers to quit at the rate proponents claim, citing a study that claims low-income smokers are most likely to quit. Considering that the majority of smokers are of low income, the estimate of over 59,000 adults who will quit smoking as a result of the tax increase is scientifically founded.

With low-income individuals being the primary group accessing Medicaid services, it makes it that much more pressing that measures are taken to encourage this population to quit smoking.

Originally posted here: <http://www.pjstar.com/opinions/forum/x1347545796/Forum-Cigarette-tax-a-logical-user-fee>

JOHN R. SEFFRIN AND LANCE ARMSTRONG: GIVE BIG TOBACCO A KICK IN THE ASH AND SAVE LIVES

By John R. Seffrin, CEO, American Cancer Society Cancer Action Network and American Cancer Society, and Lance Armstrong

Daily News, Los Angeles

May 21, 2012

What could be more pressing than ending suffering and death from cancer -- a disease that kills 155 people every day in California?

A yes vote on Proposition 29 on June 5 to increase the tobacco tax by \$1 will save lives from cancer and other lethal diseases caused by tobacco, protect kids from the tobacco industry's predatory marketing, ease the enormous economic burden of tobacco use on the state and fund groundbreaking medical research on the leading killer diseases.

Yes on 29 is an opportunity to tell Big Tobacco that enough is enough. That we're tired of the industry's relentless assault on our children, our health and our economy. Proposition 29 was written by the state's leading public health groups - the American Cancer Society, American Heart Association and American Lung Association - to empower Californians to fight back against Big Tobacco's ongoing campaign of addiction and death. Proposition 29 will also help reverse tobacco's debilitating drag on California's economy, saving the state billions of dollars in health costs.

The tobacco industry spends every minute of every day surreptitiously recruiting new customers: our kids. During the past decade, Big Tobacco invested 10 times more on marketing its deadly products in California than the state spent on educating the public about its harmful effects. The tobacco industry spends more than \$650 million each year targeting our state with deceptive marketing designed to recruit their next generation of customers - and has already spent nearly \$40 million to distort the truth on Proposition 29.

The industry's efforts are devastatingly proficient: California's kids buy or smoke more than 78 million packs of cigarettes each year. Nearly 90 percent of the smokers in California started smoking before their 18th birthday.

Increasing the price of tobacco products is the most effective tool we have to safeguard kids in all communities from Big Tobacco's marketing. As tobacco becomes more expensive, the products are less appealing. Research shows that every 10 percent increase in the price of tobacco reduces youth smoking by 6.5 percent. A \$1 increase in the cost of cigarettes will result in 228,000 fewer California kids becoming addicted smokers - giving them a fighting chance against cancer and premature death.

The tobacco tax increase will help current smokers, too. Proposition 29 doubles funding for programs to help smokers quit. And when a state increases a tobacco tax, birth complications caused by smoking decline and tobacco-related illnesses and deaths diminish significantly. Bottom line:

Raising the price of tobacco products by \$1 will save more than 100,000 lives.

These tremendous health benefits won't just save lives; they'll also save California money. California's cigarette tax is currently 87 cents, but smoking costs the state more than \$15 for every pack sold. The annual health care expenditures in California directly caused by tobacco use total more than \$9 billion - including nearly \$3 billion

spent on smoking-related issues in Medicaid. That's money that could be invested back into the state's economy -- more important than ever in a time when California is facing economic challenges.

Overall, Proposition 29 could save the state more than \$80 million in health costs within five years and more than \$5 billion long-term as a result of the declines in adult and youth smoking.

A yes vote packs a one-two punch for saving lives - not only by reducing smoking but also by investing millions in cancer research. Passage of Proposition 29 will generate more than \$500 million annually as a new protected fund for medical research that can be spent only in California, at California facilities, supporting California researchers and patients.

Proposition 29 will guarantee a steady investment to support research in California at a time when federal funding for research has never been more threatened. That means researchers won't lose their funding or their jobs, potential breakthroughs in treatments won't languish in labs and access to clinical trials will continue or increase at cancer centers across the state. The investment will also create 12,000 new jobs and approximately \$1.9 billion of new economic activity in California.

California has some of the best cancer research facilities in the world.

Adequately funding them ensures patients in the state can access some of the most cutting-edge clinical trials available, right in their backyards -- which means they have more time to spend at home and more time to spend getting well.

Big Tobacco is doing all it can to distract Californians from the truth: that tobacco is the only legal product that kills when used as directed.

The choice is clear. Yes on Proposition 29 isn't just a good idea to stem the tide of the tobacco pandemic in California, it's a necessity.

Yes on 29 saves lives, protects kids, boosts the state economy and invests in cancer research that will directly benefit Californians today and for generations to come. We are confident that voters will make the right choice on June 5.

Originally published here: http://www.dailynews.com/opinions/ci_20649924/john-r-seffrin-and-lance-armstrong-give-big

BLOOMBERG WANDERS INTO INITIATIVE CASABLANCA

Opinion by Joe Matthews, Senior Fellow at New America Foundation

NBC San Diego

May 21, 2012

Of all the broken budget systems in all the towns in all the world, he walks into mine.

New York Mayor Michael Bloomberg isn't Ingrid Bergman, the woman who wandered from Humphrey Bogart's past who walked into his bar in Casablanca. But here he is anyway, wading into California's budget nightmare.

Of course, that's certainly not the way Bloomberg thinks of his \$500,000 donation to the Yes campaign in favor of Prop 29, a June ballot initiative to raise cigarette taxes to fund a host of new programs and trust devoted to cancer research.

As a political matter, this is helpful to Yes on 29, which is being badly outspent by tobacco companies funding the no side of the campaign.

That seems like a good cause, but, as documented previously at Prop Zero, this sort of ballot-box budget is part of what California's budget so difficult to manage, and the state so difficult to govern.

So even when you get behind a ballot initiative that supports a good cause in California, you may be making long-term budget trouble.

Bloomberg is also giving money to a campaign that is taking potential tax dollars off the table that might later be available to fund the state's broader needs.

So it's good to see you, Mike, and California appreciates your generosity. But maybe you really better get on that plane.

Originally published here: <http://www.nbcsandiego.com/blogs/prop-zero/Michael-Bloomberg-Prop-29-Ballot-Initiative-Donation-151824635.html>

VIEWPOINTS: PROP. 29: PLAN TO RAISE MILLIONS IS LATEST BALLOT-BOX BUDGETING BOONDOGGLE

By Michael C. Genest, former director, California Department of Finance
Sacramento Bee (CA)

Winston Churchill once said, "Democracy is the worst form of government except all the others that have been tried."

When I was director of Finance, trying to get the state's budget into balance and running up against roadblocks in the Legislature, I had a similar view of our legislative process.

Thus, I cannot argue that the state should never raise tobacco taxes. Even though I'm a Republican, I recognize that revenue increases of various kinds may have to be part of any long-term solution to our chronic budget woes. But, I must say – to some astonishment – that Proposition 29 would impose a very large increase in tobacco taxes and use it all to create yet another unaccountable, out-of-control bureaucracy. Especially now, we need to scale back the bureaucracies we have – not create more.

As we await yet another, probably phony, probably flawed solution to our chronic structural budget deficits, I would understand any group of citizens wanting to take matters into their own hands and force solutions onto the Legislature.

But Proposition 29 will not help our budget. And in considering this measure, we voters should all take a step back and remember how our good intentions have gone awry in the past. Proposition 29, the poorly drafted

\$735 million annual tax-and-spend mandate on the June ballot, has the same all-too-familiar problems as three of our past misguided forays into ballot-box budgeting:

- *High-speed rail/Proposition 1A*: Voters said yes to funding this project in 2008, but after years of poor management, multimillion-dollar contracts for public relations and lobbying firms, and conflicts of interest, voters now want to scrap this \$68 billion "Train to Nowhere."
- *First Five/Proposition 10*: These commissions were supposed to support early childhood programs, but spent some of the billions in tobacco tax funding on a \$50,000 salmon statue and a huge political campaign run by its then-chairman – all while failing to exercise appropriate oversight and control. According to news reports, a recent audit of a county First Five commission found that it was "over-staffed, while under-spending on programs for children," and a local supervisor criticized the agency for "sitting on over \$800 million ... some of it for no apparent reason."
- *Stem Cell Institute/Proposition 71*: The institute paid its taxpayer-funded president an unprecedented half-million-dollar salary, while failing to deliver the results voters anticipated and expected.

When I took a close look at Proposition 29 for the "No on 29" committee, I found that it shares many of the flaws that corrupted the good intentions of these other measures. Its structure lacks the oversight and accountability necessary to prevent similar kinds of waste, fraud and abuse that those measures allowed. In the end, we are a representative democracy, and we need to be able to hold the governor, the Legislature and all public institutions accountable when things go wrong, even when they go wrong with the best of intentions.

Proposition 29 prevents that. It gives a new, unelected bureaucracy unsupervised power to spend nearly a billion dollars a year. It explicitly prevents the Legislature from intervening if problems arise by "continuously appropriating" the funds so that the Legislature has no say in how they are spent and absolutely prohibiting it from making any changes to the way the new bureaucracy is organized or operated for 15 years. Even after the 15 years are up, the Legislature could only make changes requested by the bureaucrats.

Like most Californians, I would like to see the Legislature execute more oversight and give us citizens greater confidence that government is being run effectively and efficiently. But the solution to their shortcomings is certainly not to try a form of government in which unelected political appointees get to run wild and unsupervised – which is exactly what Proposition 29 does.

Vote no on Proposition 29.

Originally published here: <http://www.sacbee.com/2012/05/12/4484676/viewpoints-prop-29-plan-to-raise.html>

GROUP POURS \$108,000 INTO ATTORNEY GENERAL RACE FOR FOX

By Sanjay Talwani

Independent Record (MT)

May 22, 2012

A Washington, D.C.-area group that spent more than \$30 million during the 2010 elections has spent more than \$100,000 in support of Montana Attorney General candidate Tim Fox in his primary contest against state Sen. Jim Shockley.

“They got more money in this than I’ve got,” said Shockley, who said he’s raised about \$95,000, including \$50,000 of his own money. “It’s real interesting that I’ve aggravated out-of-state people enough that they’d want to be involved.”

The group, Republican State Leadership Committee Inc., based in Alexandria, Va., has spent \$108,217 as an “incidental committee,” according to a filing late Friday with the Montana Commissioner of Political Practices. The filing doesn’t specify which race or candidate the spending involves, but Shockley said he heard a radio ad for Fox, complete with the payer identified, between segments of an interview with him on the Northern Ag Network.

“This is out-of-state money,” Shockley told the listening audience after the commercial.

He said that in his 20 years in Montana politics, he’d never heard of such a large out-of-state expenditure on a down-ballot primary election.

The group spent about \$30,000 on radio ad placement and production, and the rest on mailers by Creative Direct, a company based in Richmond, Va.

The group said in the disclosure that it used funds from tobacco giant Altria Client Service Inc., Walgreens, Yahoo! Inc., PhARMA (the Pharmaceutical Research and Manufacturers of America, a large trade association), Endo Pharmaceuticals Inc. and Washington lobbying firm Akin, Gump, Strauss, Hauer and Feld.

Coordination between such groups and local candidates is prohibited.

“Tim is focused on the issues important to Montanans, and while he has no control over what outside independent groups of either political party are doing in the campaign, he is grateful for the thousands of Montanans who are supporting his candidacy to be Montana’s next attorney general,” Fox’s campaign said in a statement. “Tim will continue to work hard and spread his message of protecting our individual freedoms by standing up to the federal government on issues like Obamacare, fighting for Montana job creation through the responsible development of our natural resources, and protecting our children by cracking down on sex offenders.”

On its website, RSLC claims to be “the largest caucus of Republican state leaders and the only national organization whose mission is to elect down-ballot, state-level Republican office-holders.”

According to the nonpartisan Center for Responsive Politics, which compiles Federal Election Commission data, the group has already raised more than \$15 million in the 2012 election cycle nationwide and spent nearly \$12 million.

It’s top donors so far this cycle are Blue Cross/Blue Shield, tobacco giant Reynolds American, American Justice Partnership (a group touting free enterprise and “legal reform”), the U.S. Chamber of Commerce and Altria.

RSLC did not return a telephone call seeking comment Monday.

Originally published here: http://helenair.com/news/local/govt-and-politics/group-pours-into-attorney-general-race-for-fox/article_6acd7fd2-a3d5-11e1-a288-001a4bcf887a.html

ARE YOU SAFE ON THAT SOFA?

Opinion by Nicholas D. Kristof

New York Times

May 21, 2012

If you want a case study of everything that is wrong with money politics, this is it.

Chances are that if you're sitting on a couch right now, it contains flame retardants. This will probably do no good if your house catches fire - although it may release toxic smoke. There is growing concern that the chemicals are hazardous, with evidence mounting of links to cancer, fetal impairment and reproductive problems.

For years, I've written about this type of chemical, endocrine disruptors, but The Chicago Tribune has just published a devastating investigative series called "Playing With Fire" that breaks vast new ground. It is superb journalism.

It turns out that our furniture first became full of flame retardants because of the tobacco industry, according to internal cigarette company documents examined by The Tribune. A generation ago, tobacco companies were facing growing pressure to produce fire-safe cigarettes, because so many house fires started with smoldering cigarettes. So tobacco companies mounted a surreptitious campaign for flame retardant furniture, rather than safe cigarettes, as the best way to reduce house fires.

The documents show that cigarette lobbyists secretly organized the National Association of State Fire Marshals and then guided its agenda so that it pushed for flame retardants in furniture. The fire marshals seem to have been well intentioned, but utterly manipulated.

An advocacy group called Citizens for Fire Safety later pushed for laws requiring fire retardants in furniture. It describes itself as "a coalition of fire professionals, educators, community activists, burn centers, doctors, fire departments and industry leaders."

But Citizens for Fire Safety has only three members, which also happen to be the three major companies that manufacture flame retardants: Albemarle Corp., ICL Industrial Products and Chemtura Corp.

Citizens for Fire Safety paid a prominent Seattle physician, Dr. David Heimbach, who testified in some states in favor of flame retardants. Heimbach, the former president of the American Burn Association, told lawmakers stories of children who had burned to death on cushioning that lacked flame retardants.

According to The Tribune, Heimbach made these stories up. Heimbach told me that the stories were real, with details changed to protect the survivors' privacy. He said he testified for flame retardants because he believed in them, not because of money he received.

The problem with flame retardants is that they migrate into dust that is ingested, particularly by children playing on the floor. R. Thomas Zoeller, a biologist at the University of Massachusetts, told me that while there have been many studies on animals, there is still uncertainty about the impact of flame retardants on humans. But he said that some retardants were very similar to banned PCBs, which have been linked to everything from lower IQ to diabetes, and that it was reasonable to expect certain flame retardants to have similar consequences.

"Despite all that we have learned about PCBs, we are making the same mistakes with flame retardants," he said.

Linda Birnbaum, the top toxicologist at the National Institutes of Health, put it to me this way: "If flame retardants really provided fire safety, there would be reason for them in certain circumstances, like on an airplane. But there's growing evidence that they don't provide safety and may increase harm."

Arlene Blum, a chemist at the University of California, Berkeley, told me, "For pregnant women, they can alter brain development in the fetus." Her research decades ago led to the removal of a flame retardant, chlorinated Tris, from children's pajamas. But chlorinated Tris is still used in couches and nursing pillows (without any warning labels).

The European Union has banned one common flame retardant, Deca BDE, and has generally been more willing to regulate endocrine disruptors than the United States. Why the difference?

"The money is jingling," notes Sen. Frank Lautenberg, D-N.J. Lautenberg has introduced legislation, the Safe Chemicals Act, that would tighten controls - but it has gotten nowhere.

It's not easy for a democracy to regulate technical products like endocrine disruptors that may offer great benefits as well as complex risks, especially when the hazards remain uncertain. A generation ago, Big Tobacco played the system like a violin, and now Big Chem is doing the same thing.

This campaign season, you'll hear fervent denunciations of "burdensome government regulation." When you do, think of the other side of the story: your home is filled with toxic flame retardants that serve no higher purpose than enriching three companies. The lesson is that we need not only safer couches but also a political system less distorted by toxic money.

Originally published here: <http://www.jsonline.com/news/opinion/are-you-safe-on-that-sofa-hd5frh7-152346075.html>

NEW FROM ALTRIA: A NICOTINE LOZENGE

By Mike Esterl
Wall Street Journal
May 22, 2012

U.S. tobacco giant Altria Group Inc. MO +0.02% is moving into uncharted territory: the tobacco-less nicotine product.

The maker of Marlboro will launch a nondissolving, lozenge-shaped nicotine disc called Verve in coming days, the latest foray by Big Tobacco into experimental smokeless products amid falling sales for traditional cigarettes.

Unlike the smokeless products sold by Altria and its chief U.S. tobacco rival, Reynolds American Inc., RAI -0.24% Verve won't contain tobacco. Instead, the chewable, mint-flavored disc will provide nicotine extracted from tobacco.

This is a crucial distinction. Richmond, Va.-based Altria is betting that approach will permit it to market the product with milder health-warning labels than those affixed to cigarettes and smokeless tobacco.

Nicotine is addictive and has been tied to cardiovascular problems, high blood pressure and diabetes. But unlike tobacco, it hasn't been linked to cancer.

Government-mandated labels on mainstream smokeless tobacco products such as moist snuff and chewing tobacco highlight the risks of cancer, tooth decay and gum disease, warning consumers, "This is not a safe alternative to cigarettes."

Altria plans to begin selling Verve in more than 50 stores in Virginia by early June, but it hasn't decided whether to roll out the product nationally.

Smokeless products represent less than one-tenth of tobacco-industry sales, but they are an increasingly important battleground. The smokeless category is growing at about 7% annually, while U.S. cigarette volume has been contracting at roughly 4% a year.

Altria, the largest U.S. tobacco company by sales, already boasts a roughly 55% share of the smokeless-product market based on its Copenhagen and Skoal moist snuff brands.

Reynolds, the maker of Camel cigarettes and Grizzly moist snuff, controls about a third of the country's smokeless market.

Smokeless product makers are hunting for the next big thing because snuff is messy, requiring users to spit out loose tobacco after placing it between their cheek and gums.

In recent years, big tobacco companies have marketed alternative smokeless products such as snus, a spit-less tobacco pouch, and dissolvable tobacco "sticks," "strips" and "orbs" that also don't require spitting.

Lorillard Inc., LO -0.11% the maker of Newport cigarettes and the third-largest U.S. tobacco company, said last month that it will acquire electronic cigarette company Blu ECigs. E-cigarettes, a growing niche product, turn nicotine-laced liquid into vapor.

"I don't think anyone's found the magic smoke-free product," said John R. Nelson, Altria's chief technology officer.

A Verve disc, which resembles a cough drop, releases nicotine over roughly 15 minutes as a user sucks or chews on it. It doesn't require spitting to avoid swallowing tobacco. But the disc of cellulose fibers and a polymer also doesn't dissolve, so users will have to throw it away after use.

The new product will be sold in a package of 16 discs, each containing about 1.5 milligrams of nicotine, less than many other smokeless products contain. It will sell for about \$3 in stores in Virginia, where a pack of 20 Marlboro cigarettes retails for around \$4.50. The product will be sold to adults only.

Altria is rolling Verve out as the U.S. Food and Drug Administration is trying to slap larger, more graphic warning labels on cigarettes, including an image of a person smoking through a hole in the neck. A federal judge recently put those plans on hold after some cigarette companies sued the FDA, arguing the labels went too far.

Altria says it has shared its new product plans with the FDA. The government agency confirmed it had been contacted by Altria but declined to comment on how it might regulate such a product.

The new product in some ways resembles gum and lozenges that contain nicotine but no tobacco and are sold by pharmaceutical companies to help wean smokers off cigarettes. But such pharmaceutical aids, also called nicotine-replacement therapies, are meant to be used for only a few months.

Matthew Myers, president of Campaign for Tobacco-Free Kids, an anti-smoking group, said the health impact from long-term use of nicotine isn't known.

Altria will include a warning label on the new product, telling consumers that nicotine can increase "heart rate, blood pressure and aggravate diabetes."

The label will also warn nicotine "can harm your baby if you are pregnant or nursing" and "cause dizziness, nausea and stomach pain."

Originally published here:

<http://online.wsj.com/article/SB10001424052702304019404577418651103755194.html>