



Chairperson and Members of the Committee, thank you for the opportunity to submit written comments today on HB 1069 / SB 550.

My name is Kevin K. Barney. I am Executive VP of Atlantic Dominion Distributors, Headquartered in Virginia Beach, VA. Our company has been in business since 1875, almost 150 years. We supply over 300 retail locations in Virginia, mostly Convenience stores, Grocery stores & Tobacco Outlets in Virginia. We also supply over 500 of these same type stores in NC & SC. We have 108 employees at our distribution facility in Virginia Beach, VA.

Currently most e-vapor products in the Virginia market are in violation of the FDA rules and federal law. Atlantic Dominion Distributors does not sell any vapor products that has not submitted a valid PMTA that is under review by the FDA. It is very challenging, if not impossible, for wholesalers, retailers, and consumers to discern which products are authorized to be sold and which products are not. This is in large part due to the sheer number of PMTA applications that have been rejected or remain under review by the FDA. The adoption of an e-vapor directory in Virginia will allow responsible distributors and retailers to know what is compliant and what is not.

In addition to protecting consumers, an e-vapor directory would facilitate an equal playing field for all distributors in the state and protect Virginia businesses from federal enforcement for unknowingly selling or distributing noncompliant products. Right now, we have no clarity and may be enforced against at any point. This proposal is good for Virginia law abiding distributors in our state want to adhere to the rules, but we need a mechanism to understand what products are legal for sales and distribution. We are competing with some rouge "pop up" distributors and on-line sellers that are

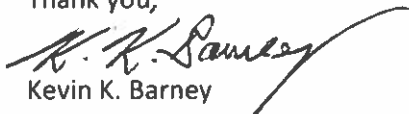
ignoring the FDA vapor product bans and selling these wantonly to C-stores & Vape/CBD Shops that have sprung up across the state. Many of these distributors and on-line sellers are not collecting and remitting the state vapor tax and they encroach on our retail customer base with these products and other goods they supply. What are the ingredients of these illegal products and where are they coming from? Many 21 and under children and young adults can purchase these products which is very concerning.

This unregulated and unenforced market has also been a detriment to our sales as we are unwilling to break the law by selling products the FDA has deemed illegal. With the "Wild West" market that currently exists we are uncertain if we will be able to sustain our business to 2025 for our 150th year anniversary.

An e-vapor directory will provide wholesalers with the information we need to ensure that we are distributing compliant products and avoiding penalties. The proposed e-vapor directory will also help fund equitable enforcement across the state. Registry fees and violation fines will help support the enforcement efforts needed to ensure that all distributors and customers are compliant. An organized and regulated market will facilitate the long-term sustainability of a category that has been shown to be substantially less harmful than traditional combustible cigarettes.

In conclusion, I urge you to support HB - 1069, an e-vapor directory in Virginia. This will create an even playing field for all distributors and retailers. Please provide industry members with the information they need to distribute and sell compliant products and help fund the equitable enforcement of those efforts.

Thank you,



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