

NPR note: David Howard, Sr. Director – Communications, Reynolds American Services Company provided this statement to reporter Alexander Smith on October 27, 2016.

**

RAI and its operating companies have traditionally opposed additional increases in tobacco excise taxes because they burden adult tobacco consumers and are harmful to our business. These regressive taxes have negative, unintended consequences, such as escalating the amount of illicit tobacco trade and other illegal activity. However, after reviewing the measures on the ballot this year in Missouri, and prior such proposals made in the state, and considering all the factors involved, we did decide for the very first time to support a cigarette tax increase. We believe Amendment 3 is both fair to our consumers and clearly in the best interests of the people of Missouri.

Amendment 3 provides long overdue funding for early childhood education. Missouri ranks near the bottom in the country in providing for state-funded Pre-K. Amendment 3 will close that gap, and as a result thousands of Missouri children will finally have the opportunity to attend Pre-K, which studies have consistently shown helps lead to better academic, and professional, outcomes. Early childhood education, by leading to better student outcomes, can help strengthen Missouri's economy by creating a more prepared and ready workforce.

In addition to our interest in that component of the Amendment, we are also a company that is devoted to accelerating the decline in youth tobacco use, and we are pleased that a portion of the funds gained through Amendment 3 will be put toward youth tobacco prevention. Amendment 3 will also fund efforts to reduce smoking rates among pregnant women in the state.

You can learn more about our commitment to youth tobacco prevention by visiting our web site at: <http://sustainability.reynoldsamerican.com/youth-tobacco-prevention>. You can also learn more about our free, evidence-based youth tobacco prevention program, Right Decisions Right Now, by visiting the web site at: <http://www.rightdecisionsrightnow.com/>. Right Decisions Right Now is an educational program designed to prevent young people in grades 5 - 9 from using tobacco in any form, including cigarettes and smokeless tobacco.

I would also encourage to learn more about how Reynolds American and its operating companies are leading the transformation of the tobacco industry by visiting <http://www.reynoldsamerican.com/Transforming-Tobacco/default.aspx>