AN INADEQUATE PLAN

HEALTH CANADA'S PROPOSED TOBACCO COST RECOVERY FRAMEWORK IS NOT SUPPORTABLE AT THIS TIME.

SUBMISSION IN RESPONSE TO THE CONSULTATION "PROPOSED TOBACCO COST RECOVERY FRAMEWORK."

OCTOBER 2024

Physicians *for a* Smoke-Free Canada

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Physicians for a Smoke-Free Canada does not support the cost-recovery framework as currently described by Health Canada in the document "Proposed Tobacco Cost Recovery Framework" published on August 1, 2024.

The three main reasons we do not support this approach are as follows:

1. The suggested framework for cost recovery is not designed to improve upon, to expand or to ensure the sustainability of the tobacco control activities of the federal government.
2. Because this approach will impose administrative tasks on the tobacco-control directorate within Health Canada without providing additional resources, it risks the reallocation of effort away from health-oriented activities.
3. The inefficiency of this cost-recovery system is exacerbated by the decision to restrict the recovery of costs to expenses aligned with the archaic and narrow legislative purpose of the *Tobacco and Vaping Products Act*.

This and other concerns concerns with the approach were outlined in an analysis published on our Blog site on August 3rd (Appendix 1) and communicated to departmental officials at that time. Our recommendations for short-term legislative adjustments which would address many of these concerns were provided in a post circulated to officials on September 5, 2024 (Appendix 2).

We recommend that the department adopt the following guiding principles when revamping the proposed framework:

- The cost recovery framework should strengthen the capacity of the federal government to deliver a sustained, effective and adequately resourced tobacco control program and to contribute to a national effort to improve the health status of Canadians.
- The amounts recovered should be proportional to the costs to all federal departments and agencies which result from the business activities of tobacco manufacturers
- The administration of the cost recovery mechanism should be no less efficient than alternative methods available, such as a dedicated excise tax or a surtax on corporate earnings.

Appendix 1: PSC Blog Post August 3, 2024

Physicians for a Smoke-Free Canada

Saturday 3 August 2024

Health Canada's Tobacco Cost Recovery Fee: no new money, but more administration

This week Health Canada formally articulated how it intends to collect and spend the tobacco cost-recovery fee which was mandated by the Prime Ministers office some 31 months ago. The details are provided in the Consultation document: Proposed tobacco cost recovery framework, with public comments being invited until October 10th.

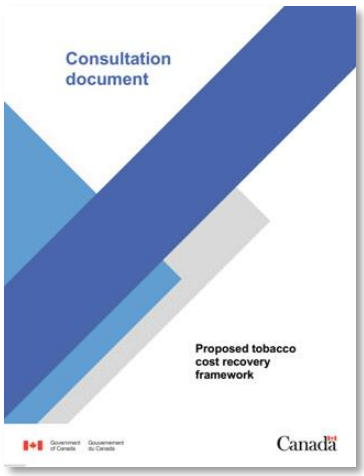
This document confirms that Health Canada's budget for tobacco control **will not increase** as a result of tobacco companies being charged for a sub-set of its tobacco control activities.

What will significantly increase is the administrative burden on the tobacco control directorate. Some staff will be redirected from health-oriented activities to financial administration.

This post identifies eight concerns about the proposed framework. A subsequent post will suggest ways to overcome some of these challenges.

Health Canada's proposal in brief:

As described in the consultation document, the federal government proposes that:



1. The budget for Canada's Tobacco Strategy will be continued at the levels set in 2018, with $66.2 million allocated to cover the activities of the six federal departments involved. There has been no inflationary increase and none is forecast, meaning the budget is worth 17% less than when set in 2018 and continues to devalue.

2. Three of the departments involved (Health Canada, Public Health Agency and Indigenous Services) will monitor how much they spend in a given fiscal year on eligible expenses. Eligible expenses are for activities (a) connected to conventional tobacco products and (b) related to the purpose of the Tobacco and Vaping Products Act.

4. Health Canada will require tobacco manufacturers to provide a statement at the end of each April saying how much revenue they received from sales in Canada in the previous fiscal period (April 1 to March 31).

5. On October 1st of each year, Health Canada will issue an invoice to each manufacturer (unless their market share is under 0.001%). The amount of each company's invoice will be the total eligible expenses times that company's share of tobacco revenues. The companies will be given one month to submit payment.

6. The costs of administering this program will be taken from the existing tobacco control budget.

Concern #1: The cost-recovery fee will recover only a fraction of the federal costs related to tobacco industry products

The cost-recovery fee will apply only to activities which are related to the use of traditional tobacco products and which are carried out by Health Canada, the Public Health Agency and Indigenous Services Canada. The current tobacco-control budget for those three agencies is $55.3 million - but much less than that will be recoverable.

Even though the youth vaping and pouch-use crisis is arguably the most pressing issue facing the health department and even though tobacco companies contribute largely to this problem, none of the federal costs for nicotine use outside of conventional tobacco will be charged to the companies.

The activities of half of the federal departments involved will not be included in the program. These represent 15% of the budget for Canada's Tobacco Strategy. Similarly, federal costs by other departments which do not participate in the strategy will not be recovered. Examples of such activities include developing strategies to address plastic filter waste, managing smoking in federally-regulated workplaces, or addressing the tobacco-related health costs of prisoners, the military, etc.

Concern #2: The objectives of the Tobacco and Vaping Product Act are so narrow that the department will face challenges in assessing fees for many activities.

There are further restrictions in applying the fee to federal activities related to traditional tobacco products. As stipulated in the law that permits the fee, the department can only use the fee to recoup "*costs incurred by His Majesty in right of Canada in relation to the carrying out of the purpose of this [Tobacco and Vaping Products] Act, including regulations.*"

The purpose of the Tobacco and Vaping Products Act (TVPA) is narrow and arguably antiquated. This section of the law was drafted in the mid 1980s as part of the Canada's first efforts to impose regulatory controls on the industry and at a time when the priorities and challenges were very different than today.

The law is silent about encouraging cessation, preventing addiction, protecting people from second-hand smoke, or reducing environmental and economic harm caused by this industry.

The TVPA has 4 specific objectives with respect to tobacco:

- *"To protect young persons and others from inducements to use tobacco products and the consequent dependence on them"*
- *To protect the health of young persons by restricting access to tobacco products*

- *To prevent the public from being deceived or misled with respect to the health hazards of using tobacco products*
- *To enhance public awareness of the health hazards of using tobacco products."*

Health Canada recognizes this limitation in the Consultation document, and provides a list of the costs which it considers can and cannot be recovered.

However, many of the activities which the department says will be eligible are unlikely to be recovered without a fight from the companies. These are the activities which go beyond the explicit purpose of the Act and regulations - such as *"resources to help people quit smoking"* and providing *"access to less harmful sources of nicotine."*

Given this industry's litigious past, such disputes are likely to land in court. The department's chariness about defending its policies in court will put pressure on staff to use a much narrower scope when recovering the costs than it is proposing in this consultation paper.

Concern #3: This framework creates an incentive for the department to de-fund non-eligible activities

Cost-cutting exercises are common place in Ottawa, especially following changes in governments. The proposed tobacco cost recovery framework provides a mechanism for ongoing reimbursement, but does not insure public health from decisions to 'de-prioritize' tobacco control. (The approaches used in other countries are better for this purpose, as discussed below).

The limitations on which activities can be covered, combined with pressure to avoid disputes over eligible costs will create an incentive for departmental planners to focus expenditures on activities tightly aligned with the TVPA.

The following hypothetical scenario describes this potential vulnerability: Health Canada focuses half its tobacco control activities on activities eligible for reimbursement, and recoups $23 million annually from tobacco companies. A government decision to cut programming costs by 15% across the board prompts the deputy minister to instruct that 80% of the work be on reimbursable activities in order that $13 million in departmental funding can be saved. Programs directed at researching and regulating vaping products are disproportionately cut.

Concern #4: The framework imposes a significant administrative burden

The design of this cost recovery fee requires the department to calculate how much it spends on eligible activities before requesting reimbursement from manufacturers.

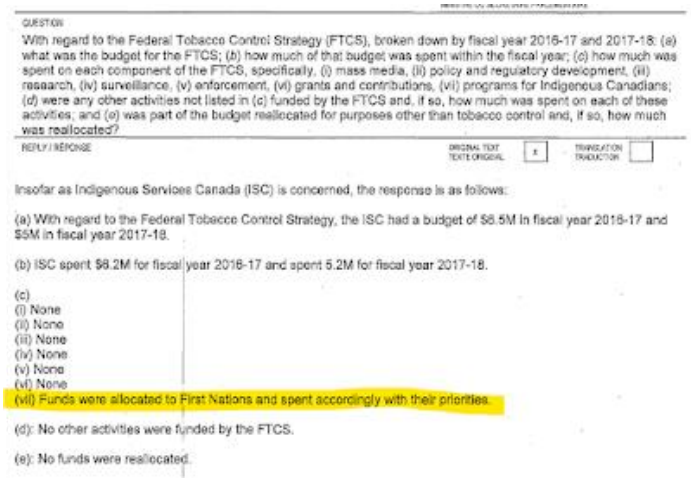
Because only a subset of current activities are eligible, cost-accounting will be required to establish the eligible tobacco-share of all costs. This will impose a significant new burden on staff, and establishing criteria for eligibility will be a major management undertaking.

All of this will have to be done at an auditable standard. As the Consultation Document makes clear, the regulatory fee comes with requirements for transparency in recording costs. *"There are also a number of legislative and government policy requirements to ensure proper accountability and transparency when fees and charges are introduced through ministerial regulations."*

Concern #5: The transparency required by this framework may not be achievable for Indigenous Services, which will reduce the amount that can be recovered

Fifteen percent of the funds for Canada's Tobacco Strategy are transferred by Indigenous Services Canada to First Nations agencies. To date, that department has elected to not make the details of how --- or indeed if -- the money provided for tobacco control is spent as intended.

When asked by parliamentarians for details on components of tobacco control funding, for example, Indigenous Services Canada has dodged giving any specific information and has instead said only that it was used "according to the priorities" of the recipient communities. (An example of such a response can be seen here and is pictured below).



QUESTION

With regard to the Federal Tobacco Control Strategy (FTCS), broken down by fiscal year 2016-17 and 2017-18: (a) what was the budget for the FTCS; (b) how much of that budget was spent within the fiscal year; (c) how much was spent on each component of the FTCS, specifically, (i) mass media, (ii) policy and regulatory development, (iii) research, (iv) surveillance, (v) enforcement, (vi) grants and contributions, (vii) programs for Indigenous Canadians; (d) were any other activities not listed in (c) funded by the FTCS and, if so, how much was spent on each of these activities; and (e) was part of the budget reallocated for purposes other than tobacco control and, if so, how much was reallocated?

REPLY / RÉPONSE

ORIGINAL TEXT / TEXTE ORIGINAL: x

TRANSLATION / TRADUCTION:

Insofar as Indigenous Services Canada (ISC) is concerned, the response is as follows:

(a) With regard to the Federal Tobacco Control Strategy, the ISC had a budget of $8.5M in fiscal year 2016-17 and $5M in fiscal year 2017-18.

(b) ISC spent $8.2M for fiscal year 2016-17 and spent 5.2M for fiscal year 2017-18.

(c)
(i) None
(ii) None
(iii) None
(iv) None
(v) None
(vi) None
(vii) Funds were allocated to First Nations and spent accordingly with their priorities.

(d): No other activities were funded by the FTCS.

(e): No funds were reallocated.

There is little incentive for Indigenous Services Canada to force the issue with recipient agencies. Transparency is required to recover the costs, but cost recovery is not required for the department to receive its share of the CTS allocation. How Health Canada will address this issue is not spelled out in the Consultation Document.

Concern #6: This framework does not borrow from good examples in other countries.

Health Canada has taken a different approach than that in the United States, France or other countries which have implemented regulatory fees on tobacco companies. These countries do not bill the industry for past expenses, but instead impose an up-front contribution based on sales revenue. This has had the effect of increasing their resources and expanding their range of activities.

United States: Since 2009, U.S. law has imposed a user fee on tobacco product manufacturers which is provided to the Food and Drug Authority for use at its discretion. Current revenues are USD $712 million (equivalent to CAD $985 million). No fee is imposed on the manufacturers of e-cigarettes.

The FDA currently invests these fees in a wide range of activities, including in campaigns aimed at discouraging youth vaping. If Canada adopted the U.S. approach, it could engage in additional work to reduce the onset of nicotine use as well as increasing cessation.

France: Since 2016, France has demanded a "social contribution" from tobacco companies, originally assessed at 5.6% of the wholesale revenues and providing about 120 million euros per year. The revenue was assigned to a new tobacco control fund, whose purpose was later expanded to include all addictions. (Fonds de lutte contre les addictions). The funds are used to support a wide range of activities managed by government and non-government agencies.

Unlike Canada, France chose to use a cost recovery system to expand the resources available. Instead of restricting activities to those by national government, it divides resources among regions and has appointed stakeholders to the oversight board which allocates funds.

Concern # 7: More efficient ways to recover costs are available

Unless the constraints identified above are addressed, the approach proposed by Health Canada is unlikely to generate more than $25 million in revenues. This estimate is calculated as the departmental tobacco control budget less 45% for expenses on vaping-related activities or other ineligible expenses.

While it is not possible at this point to quantify the cost of administering the cost recovery fee, it is likely to be non-trivial. Estimating the cost base, allocating the charge across different manufacturers, providing transparency about the process and defending the system in courts will take time and money. This time and money will be provided from the existing budget for federal tobacco control, which will impact other activities of the branch.

Other frameworks for cost recovery are available, including options which generate more money with fewer strings and less administrative overhead.

Concern # 8: The recovery fee does not reflect the industry's capacity to pay

The amount being proposed for recovery is less than a rounding error on any of these companies budgets. Because the companies are currently sheltered by insolvency protection, they have been required to provide semi-annual financial statements. From these, we know that a typical annual net revenue of the three large companies is about 2 billion per year.

The smallest of the three companies (JTI-Macdonald, whose revenues are about 17% of the industry total) reports that it spends $150 million a year on promotional activities. (Monitor's Report, page 12). Based on its recent revenue share, its contribution to a $30 million annual regulatory fee would only be $5 million.

Appendix 1: PSC Blog Post September 5, 2024

Thursday 5 September 2024

Health Canada needs a new legislated purpose for tobacco

This post discusses the increasing importance of amending the *Tobacco and Vaping Products Act* to give Health Canada a broader scope for action and clearer instructions from Parliament. This reflection is prompted by two actions recently taken by Health Canada.

The first of these was the release of the department's proposed framework for cost recovery from tobacco companies. As reported here earlier, the department's capacity to apply the polluter pay principle to this industry is severely limited by the narrowly-constructed purpose of the current law. Only those costs which are linked to the legislative objectives of the Tobacco and Vaping Products Act (TVPA) can be claimed from the industry.

The second action was the Ministerial Order made public and formally published in August which set specific rules for the marketing and distribution of nicotine pouches regulated under the *Food and Drugs Act (FDA).* The order is a reminder that as tobacco companies morph into other product categories, health authorities need flexible and wrap-around powers to manage this transformation. The 'belt' of this Ministerial Order would be more secure if the department had the 'suspenders' of integrating the use of these products in its tobacco strategy.

The TVPA's purpose is well past its best before date

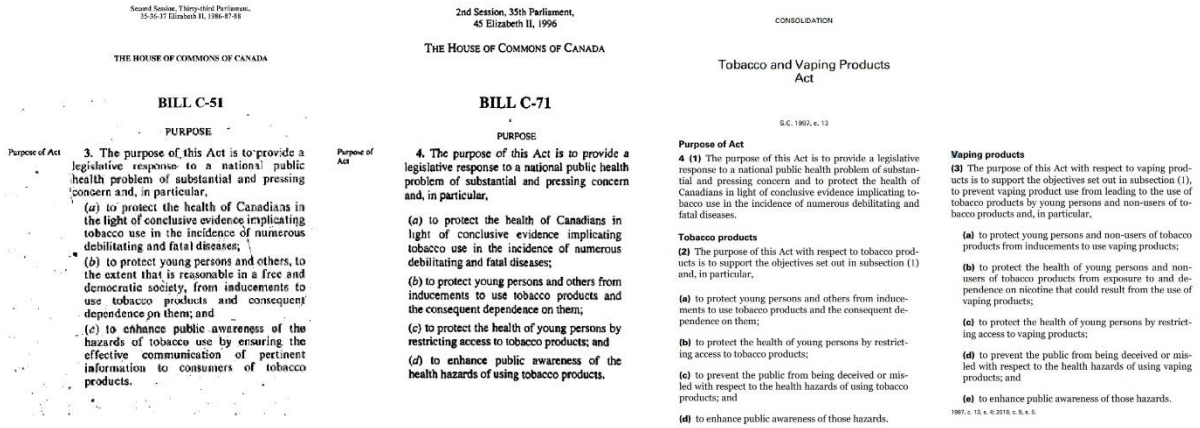
The TVPA's purpose was conceived in the 1980s and reflects the priorities and limitations of that era. Despite two major legislative overhauls, the intent and purpose of the federal tobacco law has not substantially changed in almost 40 years.

The evolution in the purpose of the Tobacco Products Control Act (1988), the Tobacco Act (1997) and the Tobacco and Vaping Products Act (2018) is shown below and can be downloaded here. The articulated purpose is limited to (a) preventing people from starting to use vaping or tobacco products and (b) providing information and countering disinformation on health risks of vaping or using tobacco products.

The tobacco industry has gone through substantial re-invention since that mandate was conceptualized, and Canadian support for stronger laws has steadily grown. Nonetheless, Parliament has not returned to its vision of how to manage tobacco and has yet to give Health Canada stronger powers and clearer directions on how to manage the problems caused by this industry.

The current law does not authorize Health Canada to adopt strategies to end tobacco use -- or even to promote smoking cessation. It sets no goals to reduce the number of people who smoke, or to reduce the injuries caused by these products. The vagueness of this legislated mandate is reflected in the minimalist documentation for

"Canada's Tobacco Strategy". The narrowness of the legislative mandate means that Health Canada will have difficulty demanding that the industry pay for many of the costs that it causes.



Second Session, Thirty-third Parliament,
35-36-37 Elizabeth II, 1986-87-88

THE HOUSE OF COMMONS OF CANADA

BILL C-51

PURPOSE

Purpose of Act

3. The purpose of this Act is to provide a legislative response to a national public health problem of substantial and pressing concern and, in particular,

(*a*) to protect the health of Canadians in the light of conclusive evidence implicating tobacco use in the incidence of numerous debilitating and fatal diseases;

(*b*) to protect young persons and others, to the extent that is reasonable in a free and democratic society, from inducements to use tobacco products and consequent dependence on them; and

(*c*) to enhance public awareness of the hazards of tobacco use by ensuring the effective communication of pertinent information to consumers of tobacco products.

2nd Session, 35th Parliament,
45 Elizabeth II, 1996

THE HOUSE OF COMMONS OF CANADA

BILL C-71

PURPOSE

Purpose of Act

4. The purpose of this Act is to provide a legislative response to a national public health problem of substantial and pressing concern and, in particular,

(*a*) to protect the health of Canadians in light of conclusive evidence implicating tobacco use in the incidence of numerous debilitating and fatal diseases;

(*b*) to protect young persons and others from inducements to use tobacco products and the consequent dependence on them;

(*c*) to protect the health of young persons by restricting access to tobacco products; and

(*d*) to enhance public awareness of the health hazards of using tobacco products.

CONSOLIDATION

Tobacco and Vaping Products Act

S.C. 1997, c. 13

Purpose of Act

4 (1) The purpose of this Act is to provide a legislative response to a national public health problem of substantial and pressing concern and to protect the health of Canadians in light of conclusive evidence implicating tobacco use in the incidence of numerous debilitating and fatal diseases.

Tobacco products

(2) The purpose of this Act with respect to tobacco products is to support the objectives set out in subsection (1) and, in particular,

(a) to protect young persons and others from inducements to use tobacco products and the consequent dependence on them;

(b) to protect the health of young persons by restricting access to tobacco products;

(c) to prevent the public from being deceived or misled with respect to the health hazards of using tobacco products; and

(d) to enhance public awareness of those hazards.

Vaping products

(3) The purpose of this Act with respect to vaping products is to support the objectives set out in subsection (1), to prevent vaping product use from leading to the use of tobacco products by young persons and non-users of tobacco products and, in particular,

(a) to protect young persons and non-users of tobacco products from inducements to use vaping products;

(b) to protect the health of young persons and non-users of tobacco products from exposure to and dependence on nicotine that could result from the use of vaping products;

(c) to protect the health of young persons by restricting access to vaping products;

(d) to prevent the public from being deceived or misled with respect to the health hazards of using vaping products; and

(e) to enhance public awareness of those hazards.

1997, c. 13, s. 4; 2018, c. 8, s. 5.

Parliament has given Health Canada clear instructions in other laws

The Canadian Environmental Protection Act (CEPA) provides an example of an expanded and robust legislative purpose, and is a model for how the TVPA could re-invigorate the federal strategy. Like the tobacco law, CEPA was first passed by Parliament in 1988. It however, has been the subject of more detailed Parliamentary study. Parliament's instructions to CEPA are outlined in 3 mutually-reinforcing sections:

1) DECLARATION. A 35-word legislative objective that gives the law broad application: *"It is hereby declared that the protection of the environment is essential to the well-being of Canadians and that the primary purpose of this Act is to contribute to sustainable development through pollution prevention."*

2) PREAMBLE. An 800 word expansion of the values behind the law, with 24 clauses outlining specific values.

3) DIRECTION. CEPA gives a dozen or more specific instructions to the federal government in how the law should be administered. Examples of these obligations include a mandate to ... *"apply the precautionary principle ...."*, *"protect the right of every individual in Canada to a healthy environment..."*, *"take the necessity of protecting the environment into account in making social and economic decisions."*

The CEPA approach can be adapted for tobacco control

Adapting the CEPA approach to modify the federal tobacco law would provide a number of benefits and could help:

- clarify the goals that should guide Health Canada's strategy
- expand the scope of activities that can be charged to the tobacco and nicotine industry
- provide instructions, guidance and support to health ministers in managing this long-standing health problem
- authorize the department to engage in activities to discourage the use of nicotine products other than tobacco- and vaping products.
- provide the public with transparency about the mandate of Health Canada

An example of a revised purpose section is shown below (and can be downloaded here). This text adds only 200 more words to the law, but greatly expands and clarifies Health Canada's responsibilities.

In this example, the core purpose of the federal tobacco law is simply stated: ***"The primary purpose of this Act is to contribute to the elimination of the harms to human and environmental health caused by commercial tobacco and nicotine products."***

The suggested text instructs Health Canada on key aspects of addressing the harms caused by the tobacco industry. These include:

- Developing a nicotine reduction strategy with measurable objectives
- Fully implementing the Framework Convention on Tobacco Control
- Respecting and supporting traditional non-commercial tobacco use in First Nations
- Adopting measures to protect the environment with respect to tobacco and nicotine products
- Reduce health disparities with respect to the use of tobacco and nicotine products
- Apply the precautionary principle.

Filling a crucial gap

As it is currently written, the TVPA governs tobacco products (those made with tobacco) and vaping products (aerosolized nicotine) but has no power over novel nicotine products. Nicotine pouches are one example of tobacco industry products which are left unaddressed in the law, but there are others on the horizon.

Over the last year Philip Morris began selling its zero-tobacco LEVIA heat sticks in Czechia, and Romania and over the past month has launched them in the Netherlands. (They have signalled their intention to market them in Canada by registering the trademark). BAT also sells a tobacco-free heat stick. Both companies also have hybrid products (mixture of vaping and heated tobacco) in development or on the market.

It is not too early to anticipate that these products will be introduced to Canada, whether or not they are legal for sale under federal law. In its public documents (including the Departmental Plan) Health Canada has not made public whether or how it is analyzing the potential benefits or harms of these products being sold in Canada.

Our organization is among those calling for a fulsome revision and modernization of the federal law, but Health Canada has largely responded to these recommendations by ignoring them. The proposed revisions to the purpose and direction sections would give the department the responsibility and authority to initiate this process.

Proposed Amendments to

The Tobacco and Vaping Products Act

Section	Current text	Proposed text
Title	**An Act to regulate the manufacture, sale, labelling and promotion of tobacco products and vaping products**	**An Act respecting the protection of human health and the environment from the harms of tobacco and nicotine use.**
Short Title	This Act may be cited as the *Tobacco and Vaping Products Act*.	This Act may be cited as the *Tobacco, Vaping and Nicotine Products Act*
Interpretation	2 The definitions in this section apply in this Act	2 The definitions in this section apply in this Act .... ***Nicotine Product*** means any nicotine-containing product which is defined in Schedule 4.
Purpose	**Purpose of Act** 4 (1) The purpose of this Act is to provide a legislative response to a national public health problem of substantial and pressing concern and to protect the health of Canadians in light of conclusive evidence implicating tobacco use in the incidence of numerous debilitating and fatal diseases. **Tobacco products** (2) The purpose of this Act with respect to tobacco products is to support the objectives set out in subsection (1) and, in particular, (a) to protect young persons and others from inducements to use tobacco products and the consequent dependence on them; (b) to protect the health of young persons by restricting access to tobacco products;	**Purpose of Act** 3. The primary purpose of this Act is to contribute to the elimination of the harms to human and environmental health caused by commercial tobacco and nicotine products.

	(c) to prevent the public from being deceived or misled with respect to the health hazards of using tobacco products; and (d) to enhance public awareness of those hazards. **Vaping products** (3) The purpose of this Act with respect to vaping products is to support the objectives set out in subsection (1), to prevent vaping product use from leading to the use of tobacco products by young persons and non-users of tobacco products and, in particular, (a) to protect young persons and non-users of tobacco products from inducements to use vaping products; (b) to protect the health of young persons and non-users of tobacco products from exposure to and dependence on nicotine that could result from the use of vaping products; (c) to protect the health of young persons by restricting access to vaping products; (d) to prevent the public from being deceived or misled with respect to the health hazards of using vaping products; and (e) to enhance public awareness of those hazards.	
Duties of the Minister	**Binding on Her Majesty** 3 This Act is binding on Her Majesty in right of Canada or a province. **Review of the Act** 60.1 (1) The Minister must, three years after the day on which this section comes into force and every two years after that, undertake a review of the provisions and operation of this Act. (2) The Minister must, no later than one year after the day on which the review is undertaken, cause a report on the review to be tabled in each House of Parliament.	**Binding on Her Majesty** 4.1 This Act is binding on Her Majesty in right of Canada or a province. **Duties of the Minister** 4.2. (1) In the administration of this Act, the Minister shall, having regard to the Constitution and laws of Canada, (a) exercise their powers in a manner that (i) protects human health and the environment (iii) promotes reconciliation with the Indigenous Peoples of Canada
		(b) develop and implement a Canadian Strategy to Reduce Nicotine Use (“the strategy”) which

(i) is informed by and respectful of the perspectives of federal, provincial and municipal health authorities and civil society health charities.

(ii) establishes specific, measurable and time-bound targets for reducing and phasing out commercial tobacco, vaping and other nicotine use in the general populations and in sub-populations.

(iii) includes measures to effectively protect young people from initiating use of commercial tobacco, vaping or nicotine products.

(iv) includes measures which support individual and population-wide recovery from tobacco and nicotine addiction.

(v) includes measures to reduce the use of commercial tobacco, vaping and nicotine products among First Nations communities which are informed by and supportive of traditional non-commercial tobacco use in these communities.

(vi) is designed to fully implement the Framework Convention on Tobacco Control.

(vii) engages and supports action by provincial and municipal governments, the research community and community groups in the achievement of the purposes of this act.

(viii) informs Canadians about and engages them in achieving the purpose of the Act.

(viii) includes measures to reduce the environmental damage associated with the use of tobacco, vaping or nicotine products.

(ix) is flexible and able to adapt quickly to changes in the tobacco and nicotine marketplace

(c) undertake a review of the strategy at least once every three years and table a report on this review in each House of Parliament by March 31st of the following year.

(d) administer a cost-recovery system which finances the strategy through mandatory contributions from the manufacturers of tobacco, vaping or nicotine products.

		(e) establish and maintain regulatory control of the manufacture and distribution of tobacco products, vaping products and other nicotine products and exercise this control in support the purposes of this Act and the duties of the Minister. (e)(1) this section does not apply to products that are regulated under the *Food and Drugs Act*.
Considerations		**Considerations** 4.2 (2) When designing and implementing the measures in paragraph 3.2 (1) the Minister shall: (a) ensure that public health measures adopted across Canada are protected from tobacco industry interference. (b) seek to reduce disparities in nicotine use among Canadians (c) respect and safeguard the traditional, non-commercial use of tobacco among Indigenous communities in Canada. (d) apply the precautionary principle, which provides that the lack of full scientific certainty shall not be used as a reason for postponing measures which are, in the opinion of the Minister, likely to prevent or reduce harm to human health or the environment. (e) confer, co-operate and support the work of other federal and provincial agencies to advance a comprehensive approach to reducing commercial tobacco and nicotine use.