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Tobacco Pricing in Military Stores: Views of Military Policy Leaders

Elizabeth A. Smith PhD[1], Sara A. Jahnke PhD[2], Walker S.C. Poston PhD[2], Ruth E. Malone RN, PhD, FAAN[1], Christopher K. Haddock PhD[2]

[1]Department of Social & Behavioral Science, University of California, San Francisco, San Francisco, CA; [2]National Development and Research Institutes, New York, NY

Corresponding Author: Elizabeth A. Smith, PhD, Department of Social & Behavioral Science, University of California, San Francisco, 3333 California Street, Suite 455, San Francisco, CA 94118, USA. Telephone: 415-502-5238; Fax: 415-476-6552; E-mail: libby.smith@ucsf.edu

Abstract

Introduction: Higher tobacco taxes reduce tobacco use. On military installations, cigarettes and other tobacco products are sold tax-free, keeping prices artificially low. Pricing regulations in the military specify that tobacco should be within 5% of the local most competitive price, but prices still average almost 13% lower than those at local Walmarts.
Methods: To gain insight into policy leaders' ideas and positions on military tobacco pricing, we interviewed members of the Department of Defense (DoD) Addictive Substances Misuse Advisory Committee and the Advisory Committee on Tobacco about tobacco pricing policies ($n = 12$).
Results: Participants frequently lacked specific knowledge of details of military pricing policy, and the impact higher prices might have on military tobacco use. Most participants thought tobacco should not be sold at military stores, but many also felt that this policy change was unlikely due to tobacco industry pressure, and DoD reliance on tobacco profits to support Morale, Welfare, and Recreation funds.
Conclusions: Achieving a tobacco-free military will require changing pricing policy, but this study suggests that for effective implementation, military leadership must also understand and articulate more clearly the rationale for doing so.
Implications: Previous work has found that adherence to military tobacco pricing policy is inconsistent at best. This study suggests that lack of knowledge about the policy and conflicting pressures resulting from the funding stream tobacco sales represent extend to high level military policy leaders. Without clearer information and direction, these leaders are unlikely to be able to establish and implement better tobacco pricing policy.

Introduction

Military personnel have high rates of tobacco use.[1] Raising tobacco taxes leads to increased quit attempts, reduced uptake, and decreased consumption among current smokers.[2,3] At military stores (Exchanges), tobacco is untaxed, and DoD Instruction 1330.09 specifies that tobacco prices should be within 5% of "the most competitive commercial price in the local community."[4] Navy (and Marine Corps) policy dictates that prices must "match the most competitive price in the local community."[5] However, the "local community" and "most competitive" price are undefined. Some installations use comparison prices from other installations, from distant locations, or from Indian reservation stores.[6] Prices average almost 13% lower than prices at local Walmarts.[7–10] Military Exchange profits support Morale, Welfare, and Recreation (MWR) facilities (such as day care centers and golf courses) on military installations. All active duty

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personnel and their families, as well as those who previously served, are eligible to shop at the more than 1300 Exchanges located on installations around the country and worldwide.

The House Armed Services Committee has stymied efforts to raise tobacco prices.[11] Most recently, Secretary of the Navy (SecNav) Ray Mabus proposed ending tobacco sales in stores under his jurisdiction. In response, Rep. Duncan Hunter (R-CA), (a recipient of tobacco industry campaign contributions),[12,13] amended the 2015 National Defense Authorization Act to require continued sale of any product currently sold in military stores.[14] In 2014, the Department of Defense (DoD) Advisory Committee on Tobacco (DACT) was created to examine tobacco control policy options[15]; the committee's report has not been released.

Methods

To explore knowledge and perceptions about tobacco pricing policy among leaders making tobacco policy recommendations to the Secretary of Defense, we interviewed members of the DACT and the DoD Addictive Substances Misuse Advisory Committee (ASMAC) Tobacco Subcommittee. The DACT was comprised of individuals from departments across the DoD, including Health Affairs and the services' Surgeon Generals. The DACT was instructed to "review policy and explore options for supporting a Comprehensive Tobacco Control Plan."[16] The ASMAC is an ongoing body, including those representing personnel policy and community and family policy, as well as those from the medical and personnel offices of the Assistant Secretaries for Manpower and Reserve Affairs of the various services. The ASMAC is tasked to "lead problem solving efforts . . . involving policies and programs, which address reduction, prevention, and treatment of addictive substance use," including tobacco.[17] We interviewed 9 of the 12 ASMAC Tobacco Subcommittee members and 3 of the 47 DACT members (total $n = 12$); the sample included both civilians and military members from every branch of the uniformed services. Because the total number of ASMAC Tobacco Subcommittee and DACT members is small, to preserve anonymity we did not keep records of participants' demographics or military status. Protocols were approved by review boards at the University of California, San Francisco, National Development and Research Institutes, and the DoD. Semi-structured interviews were conducted by telephone, recorded, and transcribed verbatim. We asked the same questions of each interviewee, in the same order, focused in three areas: demographics, pricing practices, and pricing policies. As is typical in qualitative studies, there was no prespecified hypothesis. Using NVivo, transcripts were analyzed qualitatively by coding for recurrent themes and iteratively reviewing clusters of coded text.

Results

Current Pricing System

Comparison with Community Prices

Most respondents said that cigarettes sold on installations were as cheap as or cheaper than the lowest prices in the community. Though a few had examined prices, others had only a general impression. Most people willing to estimate said that tobacco products were 10%–25% cheaper on installations.

Policy Knowledge

No participant could fully explain how tobacco prices were set. Several referenced the DoD Instruction. Most who specified said correctly that prices were to be within 5% of community prices. Most, though not all, correctly understood this was the role of the Exchange agencies. The 5% rule on tobacco pricing was not adhered to, according to many interviewees. Numerous participants said they did not know how the pricing policy was enforced.

Impact of Prices

In general, respondents thought low prices increased use, while higher prices reduced it. Others were unsure. One participant thought: "price controls do affect purchases at some point," but continued, "I'm just not exactly sure at what point." One thought that lower prices discouraged cessation, "But . . . people won't start smoking because of the price." Impact would vary depending on financial status, according to one respondent, who thought lower ranking service members would be affected, but "tech sergeants and above, I don't think it's going to affect them as much." Some said that people would smoke "no matter what the prices are." One interviewee described the price as a "command message" and a financial message in support of tobacco use. Another agreed: "by having the cheaper products, the message was out, 'the [service] thinks [tobacco use is] okay'."

MWR Profits

Respondents were aware of the contradictions created by tobacco profits supporting MWR. One commented that tobacco sales "devalue . . . the MWR mission." Another remarked that this practice "mitigate[d] the negative aspects of selling tobacco [by] . . . disguis[ing] it as promoting the greater good." A third was blunter: "The same time that we're putting the money we get from tobacco back into our programs, we're causing health effects to our [service] population and their families."

Arguing against Exchange tobacco sales was challenging. One respondent said that Exchange "management's performance is judged on how much of an MWR dividend they can generate." He had heard that, "their margin's on the order of 30, 35% on tobacco products" which made it a significant "revenue stream."

Still, most interviewees favored raising prices or eliminating tobacco sales: "our health is more important." Another responded, "I don't think they'd lose as much business as they think they would." One respondent proposed "increasing the budget [eg, appropriated funds] for MWR so they don't have to rely upon the sale of cigarettes." In general, respondents felt that, "You can find other revenue-generating sources."

Improving the Policy

What is the "Community"?

There was little agreement about how "community" should be defined. Suggestions ranged from a radius of 25 miles to the immediate vicinity, while one respondent suggested using a statewide average price. Suggestions for comparator stores included "retail outlets, convenience stores, and markets" that were not "exempt from state and federal excise taxes," as well as Walmarts, grocery stores, and gas stations.

Should Tobacco Be Sold at All?

Most respondents believed tobacco should not be sold in military stores. As one said, "You want to buy cigarettes, buy it off base." Many interviewees described such a policy as desirable but "not viable." This led some to moderate their positions. For instance, one respondent said, "I would prefer it were not [sold]. But . . . there is too much resistance from the Big Tobacco industry." He thought it

would be possible to "significantly reduce tobacco use . . . with the . . . messaging that tobacco use is not condoned." Others preferred to focus on messaging; one approved of continued sales, saying, "I think our job is really to educate and to create those new social norms."

Effect of No Sales

Stopping tobacco sales was seen as powerfully symbolic. One respondent called it "an immediate shift in the military culture that tobacco use is not condoned." According to one respondent, servicemembers asked health promotion personnel, "if [tobacco is] so bad for you, why is it being sold in the Exchanges?" He thought stopping sales would give credibility to tobacco-free messages. Others spoke in more practical terms. Ending sales encouraged cessation by making tobacco purchase less convenient. Some supported ending sales without confidence in the consequences. One said, "I don't think . . . getting rid of them alone is going to have a huge impact," but could be part of a successful comprehensive program.

Obstacles

Loss of Exchange Profits and MWR Funding

Respondents recognized that Exchanges and MWR programs would object to eliminating tobacco sales. The argument was characterized as, "People would just go buy the product in the community and then we would lose out on potential profit." But another noted that such approaches worked, mentioning that the smokefree service Academy had very low smoking prevalence: "And obviously we don't sell it there because we don't want people using it there." The potential loss of MWR funds was regarded as a reasonable sacrifice.

Congress and the Tobacco Industry

Respondents were aware that such policies would likely be overruled by Congress. As one put it, "The money that Big Tobacco has, that influences voting, and public opinion, and Congressional opinion." SecNav Mabus' failed attempt to remove tobacco products from Navy Exchanges was disheartening. One said he was "ecstatic" at the proposal, and "very disappointed" when Congress mandated tobacco sales. Another asked, "What kind of progress can we make . . . if we're going to always be battling these lobbyists?" Some felt "powerless" in the face of this opposition, but others proposed new strategies. One suggested "limiting [tobacco sales] to just one place." Currently, cigarettes may be sold at the Exchange, the commissary, and smaller, convenience-type stores. Limiting sales to one outlet would adhere to the law mandating sales, but reduce visibility and availability of tobacco products.

Rights

Numerous respondents brought up "rights." When asked why regulating tobacco use raised this issue, many gave ambivalent responses. For instance, one participant emphasized both the need for readiness and a willingness to give service members the choice to use tobacco. When asked about this contradiction, the participant responded, "there are so many rules. I mean, our [servicemembers]. . . can't even walk outside when it's raining with an umbrella . . . I don't feel like you can totally take [tobacco] away. . . . That's a really tough one. I don't have an answer." A respondent pointed out that "the whole purpose of the military is to preserve our freedoms and rights. . . So we don't want to just arbitrarily take away certain things." Others attributed the idea that tobacco use was a right to smokers: "They just seem to think it's their right to be able to smoke."

Conclusions

Policy leaders had limited, mixed knowledge regarding operationalization, implementation, and enforcement of pricing policy. Many also seemed uncertain about the potential effect of raising prices. Many participants supported the idea that military stores should not sell tobacco to reduce health care costs and initiation by young recruits, and also to end the "mixed message" of selling cheap tobacco while encouraging a tobacco-free life. They were not, however, optimistic about establishing such a policy.

Several obstacles to policy change were mentioned, most notably tobacco industry influence in Congress, and the problem of Exchange profits going to support MWR. Most respondents felt that lost profits could be replaced (or were not worth it). Reducing the number of outlets selling tobacco was proposed as one way to address the Congressional mandate that military stores continue to sell tobacco.

The notion of tobacco use as a "right" was part of participants' considerations, but this was attributed primarily to the beliefs of smokers themselves. The ambivalence with which interviewees discussed the issue suggests that the notion of tobacco as a right, which has often been used to oppose strong tobacco control policies in the military,[18] is becoming contested. No "right to smoke" has been established for civilians or military personnel. Yet the common conflation of "civil" rights with social practices that participants suggested was part of military culture will be challenging to address.

This study has limitations. We were unable to interview all members of either the DACT or the ASMAC Tobacco Subcommittee; whether or how those who volunteered to participate differ from those who did not is unknown. We also did not distinguish between members of the two committees; however, the conclusions we have drawn are not specific to the individual committee mandates, but rather reflect on more general issues of knowledge and perceptions of tobacco use and tobacco control policy which are relevant to both groups of leaders.

As currently written, military policy sets tobacco pricing through comparison to "community" prices, but does not define the key term. Because military installations vary widely in their settings, from the highly urban Andrews Air Force Base just outside of Washington, DC, to the remote Marine Corps Logistics Base near Barstow, CA, it is unlikely that a single satisfactory definition can be established. In order to comply with current law requiring tobacco sales in military Exchanges and to send the signal that tobacco use is not compatible with service, military policy should set a system-wide price that is high enough to discourage purchase among active duty service members.

However, health policy change usually requires supporting science and strong advocacy.[19,20] This is particularly true when such change is opposed by a force such as the tobacco industry. Policy change in the military comes from the top down, and does not require popular approval. Nonetheless, in an age of voluntary service, military leaders are concerned that policies do not lead to disobedience or loss of personnel.[18] Thus, it is important that military policy leaders understand and articulate their necessity.

The mixed responses about the effects of price on tobacco use suggest that the scientific evidence demonstrating the effect of tobacco pricing on consumption is not familiar to all military health policy leaders. This may be because military initiatives have

emphasized smoking cessation. While basic training is tobacco-free, and all military branches offer state-of-the-art cessation services, the lack of a consistent focus on prevention, and the ambiguous terms of tobacco pricing policy mean that even health leaders may be unprepared to make the case for policy change.

Yet, while acknowledging the political infeasibility of this option, leaders unambiguously believed that military stores should not sell tobacco. Most felt that raising prices would be worth the financial and political risks. Achieving a tobacco-free military[13] will likely be a long process, involving both social norm change and addressing the tobacco industry's continuing influence. This study suggests effective tobacco control policy change will require military leadership to achieve more uniform implementation of existing policy as well as understand and articulate the rationale for policy change.

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Declaration of Interests

None declared.

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