U.S. Chamber of Commerce
Blowing Smoke for Big Tobacco

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Smoke Free Partnership
a world without tobacco

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U.S. Chamber of Commerce
Blowing Smoke for Big Tobacco

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A series of investigative articles by *The New York Times* beginning June 30, 2015 exposed how the U.S. Chamber of Commerce (U.S. Chamber) has worked systematically in countries around the world to help the tobacco industry fight life-saving measures to reduce tobacco use. The *Times* articles examined the U.S. Chamber’s multi-pronged approach to fighting measures to reduce tobacco use, including opposing countries’ health policies, pitting countries against each other in international trade disputes, and influencing international trade agreements to benefit tobacco companies.

In response to the *Times* coverage, concerned parties including United States corporations, lawmakers and the media acted and spoke up in protest. CVS Health resigned from the U.S. Chamber, and a group of United States Senators released a public statement critical of the U.S. Chamber and sent letters to the member companies of the U.S. Chamber’s Board of Directors asking about their positions on the Chamber’s efforts to fight tobacco control measures.

This report examines the U.S. Chamber’s tactics in depth, providing additional information and documentation about more than a dozen instances in which the U.S. Chamber has intervened on behalf of some of the world’s biggest tobacco companies to interfere with countries’ efforts to pass and implement proven, life-saving policies. The U.S. Chamber’s lobbying on behalf of the tobacco industry is shown to be a global, systematic pattern of activity.

Tobacco use is a leading cause of preventable disease and death worldwide. Tobacco products are uniquely lethal, killing up to half of long-term users. Tobacco currently kills about six million people worldwide annually and is projected to kill one billion people this century unless current trends are reversed. More than 80 percent of these deaths will be in low- and middle-income countries.

To combat this global epidemic, the world’s nations have adopted a public health treaty, the World Health Organization (WHO) Framework Convention on Tobacco Control (FCTC), which entered into force in February 2005 and has been ratified by 179 countries and the European Union (the United States has signed but not ratified the FCTC and is not a party to it). This treaty obligates parties to implement evidence-based policies that are proven to reduce tobacco use and exposure to secondhand smoke.

Global tobacco companies understand that these proven, life-saving measures reduce tobacco consumption, threatening their sales and profits. Consequently, the tobacco industry works aggressively to weaken, delay and defeat tobacco control measures around the world.

Recognizing the tobacco industry’s role in causing the tobacco epidemic and its long history of deception, the FCTC requires its parties to guard against tobacco industry interference and protect tobacco control policies from the commercial and other vested interests of the industry. In addition, the public and politicians are increasingly unsympathetic to the industry’s demands.

In response, tobacco companies have sought to use influential third parties to oppose strong tobacco control measures around the world. A key ally of tobacco companies in these efforts is the U.S. Chamber and its global network of American Chamber of Commerce (AmCham) affiliates.

This report describes how the U.S. Chamber and its AmCham affiliates have joined the tobacco industry in fighting effective tobacco control policies in
multiple countries – often without fully disclosing that they are working with the tobacco industry – implying that the full force of the U.S. business community is behind these efforts and that economic harm could result if countries move forward.

The report includes five recent case studies from Uruguay, Burkina Faso, Moldova, the European Union and the Philippines and lists other known attempts by the U.S. Chamber to oppose a range of tobacco control policies including graphic health warnings, tobacco advertising restrictions and increased tobacco taxes. The cases reveal that the U.S. Chamber’s activities, paired with the broader efforts of tobacco companies, have in some cases contributed to government officials weakening draft tobacco control policies. In other cases, the U.S. Chamber’s interventions have significantly delayed and complicated the efforts of governments to adopt and implement tobacco control policies.

The report concludes by calling on governments to reject the U.S. Chamber’s misleading arguments and threats and enact proven tobacco control measures that improve public health and save lives. It also lays out several steps governments can take to protect public health policies from interference by the U.S. Chamber and calls on the U.S. Chamber and its AmCham affiliates to publicly disclose their donors so that lawmakers and government officials can be fully informed about their relationships with the tobacco industry.
What Is the U.S. Chamber of Commerce and How Does it Operate Internationally?

The U.S. Chamber is a private, 501(c)6 tax-exempt trade association based in Washington, D.C. that was originally established to communicate with the U.S. government on behalf of small- and medium-size businesses, but today lobbies on behalf of some of the largest multinational corporations in the U.S. and abroad. The Chamber is not an agency of the U.S. government, nor does it serve as an official representative of the U.S. government or any other government agency. The U.S. Chamber is also not necessarily affiliated with local Chambers of Commerce in cities and municipalities in the United States.

As the self-described “world’s largest business organization,” the U.S. Chamber’s positions on public policies around the world, including public health policies, are often perceived as carrying the weight of the U.S. business community. As a result, for many governments – particularly in low- and middle-income countries (LMICs) – disregarding U.S. Chamber policy positions on tobacco can carry an implied threat for the country’s prospects to attract investment and economic growth. For example, in a letter to the Vice President of El Salvador opposing the implementation of tobacco control legislation, the U.S. Chamber warned “there are few factors more critical to investment and economic growth than the legal certainty and predictability fostered by a strong rule of law environment. For these reasons, we feel compelled to share our concerns with you and respectfully request your assistance in working with the Ministry of Health to revise these actions and to ask that it refrain from applying measures not supported by the governing legislation.”

Furthermore, civil society advocates and government representatives in several countries report a common mis-perception that the U.S. Chamber and AmChams are speaking on behalf of the U.S. government. In at least four instances U.S. Ambassadors have served as honorary AmCham presidents, an arrangement that could lead to perceptions that opposing the Chamber’s positions on public health issues will harm relations with the United States government.

Although the U.S. Chamber claims that it represents the interests of three million businesses of all sizes, a February 2014 report by Public Citizen’s U.S. Chamber Watch entitled “The Gilded Chamber,” found that more than half of the money the Chamber raised in 2012 came from just 64 anonymous corporate donors. Between 1998 and 2013, the U.S. Chamber spent an unprecedented $1 billion lobbying in the United States. Little is known about the expenditures of the U.S. Chamber and AmChams outside of the United States, but according to organizational tax documents, the U.S. Chamber spent at least $21 million between 2008 and 2013 on international activities.

To facilitate its work around the world the U.S. Chamber maintains a federation of 116 AmChams in 103 countries and dedicated offices in Belgium, Brazil, Ghana, India, Korea and Turkey. AmChams are established by the U.S. Chamber and pay dues directly to the U.S. Chamber. The U.S. Chamber uses this extensive global network to protect the financial interests of its richest business members, including tobacco companies, by promising them:

• access to heads of state and government and other senior foreign and U.S. officials;
• advocacy on member issues in Washington, D.C. and abroad;
• customized business development and high-level government relations support; and
• regular updates on trade and investment developments globally.
Although the U.S. Chamber does not publicly disclose its membership list, the U.S. Chamber’s board of directors includes Altria Group, the largest tobacco company operating in the United States and the former parent company of Philip Morris International (PMI). Additionally, multinational tobacco companies such as PMI, British American Tobacco (BAT), Japan Tobacco International (JTI) and Imperial Tobacco hold memberships in more than 55 AmCham chapters (see Table 1 on page 6). As previously stated, the complete member lists for the U.S. Chamber and its global network of AmChams are not always publicly available, thus Table 1 may under-represent tobacco companies’ participation in U.S. Chamber activities.

Previously secret internal tobacco industry documents made public through landmark U.S. litigation settlements reveal that for decades tobacco companies have been members of the U.S. Chamber and have used the U.S. Chamber to interfere with tobacco control measures. For example, an internal document from the then-parent company of both Philip Morris USA and Philip Morris International stated, “Philip Morris has been a consistent dues supporter of the Chamber for decades,” contributing $180,000 in 1998. The document also set out Philip Morris’ 1999 strategic objectives with the U.S. Chamber, which included to:

“[p]ositively influence the legislative and regulatory climate and the policy debate on critical issues facing PM [Philip Morris] via maximum leveraging of corporate resources (dollar and human) expended with the Chamber.”

Another Philip Morris document, “U.S. Chamber Media on the Tobacco Issue,” highlights the media work conducted by the U.S. Chamber in response to proposed 1998 U.S. tobacco control legislation. Furthermore, an internal Philip Morris memo dated December 15, 1987, outlines ways that Philip Morris could derive more benefit from its relationship with the U.S. Chamber including taking a position on the U.S. Chamber board of directors; selecting the committee chairs for key U.S. Chamber policy committees; tightening Philip Morris’ relationship with key policy experts at the U.S. Chamber; and utilizing the U.S. Chamber’s communication network “as a means of getting our (Philip Morris’) point across.”
Attendees at AmCham Taipei’s 46th annual banquet in 2014. Taiwanese President Ma Ying-Jeou served as the keynote speaker. Corporate sponsors included PMI and JTI. 44 March 2014.

BAT representative receiving one of two Outstanding Golden Brand awards from AmCham Armenia. One award was for “Best Corporate Social Responsibility Company” and the other was for “Best Employer 2013.” 42 May 2014.

Libor Gula (left), Manager of Regulatory and Fiscal Affairs for Philip Morris Slovakia, receives an award from AmCham Slovakia. 43 May 2013.
<table>
<thead>
<tr>
<th>AmCham Chapter</th>
<th>Tobacco Company Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Albania</td>
<td>BAT, JTI, PMI are board members[^45]</td>
</tr>
<tr>
<td>Armenia</td>
<td>BAT and PMI are board members[^46]</td>
</tr>
<tr>
<td>Belgium</td>
<td>BAT, JTI, PMI are members[^47]</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>PMI and Imperial Tobacco are members[^48]</td>
</tr>
<tr>
<td>Bulgaria</td>
<td>JTI and PMI are members[^49]</td>
</tr>
<tr>
<td>Chile</td>
<td>BAT and PMI are members[^50]</td>
</tr>
<tr>
<td>China (People's Republic)</td>
<td>PMI is a member[^51]</td>
</tr>
<tr>
<td>Colombia</td>
<td>PMI is a member[^52]</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>BAT is a member[^53]</td>
</tr>
<tr>
<td>Croatia</td>
<td>JTI and PMI are members[^54]</td>
</tr>
<tr>
<td>Czech Republic</td>
<td>JTI and PMI are members[^55]</td>
</tr>
<tr>
<td>Denmark</td>
<td>PMI is a member[^56]</td>
</tr>
<tr>
<td>Egypt</td>
<td>BAT and PMI are members[^57]</td>
</tr>
<tr>
<td>El Salvador</td>
<td>BAT and PMI are members[^58]</td>
</tr>
<tr>
<td>Estonia</td>
<td>PMI sits on the board of directors[^59]</td>
</tr>
<tr>
<td>Finland</td>
<td>BAT and PMI are members[^60]</td>
</tr>
<tr>
<td>Georgia</td>
<td>BAT and PMI are members[^61]</td>
</tr>
<tr>
<td>Germany</td>
<td>PMI sits on the board of directors[^62]</td>
</tr>
<tr>
<td>Honduras</td>
<td>BAT is a member[^63]</td>
</tr>
<tr>
<td>Hungary</td>
<td>BAT and PMI are members[^64]</td>
</tr>
<tr>
<td>Indonesia</td>
<td>PMI is a member[^65]</td>
</tr>
<tr>
<td>Israel</td>
<td>PMI is a member[^66]</td>
</tr>
<tr>
<td>Italy</td>
<td>PMI is the vice president of the board of directors[^67]</td>
</tr>
<tr>
<td>Japan</td>
<td>PMI is a member[^68]</td>
</tr>
<tr>
<td>Kosovo</td>
<td>PMI is a board member and JTI is a member[^69]</td>
</tr>
<tr>
<td>Latvia</td>
<td>PMI is a member[^70]</td>
</tr>
<tr>
<td>Lithuania</td>
<td>PMI is a board member[^71]</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>JTI is a member[^72]</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>AmCham Chapter</th>
<th>Tobacco Company Members</th>
</tr>
</thead>
<tbody>
<tr>
<td>Macedonia</td>
<td>PMI is a board member[^73]</td>
</tr>
<tr>
<td>Malaysia</td>
<td>PMI is a board member[^74]</td>
</tr>
<tr>
<td>Moldova</td>
<td>BAT, JTI, PMI and Imperial are members[^75]</td>
</tr>
<tr>
<td>Mongolia</td>
<td>PMI is a member[^76]</td>
</tr>
<tr>
<td>Morocco</td>
<td>PMI is a board member[^77]</td>
</tr>
<tr>
<td>Netherlands</td>
<td>BAT and PMI are members[^78]</td>
</tr>
<tr>
<td>Norway</td>
<td>PMI is a member[^79]</td>
</tr>
<tr>
<td>Pakistan</td>
<td>PMI is a member[^80]</td>
</tr>
<tr>
<td>Panama</td>
<td>BAT and PMI are members[^81]</td>
</tr>
<tr>
<td>Poland</td>
<td>PMI sits on an advisory council[^82]</td>
</tr>
<tr>
<td>Romania</td>
<td>BAT, JTI and PMI are members[^83]</td>
</tr>
<tr>
<td>Russia</td>
<td>PMI is a member[^84]</td>
</tr>
<tr>
<td>Serbia</td>
<td>PMI is the board president and BAT and JTI are members[^85]</td>
</tr>
<tr>
<td>Singapore</td>
<td>BAT and PMI are members[^86]</td>
</tr>
<tr>
<td>Slovak Republic</td>
<td>PMI is a board member and JTI is a member[^87]</td>
</tr>
<tr>
<td>Slovenia</td>
<td>PMI is a member[^88]</td>
</tr>
<tr>
<td>South Africa</td>
<td>PMI is a member[^89]</td>
</tr>
<tr>
<td>Spain</td>
<td>PMI is a member[^90]</td>
</tr>
<tr>
<td>Sweden</td>
<td>BAT and PMI are members[^91]</td>
</tr>
<tr>
<td>Switzerland</td>
<td>JTI and PMI are members[^92]</td>
</tr>
<tr>
<td>Taiwan</td>
<td>PMI is a board member and BAT, JTI and Imperial Tobacco are members[^93]</td>
</tr>
<tr>
<td>Thailand</td>
<td>PMI is a member[^94]</td>
</tr>
<tr>
<td>Turkey</td>
<td>PMI is a member[^95]</td>
</tr>
<tr>
<td>UAE-Abu Dhabi</td>
<td>BAT is a member[^96]</td>
</tr>
<tr>
<td>UAE-Dubai and Northern Emirates</td>
<td>BAT is a member[^97]</td>
</tr>
<tr>
<td>Ukraine</td>
<td>BAT, JTI, PMI and Imperial are members[^98]</td>
</tr>
<tr>
<td>Uzbekistan</td>
<td>BAT is a member[^99]</td>
</tr>
<tr>
<td>Vietnam</td>
<td>BAT is a member[^100]</td>
</tr>
</tbody>
</table>
Case Studies on U.S. Chamber Interference in Health Policy

The tobacco industry has used its long-term relationship with the U.S. Chamber to intimidate and pressure policymakers attempting to develop and implement a wide range of public health policies designed to reduce tobacco use. Detailed below are five case studies from Uruguay, Burkina Faso, Moldova, the European Union and the Philippines illustrating how the U.S. Chamber has worked to oppose tobacco control policies. The case studies are supplemented with a table listing additional known attempts by the U.S. Chamber and its international affiliates to oppose tobacco control measures in countries around the world (see Table 2 on page 11). These cases reveal that the U.S. Chamber’s activities, paired with the broader efforts of tobacco companies, have resulted in government officials weakening draft tobacco control policies in some cases. In other cases the U.S. Chamber’s interventions have significantly delayed and complicated the efforts of governments to adopt and implement tobacco control policies.

Taken in sum, the U.S. Chamber’s threats, which cover a wide range of countries and a variety of tobacco control policies, demonstrate that the U.S. Chamber is acting on behalf of the tobacco industry to undermine non-discriminatory tobacco control policies.

Tobacco Advertising in Uruguay: U.S. Chamber Works to Protect Tobacco Industry’s Youth-Marketing Tactics

Each year, the tobacco industry spends billions of dollars around the globe on advertising, promotion and sponsorships to attract new tobacco users to replace smokers who quit or die from tobacco-related diseases. As a result, tobacco companies develop massive marketing campaigns to entice potential customers to become long-term smokers. Some of these campaigns use youth-oriented messages and images that appeal to youth.

Tobacco advertising, promotion and sponsorship (TAPS) bans reduce tobacco use, especially among young people. Article 13 of the FCTC requires parties to comprehensively ban all TAPS in accordance with their constitutions or constitutional principles. According to the WHO, at least 24 countries have implemented comprehensive TAPS bans and an additional 104 countries have taken some steps to ban TAPS. In countries that do not have complete bans, the tobacco industry continues to exploit loopholes and unrestricted marketing channels, including setting up elaborate tobacco product displays at the point-of-sale, which have been found to increase the chances that youth will start smoking.

In 2013, the president of Uruguay submitted a proposal to the Senate to ban tobacco product displays at points-of-sale. In April 2014, the president of the U.S. Chamber wrote to the president of Uruguay’s Senate, stating that the proposed ban would violate the World Trade Organization Agreement on Trade-Related Aspects of Intellectual Property and make it difficult for “consumers, who may have less readily available information to make educated choices among different brands.” The letter further argued that a full display ban would create a slippery slope that would lead to overly restrictive bans on other products and increase illicit trade of tobacco products, which would fund organized crime and terrorism. Despite pressure from the industry and its allies, the Uruguayan General Assembly passed the ban on tobacco product displays at the point-of-sale in July 2014.
Evidence from around the world shows that large, graphic health warning labels on tobacco products effectively inform smokers about the health hazards of smoking, encourage smokers to quit, prevent nonsmokers from starting to smoke and can decrease intentions to smoke among adolescents.\textsuperscript{113-116} Graphic warnings are also more effective than text-only warnings in informing populations with low literacy rates about the harms of tobacco use.\textsuperscript{117} Article 11 of the FCTC requires parties to adopt and implement effective measures to ensure that tobacco product packages carry large, clear, rotating health warnings and messages that should preferably cover 50 percent or more, but not less than 30 percent, of principal display areas and that are in the parties’ principal language(s).\textsuperscript{118}

Burkina Faso, which has one of the lowest literacy rates in the world, passed a law in 2011 mandating graphic warning labels covering at least 60 percent of tobacco packaging.\textsuperscript{119} For four years, the government has worked to finalize regulations to implement the graphic warning labels. According to the Ministry of Health, the long delay in implementing graphic warning labels was due to interference by the tobacco industry and its allies.\textsuperscript{120} In January 2014, Prime Minister Luc Adolphe Tiao received a letter from the U.S. Chamber warning that the Minister of Health’s graphic warning label proposal violated international intellectual property rights and trade agreements, implying that the tobacco industry might use international trade agreements to entangle the Burkina Faso proposal in costly trade litigation, which as a low-income country it cannot afford.\textsuperscript{121}

Contrary to the U.S. Chamber’s claims, to date more than 70 countries and territories have mandated graphic health warnings labels covering 50 percent or more of the product package without being found in violation of international trade agreements or intellectual property rights.\textsuperscript{122} After significant delay, in April 2015 Burkina Faso finally issued regulations to implement graphic health warnings. The new warning labels should be on packaging by April 2016.\textsuperscript{123}

In 2013, the Republic of Moldova began developing amendments to strengthen the country’s tobacco control law. As proposed, the draft amendments call for improved provisions to fully ban smoking in indoor public places; require graphic warning labels to cover 65 percent of packs; comprehensively ban tobacco advertising, promotion and sponsorship; ban the sale of smokeless tobacco products and slim cigarettes; and include measures to prevent tobacco industry interference in setting and implementing policy.\textsuperscript{124}

Although the prime minister of Moldova approved a bill with these provisions in 2013 and submitted the draft for final parliamentary approval,\textsuperscript{125} the U.S. Chamber and the AmCham in Moldova have led a two-year campaign to delay and weaken the proposed legislation. Local tobacco control advocates report that the AmCham consistently pressured government officials and actively lobbied legislators throughout the drafting and legislative process in order to weaken the bill. During the drafting of the amendments, the AmCham submitted a letter to the Ministry of Health introducing proposals from
European Union’s Tobacco Directive: U.S. Chamber Takes Aim at Europe

In 2009, the European Commission formally launched the process to revise the European Union’s (EU) Tobacco Products Directive (TPD), which provides a framework for EU member states’ legislative action to reduce tobacco use through tobacco product and packaging regulation. The development of a revised TPD to reflect advances in tobacco control policy was significantly delayed for five years due in large part to interference by the tobacco industry and its allies.\(^{130}\)

The U.S. Chamber and its European AmCham affiliates, expressing many of the same arguments used by the tobacco industry, intervened at a number of points during TPD negotiations arguing that proposed measures such as standardized packaging (also known as plain packaging) and large graphic warning labels would violate EU law, EU and international intellectual property law and EU member states’ international trade obligations. Instances of interference included:

- Releasing AmCham EU position papers expressing strong opposition to the TPD and, in particular, standardized packaging. Civil society advocates in Europe reported that the position papers were given to policymakers during meetings with AmCham representatives. One such paper, released in 2010, aimed to deter the European Commission from proposing standardized packaging as part of the TPD review.\(^{131}\) A 2014 paper, reportedly written by PMI, opposed EU member states’ adoption of standardized packaging and has since become the official position of the AmCham EU.\(^{132}\)

- Sending at least three letters to EU representatives and European governments falsely arguing that proposed provisions were not based on science, violated member states’ international trade obligations and potentially endangered U.S. - EU trade negotiations.\(^{133, 134, 135}\)

- Writing to the Lithuanian ambassador to the United States warning against the possible consequences of passing the TPD.\(^{136}\) The Chamber, along with other business organizations, warned the ambassador to the U.S. that

\(^{126}\) BAT, JTI and PMI that if adopted would have weakened the provision.

\(^{127}\) Additionally, in February 2014, the president of the U.S. Chamber sent a letter to the president of Moldova’s Parliament warning that many of the proposed amendments were not evidence-based, ignored regulatory procedures and violated Moldova’s international trade obligations.

Despite this intensive multi-year effort by the tobacco industry and its allies to derail the bill, in May 2015 Moldova’s Parliament passed a comprehensive bill to reduce tobacco use containing a total ban on tobacco advertising, promotion and sponsorships; large graphic health warning covering 65 percent of cigarette packs; and a provision for 100 percent smoke-free indoor public places and work places. The final bill also contains a prohibition on partnerships with the tobacco industry by the state.\(^{128}\) Immediately after Parliament approved the bill but before it had been signed into law by Moldova’s president, the AmCham sent a letter to the head of Parliament arguing that the law had been passed in a process not in keeping with standard parliamentary procedure and stressing the importance of the tobacco industry to Moldova’s economy.\(^{129}\) In spite of the U.S. Chamber’s two-year campaign to delay the legislation, on July 10, 2015 the president of Moldova signed the bill into law.

*Tobacco packaging that requires the removal of all branding (colors, imagery, corporate logos and trademarks) and standardizes the color of the packaging as well as the size, font and placement of the brand name.*
Lithuania’s support of the TPD during its presidency of the European Commission could harm EU trade relations with the U.S. and violate international trade law and could potentially increase already high rates of illicit trade in Lithuania.137

These activities served the tobacco industry’s objectives of significantly weakening the TPD – including the removal of standardized packaging and a ban on point-of-sale displays – and delaying its adoption.138 The TPD was formally adopted in March 2014, five years after the revision process started.139

**Tobacco Taxes in the Philippines: U.S. Chamber and AmChams Promote Misleading Tobacco Industry Arguments**

In 2012, cigarette prices in the Philippines were among the lowest in the world.140 Article 6 of the FCTC provides for the use of taxation and pricing policies on tobacco products to decrease the demand for tobacco.141 Evidence and experience from around the world conclusively show that increasing the price of cigarettes by raising tobacco taxes increases government revenue even as tobacco consumption declines.142,143 Consequently, the tobacco industry consistently opposes tax increases designed to reduce consumption.144

In the Philippines, the U.S. Chamber and the AmCham in the Philippines aggressively fought an effort by legislators to reduce tobacco consumption by raising taxes on cigarettes. As reported by the *Business Mirror*, a Filipino business daily, the U.S. Chamber and the US-ASEAN Business Council argued that any effort to significantly increase tobacco taxes would “undermine the government’s revenue growth targets and subsequently pose serious threats to national security,” and that “there are signs that smuggled cigarettes have already made limited inroads in parts of the country, but with the right stimulus [a significant tax increase], this situation could rapidly grow into a massive nationwide phenomenon.”145 In a separate letter to the finance secretary of the Philippines, the U.S. Chamber stated that “exorbitant tax increases on tobacco products will stimulate persistent and corrosive growth in smuggling and other illicit trades, which only fuels organized criminal activity and its consequences.”146 The U.S. Chamber’s arguments mirrored those made directly by tobacco companies.

Since enacting a significant tobacco tax increase in the Philippines, tobacco tax revenues in the Philippines have been higher than expected despite significant protests from the tobacco industry and its allies.147 In December 2014, commissioner of the Bureau of Internal Revenue Kim Hernares confirmed that higher-than-expected revenues refuted claims by the tobacco industry that the government would fail to reach its revenue targets and lose substantial revenues through illicit trade.148
Additional Cases of U.S. Chamber of Commerce Interference in Tobacco Control

In addition to the five case studies above, evidence exists of many more attempts by the U.S. Chamber and AmChams to weaken and delay tobacco control policy in countries of all sizes, in all parts of the world. Table 2 provides evidence of such instances in order to provide a more complete picture of U.S. Chamber and AmCham representation of the tobacco industry.

Table 2: Examples of U.S. Chamber Interference in Tobacco Control

<table>
<thead>
<tr>
<th>Case</th>
<th>Date</th>
<th>Policy</th>
<th>U.S. Chamber and AmCham Interference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2009-2011</td>
<td>Standardized Packaging</td>
<td>As the Australian government approached the finalization of standardized packaging legislation, the U.S. Chamber tried to prevent passage of the law by submitting comments on the legislation, sending a letter to the Department of Health and releasing a joint statement of opposition with other business groups—all threatening that the measures violated international trade agreements and intellectual property rights. Additionally, the AmCham in Kiev, Ukraine encouraged Ukraine to submit a complaint about the Australian legislation to the World Trade Organization. Standard tobacco product packaging has been in place in Australia since December 2012.</td>
</tr>
<tr>
<td>El Salvador</td>
<td>2015</td>
<td>Comprehensive Tobacco Control Policies</td>
<td>In a letter sent by the U.S. Chamber of Commerce to the vice president of El Salvador, the Chamber questions steps taken by the Ministry of Health to strengthen implementation of the national tobacco control law stating that actions taken “go beyond the scope of the legislation, undermined legal certainty in El Salvador, and are inconsistent with the principles of the rule of law.” The Chamber asked the vice president to intervene by ensuring that the Ministry of Health consult with the Ministry of Economy, a tobacco industry supporter, when developing regulations. Despite opposition, the President signed the regulations proposed by the Ministry of Health that strengthen tobacco advertising bans, graphic warning labels and smoke-free provisions of the law. The final regulations were published in June 2015.</td>
</tr>
<tr>
<td>Ireland</td>
<td>2014</td>
<td>Standardized Packaging</td>
<td>During the development of standardized packaging legislation, the U.S. Chamber was a part of a coordinated response by the tobacco industry and its allies. In March 2014, the Chamber and other business associations wrote to the Taoiseach (prime minister) urging him to rethink standardized packaging. Despite significant industry threats and lobbying, Ireland approved a law requiring standardized packaging in March 2015.</td>
</tr>
<tr>
<td>Jamaica</td>
<td>2014</td>
<td>Large Graphic Warning Labels</td>
<td>After Jamaica announced that it was going to increase graphic warnings to cover 75 percent of tobacco packaging, the U.S. Chamber of Commerce wrote to the prime minister stating “that there is no scientific basis to demonstrate that [graphic warning labels] covering 75 percent of the pack will advance public health objectives. They will, however, erode the [intellectual property] rights of trademark owners, and create unnecessary obstacles to trade.” Jamaica ultimately reduced pictorial warning labels to 60 percent of packaging.</td>
</tr>
<tr>
<td>Kosovo</td>
<td>2013</td>
<td>Comprehensive Tobacco Control Policies</td>
<td>During the development of tobacco control policy, the AmCham in Kosovo convened a meeting involving representatives of the tobacco industry, policymakers and ministry representatives to discuss the provisions of a comprehensive tobacco control bill just days before a vote on the bill was scheduled. Despite tobacco industry objections, Kosovo enacted a very strong tobacco control law in April 2013.</td>
</tr>
</tbody>
</table>

*A law that includes many tobacco control measures. The Kosovo law includes smoke-free venues, bans on tobacco advertising, promotion and sponsorship, and graphic warning labels, among other measures.*
## Table 2: Examples of U.S. Chamber Interference in Tobacco Control (cont.)

<table>
<thead>
<tr>
<th>Case</th>
<th>Date</th>
<th>Policy</th>
<th>U.S. Chamber and AmCham Interference</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nepal</td>
<td>2015</td>
<td>Large Graphic Warning Labels</td>
<td>In response to the Ministry of Health and Population of Nepal increasing graphic warnings from 75 percent to 90 percent of tobacco packaging, the U.S. Chamber sent a letter to the deputy prime minister of Nepal threatening that the new warning labels were a violation of international trade obligations. As a follow-up to the letter, the U.S. Chamber facilitated meetings between a delegation of U.S. Chamber members, including PMI and BAT, and a number of ministries. In one meeting with the Ministry of Health, the delegation threatened lawsuits if the regulation was implemented. The new graphic warning labels were scheduled to be implemented in May 2015.</td>
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<tr>
<td>New Zealand</td>
<td>2012-2014</td>
<td>Standardized Packaging</td>
<td>While New Zealand policymakers have been discussing the development of a standardized packaging law, the U.S. Chamber has submitted comments on the draft legislation, mobilized the AmCham in Indonesia to write letters to the Ministry of Health, and released joint statements with other business associations – all claiming that standardized packaging would violate international trade obligations and intellectual property rights. The government of New Zealand has stated that it will delay introducing standardized packaging legislation until current legal challenges to Australia’s law have been resolved.</td>
</tr>
<tr>
<td>Trans-Pacific Partnership (TPP) Negotiations</td>
<td>2012-2014</td>
<td>Tobacco Carveout*</td>
<td>The U.S. Chamber has strongly opposed efforts by public health groups to safeguard tobacco control measures in TPP negotiations. In May 2012, the U.S. Chamber urged the U.S. Trade Representative (USTR) not to submit proposed tobacco-specific text at the upcoming negotiating round. It did so again, via letter to USTR, in August 2013. In a prominent post on its blog in April 2014, the U.S. Chamber described proposals targeting tobacco as opening a “Pandora’s box.” More recently, in October 2014, the U.S. Chamber targeted one of the other TPP negotiating parties, sending a letter to Japan’s Ambassador to the United States rejecting any tobacco carveout and requesting a meeting.</td>
</tr>
<tr>
<td>Ukraine</td>
<td>2009</td>
<td>Tax</td>
<td>Protesting a proposal to increase tobacco taxes, the AmCham in Ukraine and the European Business Association sent a letter to a number of government officials. Ukraine passed a significant tax increase in 2009 and again in 2010.</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>2012-2014</td>
<td>Standardized Packaging</td>
<td>During the development of standardized packaging legislation, the U.S. Chamber released a joint statement with other business associations and sent letters to the secretary of health, prime minister and policymakers opposing standardized packaging. In one letter, the U.S. Chamber states that the “bill sends a negative message to the United Kingdom’s trading partners and undermines its reputation for the rule of law.” The UK passed a standardized packaging law in March 2015.</td>
</tr>
</tbody>
</table>

*Public health groups have sought to ensure that the TPP does not allow tobacco companies or their allies to threaten countries with trade litigation to prevent and delay lifesaving tobacco control measures. However, the U.S. Chamber has joined the industry in lobbying against any text in the TPP that recognizes the unique harms of tobacco use.
The U.S. Chamber of Commerce and its affiliate AmChams, whose boards of directors include some of the largest tobacco companies in the world, are actively working to undermine the efforts of countries to adopt evidence-driven policies to reduce or prevent tobacco use and the resulting health and economic consequences for countries and families.

In light of the U.S. Chamber’s work on behalf of multinational tobacco companies and the organization’s well-documented history of working against the public interest across a variety of sectors, this report concludes that governments must:

1. Reject the misleading arguments and threats communicated by the U.S. Chamber and its affiliate AmChams and enact proven tobacco control measures that improve public health and save lives such as those laid out in the WHO Framework Convention on Tobacco Control.

2. Take action to protect public health policies from the commercial and other vested interests of the tobacco industry and its allies – like the U.S. Chamber and its affiliate AmChams – as required under Article 5.3 of the WHO Framework Convention on Tobacco Control. Specifically, the implementation guidelines for FCTC Article 5.3 urge the 180 FCTC Parties to:
   • interact with the tobacco industry and any entity working to further its interests, such as the U.S. Chamber and its affiliate AmChams, only when and to the extent strictly necessary to enable Parties to effectively regulate the tobacco industry and tobacco products;
   • ensure that where necessary, interactions with the tobacco industry and any entity working to further its interests, such as the U.S. Chamber and its affiliate AmChams, are conducted transparently. Whenever possible, necessary interactions should be conducted in public, for example through public hearings, public notice of interactions or disclosure of records of such interactions to the public;
   • adopt effective measures to prohibit contributions from the tobacco industry or any entity working to further its interests, such as the U.S. Chamber and its affiliate AmChams, to political parties, candidates or campaigns, or to require full disclosure of such contributions, taking into account national law and constitutional principles;
   • raise awareness about the tobacco industry’s practice of using individuals, front groups and affiliated organizations to act, openly or covertly, to further the interests of the tobacco industry.

3. Ensure that trade and investment agreements protect the sovereign right of governments to adopt non-discriminatory public health measures aimed at reducing or preventing tobacco harms. This measure is necessary in light of the increasingly frequent use of international trade and investment agreements by the tobacco industry and its allies to threaten and sue governments attempting to enact effective tobacco control policies.

Finally, we call upon the U.S. Chamber and its AmCham affiliates to publicly disclose their donors so that lawmakers and government officials can be fully informed about their relationships with the tobacco industry.
Endnotes


13. Letter from Jodi Hanson Bond, Vice President, Americas, U.S. Chamber of Commerce, to Oscar Ortiz, Vice President of the Republic of El Salvador, 21 January 2015.

14. Personal communication with in-country advocates and confidential government officials, February-April 2015.

15. Personal communication with in-country advocates and confidential government officials, March 2015.


11. Letter from Myron A. Brilliant, Executive Vice President and Head of International Affairs, U.S. Chamber of Commerce to: Dablo Astrovi, President of the Senate of Uruguay, 24 April 2014.


24. Personal communication with in-country advocates and confidential government officials, March 2015.

25. Personal communication with in-country advocates and confidential government officials, March 2015.

26. Letter from Mila Malariáu, Executive Director, AmCham Moldva and Mariana Rufa, Executive Director EBA Moldova to: AmCham Council, President of the Parliament of the Republic of Moldova, 25 May 2014.


34. Letter from Myron A. Brilliant, Executive Vice President and Head of International Affairs, U.S. Chamber of Commerce to: Dablo Astrovi, President of the Senate of Uruguay, 24 April 2014.


149. U.S. Chamber of Commerce submission to the National Preventative Health Taskforce Australia. 2009.

150. Letter from Myron A. Brilliant, Senior Vice President and Head of International Affairs, U.S. Chamber of Commerce, to the Assistant Secretary, Department of Health and Aging, 26 May 2011.


155. Personal communication with in-country advocates and confidential government officials, April 2015.


158. Letter from Myron A. Brilliant, Executive Vice President and Head of International Affairs, U.S. Chamber of Commerce, to Portia Simpson Miller, prime minister of Jamaica, 16 September 2015.


162. Letter from Tami Overby, Senior Vice President, Asia, International Affairs Division, U.S. Chamber of Commerce, to Sigita Durbak, Deputy Prime Minister and Minister of Home, 28 January 2015.

163. Personal communication with in-country advocates and confidential government officials, May 2015.


165. Letter from Myron A. Brilliant, Executive Vice President and Head of International Affairs, U.S. Chamber of Commerce, to the Ministry of Health, 5 October 2012.

166. Letter from Andrew White, Managing Director, AmCham Indonesia, to the Committee Secretariat, Health Committee, 18 March 2014.


169. E-mail from U.S. Chamber of Commerce to United States Trade Representative, 20 May 2012.


172. Letter from U.S. Chamber of Commerce et al. to Ambassador Sasse, 21 October 2014.