



## Lance Armstrong pushes tax for cancer research as tobacco industry raises millions to fight it

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SAN FRANCISCO — Cycling legend Lance Armstrong is not accustomed to being the underdog.

But the seven-time Tour de France winner faces a steep climb in his quest to raise tobacco taxes in California to fund cancer research.

If voters approve the tax measure Armstrong is championing in the June primary, smokers in the nation's most populous state will pay an extra \$1 for each pack they buy, raising hundreds of millions of dollars.

The money would go to a new committee that would fund research projects, smoking-reduction programs and tobacco law enforcement. It also would support the infrastructure to fuel that work.

But higher taxes on cigarettes and other tobacco products could mean huge losses for Philip Morris USA, RJ Reynolds and the other major tobacco companies, which are bankrolling the campaign against Proposition 29. The industry calls it a badly flawed measure that will force California taxpayers to pay for a bloated bureaucracy that could send research dollars out of state.

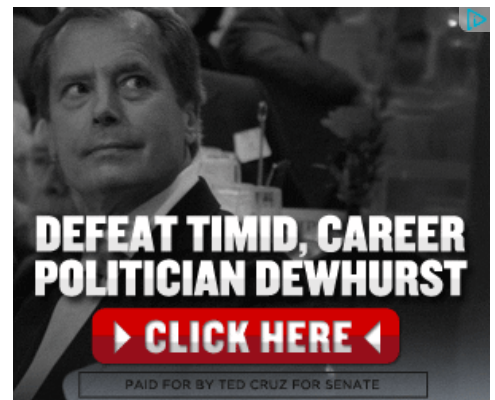
The tobacco companies and anti-tax groups that oppose the initiative had raised nearly \$39.8 million as of May 7, while Armstrong and his supporters had raised \$4.9 million.

"It doesn't matter how much you support the tobacco companies' right to do business; they're on the wrong side of this," Armstrong said in an interview with The Associated Press. "We're still losing hundreds of thousands of Americans every year to cancer. On the one hand, that can be very demoralizing. But for me it's very motivating."

Armstrong beat testicular cancer that had spread to his brain and lungs more than a decade ago. Since then, he has thrown himself into anti-smoking campaigns nationwide and served on the President's Cancer Panel.

His Livestrong Foundation contributed \$1.5 million to support the initiative in California, one of just three states that have not raised taxes on tobacco since 2000.

The independent Legislative Analyst's Office says Proposition 29 would generate about \$735 million a year in revenue if voters approve it. That would be in addition to fees already collected through the state's existing 25-cent tobacco tax, which raised \$298



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million in the last fiscal year for cancer research.

Armstrong says more money is needed for the campaign and has made brief public appearances in the state to support the ballot initiative, named the California Cancer Research Act.

Mike Genest, a former state finance director, wrote an economic study for the opposition campaign and said voters need to weigh more than just their concerns about cancer.

He said Proposition 29 could pose a future burden on taxpayers if the bureaucracy it creates cannot be supported as cigarette tax revenue declines. He also said it could end up raising millions of dollars yet produce little research that actually develops new cancer treatments.

The measure's supporters say both charges are baseless.

**"This is going to cost the tobacco industry about a billion dollars in sales, and that's why they're so unhappy about it," said Stanton Glantz, a tobacco researcher who directs the Center for Tobacco Control Research and Education at the University of California , San Francisco . "Prop. 29 will keep money in the state and create jobs and economic activity."**

"Voters need to look at how it is actually written and ask, 'Will this thing work correctly, or is this thing going to become another embarrassment to our state?'" said Genest, who served under former Republican Gov. Arnold Schwarzenegger.

In 2006, tobacco companies spent \$66 million to defeat a previous measure that would have created an extra \$2.60-per-pack tax. This time, they are giving their money to Californians Against Out-Of-Control Taxes and Spending, a campaign committee that includes the California Taxpayers Association and some small-business groups.

Proposition 29's critics note that it does not require the money raised to be spent on research in California, so some of that could go to researchers elsewhere.

They also question a provision in the measure that would allow the committee to build or purchase buildings, and say it could lead smokers to seek cigarettes on the black market to avoid the higher taxes. The latest figures from the state Board of Equalization show tobacco tax evasion reduced revenues by an estimated \$276 million in 2005-06.

The centerpiece of the opposition campaign so far is a series of radio and television commercials starring a Central Valley physician who warns that the tax would create "a huge new research bureaucracy with no accountability run by political appointees who can spend our tax dollars out of state."

Anti-smoking groups point out that Dr. LaDonna Porter, the Elk Grove physician featured in the ad, also starred in anti-tobacco tax campaign ads in 2006 and in ads opposing strict regulation of the water pollutant perchlorate.

Schwarzenegger also appointed Porter to a state advisory board charged with identifying toxicants in 2005. A spokesman for Gov. Jerry Brown, Evan Westrup, said the Democratic governor has not yet decided whether to reappoint Porter.

Porter did not immediately return calls seeking comment, but in a statement provided by the campaign said she got involved as an "unpaid volunteer."

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"I have not and will not be compensated in any way," she said. "Between now and the election in June, I will continue to join with others who oppose Prop. 29 because of the many flaws it contains."

Chris Lehman, campaign manager for the Yes on Prop 29 campaign, said the tobacco industry's critiques were an attempt to obscure its true motives.

"This is going to cost the tobacco industry about a billion dollars in sales, and that's why they're so unhappy about it," said Stanton Glantz, a tobacco researcher who directs the Center for Tobacco Control Research and Education at the University of California, San Francisco. "Prop. 29 will keep money in the state and create jobs and economic activity."

With less than a month before the primary, many voters have yet to make up their minds, said Dean Bonner, survey project manager for the Public Policy Institute of California.

The institute's March poll found 67 percent of likely voters approved of the measure, but Bonner warned that could change, especially since primary elections tend to draw a higher percentage of party loyalists to the polls. Even so, he said ballot measures have historically passed at higher rates during primaries, as opposed to general elections.

"Taxes on things like cigarettes or alcohol tend to garner a decent amount of support generally, but overall this campaign hasn't been that prominent, so the ads may be able to sway people on this," Bonner said.

Armstrong and a coalition of anti-smoking groups, including the American Cancer Society, American Lung Association, American Heart Association and California Medical Association, do not have the money to fully counter the industry's TV and radio campaign. In the final month before the primary, they plan to hold community events throughout the state featuring cancer survivors and caregivers.

"I was not raised to back down from a fight, and this is the fight of millions of people," Armstrong said.

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