

AN URGENT MESSAGE TO CONGRESS AND PRESIDENT-ELECT BARACK OBAMA:

Taxing Tobacco Products to Expand SCHIP Will Lead to Economic Disaster

Unlike Wall Street financial firms and the banking industry, the retailers, wholesalers and manufacturers that sell tobacco products and which employ almost 1.2 million Americans are NOT asking for a government bailout. Rather, we only ask that Congress and President-Elect Obama act responsibly to prevent further and unnecessary economic and employment devastation from expanding SCHIP through tax increases.

- **Significant Sales Declines:** Raising federal cigarette and tobacco taxes will lead to retail tobacco sales declines of 10% or greater in this recessionary economy.
- **Illegal Tobacco Purchases:** Historically high tobacco tax increases will escalate the illegal purchase of tax-free tobacco products over the Internet and on the black market as already demonstrated in states with high tobacco tax rates.
- **Devastating Job Losses:** In these depressed economic times, the tax increases will force tens of thousands of small, family-owned retail and wholesale businesses plus manufacturers to layoff up to 117,000 union and non-union Americans with even more job losses in allied industries including tobacco farming, packaging suppliers, marketing agencies and shipping companies.
- **Increased Crime:** Delivery truck drivers and retail store clerks will be endangered as a result of more thefts and robberies of higher priced tobacco products similar to the widespread crime wave during Prohibition years.

A REMINDER TO PRESIDENT-ELECT OBAMA

Your campaign promise to NOT raise taxes on Americans who earn less than \$250,000 includes the vast majority of the 43 million American adults who buy tobacco products and have incomes of less than \$40,000. These Americans cannot afford the additional financial burden of these exorbitant tax increases.

Congress and President-Elect Obama Need to Fund SCHIP Responsibly Without Losing Up to 117,000 American Jobs!

This Message is Made on Behalf of the 1,172,000 Union and Non-Union
Employees of Tobacco Retailers, Wholesalers and Manufacturers

