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November 8, 2013

The Honorable Patty Murray
Chairman
Committee on the Budget
U.S. Senate
Washington, DC 20510

The Honorable Paul Ryan
Chairman
Committee on the Budget
U.S. House of Representatives
Washington, DC 20515

Dear Chairman Murray and Chairman Ryan:

Thank you for your leadership to address the nation's fiscal issues. As you and the members of the Budget Conference Committee work to develop a compromise on the fiscal year 2014 (FY14) budget, the American Lung Association respectfully urges you to repeal the sequester and support a thoughtful, balanced approach that protects nondefense discretionary programs against any further cuts, especially those programs that are vital in the fight against lung disease. Below are specific recommendations and concerns of the Lung Association.

Increase the federal tobacco tax and close tobacco tax loopholes. Federal tobacco taxes were increased in 2009 to pay for the Children's Health Insurance Program but were not equalized for all tobacco products, which created loopholes and a financial incentive for manufacturers to evade or avoid federal tobacco taxes. An April 2012 GAO report highlights how the Treasury has lost billions of dollars because certain manufacturers have avoided paying higher taxes on roll-your-own tobacco by re-labeling the product as "pipe" tobacco, which is taxed at substantially lower rates under the current tax code. A Bloomberg News report released earlier this year noted that by adding enough of the same clay found in kitty litter to make otherwise little cigars weigh in as "large cigars," a dozen companies have also avoided federal tobacco taxes. Ultimately, eliminating these tobacco tax loopholes would institute fairness in the tobacco tax code, result in billions of dollars more in federal revenue and reduce the number of youth who smoke.

Protect the Centers for Disease Control and Prevention (CDC), the Environmental Protection Agency (EPA) and the National Institutes of Health (NIH) from further cuts. Investment in vital programs at CDC, EPA and NIH save lives, reduce health costs and strengthen our nation. These agencies have already been devastated by the first round of across-the-board cuts resulting from the sequester in FY13. Despite the best efforts of these agencies to mitigate cuts, the FY13 sequestration resulted in CDC reducing the already modest amount provided to states for asthma programs. State air

pollution control agencies have warned that the EPA cuts impede air pollution monitoring efforts and slow the issuance of permits. At NIH, approximately 640 fewer competitive research project grants were issued and approximately 750 fewer new patients were admitted to the NIH Clinical Center. Additional cuts would further devastate people living with lung disease, delaying cures and better treatments for lung cancer, asthma and COPD. It is clear that meaningful solutions must be found that will repeal future across-the-board cuts and allow these important programs to protect the nation's health.

Keep the Final Agreement Free of Legislative Riders. It is important that any final agreement reached by the Committee focuses on budget and appropriations issues and does not include any legislative riders that would further jeopardize public health.

On behalf of the almost 34 million Americans with lung disease, I thank the Committee for its thoughtful consideration of these issues.

Sincerely,

A handwritten signature in black ink that reads "Harold Wimmer". The signature is written in a cursive, flowing style.

Harold Wimmer
National President and CEO

Cc: Budget Conference Committee