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FDA/Santa Fe Natural Tobacco Agreement Fails to Protect the Public from Misleading Claims and Imagery on Natural American Spirit Cigarettes

Washington, DC (March 2, 2017) – Truth Initiative and the Campaign for Tobacco-Free Kids today criticized as wholly inadequate an <u>agreement</u> reached between the Food and Drug Administration (FDA) and Santa Fe Natural Tobacco Company, the makers of Natural American Spirit cigarettes, that permits the company to continue using deceptive health-related claims and imagery that contribute to the widespread misperception these cigarettes are less dangerous. While the January 19, 2017, agreement requires the company to remove the terms "additive-free" and "natural" from its product labels, advertising and promotional materials, it would be permitted to continue to use "Natural" as part of its brand name. It also includes a path to use the statement "Tobacco Ingredients: Tobacco and Water," which would continue the deception that because of the lack of additives, these products are safer than other cigarettes. The agreement also fails to address the use of "organic," another misleading term.

In August 2015, FDA issued a warning letter to Santa Fe that their use of "natural" and "additive-free" on their product labeling constitutes a reduced-harm claim. These claims are prohibited without FDA approval under the Family Smoking Prevention and Tobacco Control Act of 2009. Santa Fe is owned by R.J. Reynolds, one of the largest tobacco companies in the country.

The recent agreement, which is labeled "confidential – not for public disclosure," came to light as part of a public court filing by Santa Fe seeking dismissal of a number of class-action consumer fraud cases which have been consolidated and are pending in the U.S. District Court in Santa Fe, New Mexico. In addition, Breathe DC filed a consumer fraud lawsuit last November in the DC Superior Court.

"This FDA/Santa Fe Natural Tobacco Company agreement is a gift to the tobacco industry, permitting R.J. Reynolds to continue the highly misleading, and very possibly legally fraudulent, marketing and labeling of American Spirit cigarettes," said Robin Koval, CEO & President, Truth Initiative. "Our research shows that a majority of Natural American Spirit smokers incorrectly believe that their cigarettes are safer than other cigarettes. The truth is that they are just as dangerous as any other cigarette. This agreement does little to address those widespread and highly dangerous misperceptions. The only way to protect consumers is for the FDA to immediately go back to the drawing board to ensure that R.J. Reynolds and Santa Fe Natural Tobacco Company can no longer mislead consumers about the safety of their product."

"The deceptive marketing for Natural American Spirit cigarettes is costing lives, and this agreement fails to stop it," said Matthew L. Myers, President of the Campaign for Tobacco-Free Kids. "The marketing for Natural American Spirit is the most deceptive of any major U.S. cigarette brand now on the market and has helped fuel a large increase in the brand's sales even as overall cigarette sales in the U.S. have fallen. This agreement falls woefully short of the complete prohibition needed on use of the term "natural" and other deceptive claims that falsely imply a safer cigarette."

Truth Initiative, Tobacco-Free Kids and 26 other public health groups <u>had previously urged FDA</u> to take enforcement action against the reduced-risk claims made about Natural American Spirit cigarettes.

According to a <u>study</u> conducted by researchers at the Schroeder Institute[®] for Tobacco Research and Policy Studies at Truth Initiative, nearly 64 percent of Natural American Spirit smokers inaccurately believe these cigarettes are less harmful, compared to 8.3 percent of smokers of other brands who believe that their cigarettes are less harmful. Smokers of Natural American Spirit cigarettes were over 22 times more likely to believe their brand was less harmful that other cigarette brands. Another Truth Initiative <u>study</u> found that descriptors and other aspects of Natural American Spirit cigarette packs, lead 50-60 percent of U.S. adults to incorrectly believe that Natural American Spirit cigarettes are less harmful than a comparison cigarette pack.

"The misperception that Natural American Spirit is less harmful than other cigarette brands may encourage smokers to switch brands rather than quit smoking entirely, or may increase intent to try the product," said Dr. Jennifer Pearson, lead author on the Truth Initiative studies. "Given the brand's rapid growth and its more common use by youth and LGBTQ individuals, the FDA needs to enforce the law to ensure R.J. Reynolds and Santa Fe Natural Tobacco Company can no longer mislead consumers about the safety of their product."