Tuesday, July 18, 2024 / Why banning Juul backfired

[HALF SECOND OF SILENCE]

[BILLBOARD]

NOAM: Remember Juul?

*<Who Will Save Your Soul>*

NOAM: Not that Jewel

*<Don’t Go Vape Your Juul (TEx parody)>*

NOAM:Yeah, that one. Five years ago, everyone was Juuling. The company was worth more than Ford. And then…

<CLIP> YOUTUBE SHORT: “This e-cigarette was worth over 38 billion dollars. And now its practically nothing. How did this even happen?”

NOAM: But somehow flavored vapes are more popular than ever. So what happened?

LEON: how did it come to pass that out of the efforts to rein that company in? We got instead this insane Wild West, where it seemed like the vaping problem ~~had~~ transformed into something much less manageable, arguably, than than it had been in the first place.

NOAM: That’s coming up on Today, Explained.

*<Don’t Go Vape Your Juul (TEx parody)>*

[THEME]

NOAM: It’s Today, Explained, I’m Noam Hassenfeld filling in as host. Leon Neyfakh, co-host of a new show from audible called backfired. All about the rise and fall of juul. So, Leon let's go back to the beginning of that rise. How did juul start?

SCORING IN—CATBUS MINIMAL DRUMS

LEON: It started like so many of our most beloved companies and at Stanford, with a couple of guys who had an idea for a startup.

NOAM: Were they in like a garage?

LEON: They weren’t in the garage. They were in a design program, actually, their names were James Montes and Adam Bowen. They were both smokers\.

*<CLIP> JUUL COFOUNDER JAMES MONSEES: “I’m from St. Louis and when I grew up I was exposed to cigarettes. And the fascination lived on with me,”*

LEON: You know, James Montes had a family member, a grandfather, I believe, who had died of of smoking related illness. They hated the fact that, like, their classmates would look askance at them when they were outside of their classroom smoking. They didn't like how they made them smell, and so on. They decided to make a safer cigarette, one that didn't involve lighting tobacco on fire.

*<CLIP> JUUL COFOUNDER JAMES MONSEES: “We were really passionate as smokers ourselves getting into this to end the combustible cigarette once and for all…”*

NOAM: So this was like coming out of a desire to be healthy. This was actually like. Something that was supposed to help people.

LEON: Oh, yeah. No, 100%. I mean, you know, people will call me naive for saying this, but I do think their initial mission was to get people off of cigarettes.

NOAM: hmm!

LEON: They wanted to invent something that would help, you know, millions of people around the world stop smoking. They obviously wanted to make a lot of money in the process. They saw that a population of smokers, reluctant smokers as a huge market opportunity.

*<CLIP> JUUL COFOUNDER JAMES MONSEES: So you have a trillion dollar global market where 70 percent of those consumers don’t want to use them. So that’s…fascinating.”*

But they knew from their own experience that quitting smoking is really hard, and they wanted to invent something that would go further and work better than the patch, the lozenge. All these, all these smoking cessation tools that are not that effective. They wanted to see if they could improve on it.

SCORING OUT

NOAM: So how big did Juul get at its height?

LEON: So big.

*<CLIP> CNBC: “Tremendous growth in just a short time. It has roughly 72 percent of the e cigarette market. Selling directly to consumers and through one hundred thousand retail outlets.*

LEON: I would say peak juul was probably around 2018, 2019. Ironically, the kind of best or most vivid marker of their success was when Altria, the tobacco company that makes Marlboros, bought a chunk of them, but a 35% chunk of juul for like 12 point something billion dollars, which valued juul. It's $38 billion, which made it worth more than Ford and, space-x and many other companies…

*<CLIP>: KPIX: “More valuable than ford, Delta Airlines, or Target.”:*

NOAM: Wow.

LEON: So they were I mean, they were a juggernaut. They were they were like, the fastest growing startup ever. And, and, you know, that obviously went up in smoke, so to speak.

NOAM: Yeah, what exactly happened? I remember hearing stories all the time about how juul is so dangerous, which is kind of surprising if the original purpose of juul was to be healthy.

LEON: Right. Well, so I will put an asterisk on “healthy” because they never made health claims, right? They weren't allowed to because they were trying to sell juul as a consumer product. They were they weren't interested in being behind the counter at a pharmacy next to the smoking cessation devices that we all that we all know.

*<CLIP> CBS SUNDAY MORNING: HOST: “Fair to say you are safer than cigarettes?” JUUL CEO: “I’m not going to comment on where I am in terms of that. Lets just say Cigarettes are known to be the number one source of preventable death in the world, and are at the far end of the stream in terms of continuum of risk.”*

LEON: They wanted this to be something people wanted. They wanted to be something people enjoyed using. The best they could do in terms of making claims about its relative health risks was to call it “cleaner”. That was the word they used at the time.

NOAM: But is it actually bad for you?

LEON: We don't have long term data on, what happens when you spend, you know, 30 years or 40 years vaping? It's much safer than smokin. That's that, you know, that's that's that's the thing that I think has gotten lost in a lot of this discourse. Like, there are there are surveys that show that, like 60% of doctors think vaping is just as bad for you as smoking, and it's just not true.. Like the important thing to realize is that, nicotine is not the thing in a cigarette that causes cancer or that causes you to develop emphysema. It's it's it's it's the carcinogens that are generated when you light tobacco on fire.

NOAM: And if I remember correctly, when it came to the controversy around juul it was mostly about kids, right?

LEON: Right, exactly.

SCORING IN—TINY DETECTIVE AGENCY

LEON: The annual Youth Tobacco Survey came out, in 2018, showing a huge, huge increase in kids who are routinely using e-cigarettes. I think it was like 75% increase in one year. Millions of high school kids, you know, not quite a million middle schoolers, but a lot of teenagers, using vapes and generally using juul. You know, your teachers started noticing kids with juuls in class.

*<CLIP> KSHB: REPORTER: “How often are you offered a vape product? KID: “Multiple times a week. REPORTER: Multiple times a week! KID: “During class.” REPORTER: “During class!’*

LEON: There were kids bunched together in bathrooms vaping,

*<CLIP> KID ON YOUTUBE” “Yo what’s good? OTHER KID: yo. KID: Got the Juul here, gonna teach you some tricks…”*

LEON: and that really freaked people out.

*CLIP: TODAY SHOW “Take a close look. This student is outfitted with vaping devices, but you can’t see them. Why? They are designed to look just like normal school gear.”*

SCORING OUT

NOAM: So we have this fear that kids are using too many e-cigarettes too much. They're doing too much. And then we also have this idea that maybe it's not as bad for you as well. It's definitely not as bad for you as cigarette. We don't know exactly how bad it is for you. Why did juul end up losing essentially?

LEON: So I mean, a couple of things happened at the same time. I think the the youth survey used tobacco, survey numbers came out and were a huge red alert for the FDA for the center for Tobacco Products. The head of the FDA at the time, Scott Gottlieb, announced that there was an epidemic. summer of 2019, This other thing happens, which is extremely damaging to juul, which is that, people start developing a deadly lung illness, and it seems like what they have in common is that they vape.

NOAM: I remember we we covered that on today, explained in 2019

*<CLIP> TODAY, EXPLAINED: Today’s episode is about vaping. But I can almost guarantee you it won’t make you want to vape. Because now, people are dying.*

LEON: , yeah, we didn't know what was causing this lung illness that was literally killing people. And. Yeah, because we're in the hospital struggling to breathe.

*<CLIP> AL JAZEERA: At 18 Adam has the lungs of a 70 year old. ADAM: I was devastated because I didn’t think that little pod could do so much damage on my body.:”*

LEON: And people were, you know, in the news, we're talking about it as the vaping illness, the vaping, vaping related lung illness

*<CLIP> TODAY: “The CDC came out with a recommendation essentially advising people to not vape at all, to consider not doing it.”*

LEON: and~~,~~ what exactly it was that was causing it was unclear until eventually the evidence came in and it became pretty I think it became a matter of empirical fact that what was really causing this long illness was black market THC vapes.

NOAM: So. So it wasn't juul.

LEON: Correct.

NOAM: Huh

LEON: There's a thing called vitamin E acetate that was in these black market THC vapes has nothing to do with what's in a juul. And in the meantime, everyone got convinced that vaping kills you and gives you this lung illness.

NOAM: Right? Just sort of vaping in general without making the distinction between, like, black market weed vapes and e-cigarettes.

LEON: Yeah, vaping in general, juul in particular. There's probably a lot of, you know, I think resentment on the part of, people who, who, who believe in vaping as a harm reduction tool, for what they see as like a basically a politically opportunistic, move on the part of the U.S government to crack down on nicotine vapes on the basis of this long illness that actually had nothing to do with it.

NOAM: And what ended up happening, what did the government do?

LEON: So what happened was, you know, a lot of the the analysis of why teens were picking up this habit had to do with the fact that they that vapes came in attractive flavors. Right? So the early juul flavors, I think, came in mango. That was like always the people pleaser, the crowd favorite.

NOAM: Okay,

LEON: creme brulée was one. I never liked that one. Cucumber. That one was pretty nice.

*<CLIP> TODAY: “Two recent studies found that mint pods were the most popular with high school users, and Juul is their favorite brand.. KID: “Nothing like a fresh mint Juul pod. Mmmm.”*

LEON: And the theory was that this was what was making kids want to vape. You know, maybe in addition to the fact that it was, like, a cool idea, you know, it just an esthetically cool thing to have in your pocket. And so flavors became a major focus of of efforts to, rein in this industry. And so what happened was that, under the Trump administration, there was a flavor ban on nicotine vapes.

*<CLIP> TRUMP: “ We can’t allow people to get sick, and we can’t allow our youth to be affected.”*

NOAM: So so that's the last I feel like I heard about juul in the news cycle like that. That was at the end.

LEON: No, it was not the end.

SCORING IN—TRIANGLE TIME

It may have been the end of people, paying attention to juul, in the way you just described. But it was it was only the beginning, I think, of a new phase in the vaping industry's evolution.

SCORING BUMP

NOAM: Coming up, how the attempt to ban juul may have made flavored vapes more omnipresent and even more of a black box.

*<CLIP> DISORDER VAPES YOUTUBE CHANNEL: “And here we go, cherry pop everybody, let’s get into it cheers. [VAPES]. Wow.”*

[BREAK]

[BUMPER]

NOAM: Leon. We're back talking about flavored vapes. And I guess my first question here is just are flavored vapes legal right now?

LEON: No, they are not.

NOAM: Okay, wait. So so the producer for this episode, Miles Bryan, he told me that he brought a mango flavored vape to this taping.

LEON: He found a mango one? a mango juul?

NOAM: I don't think a juul, but he got. You got a mango one, and he says he bought it at a convenience store. So how was he able to do that after this juul ban?

LEON: Well, so a ban on flavored vapes really only applies to juul.

SCORING IN—UPTOWN DUCK STRUT

I mean, frankly, the way it was written, it only covered cartridge based or pod based devices, which left this huge opening for companies that made disposable vapes,

*<CLIP> YOUTUBE VAPE REVIEWER: “What is going on guys, today we are going to be doing a review on the lemon sparkling wine lost Mary 5000…”*

vapes that didn't include any kind of cartridge. You just bought one, you puffed on it for a week or two, or however long it lasted. Then you threw it away.

*<CLIP> YOUTUBE VAPE REVIEWER: “Very very sweet lemon, you get that wine aftertaste but its not overpowering in my opinion its like, nice natural taste.”*

LEON that loophole that the that the FDA ban, left open gave rise to a, to a massive industry that they're still trying to rein back in, even though the loophole has since been closed.

NOAM: hmm.

The reason I say no, none of these things are legal is that….

*<CLIP> CSPAN: “The food and drug administration recently finalized new regulations that would make electronic or cigarettes subject to the same federal rules as traditional cigarettes or other tobacco products.”*

LEON anyone who enters the market, after 2016, who wants to sell vapes of any kind, anyone, anyone who wants to sell nicotine e-cigarettes, has to be approved affirmatively by the FDA. They have to submit what's called a PMTA, an authorization, request, basically. And so Juul, which had out which had obviously had already been in the market, could could continue selling their products, even as the FDA reviewed their application. And so the reality is that none of these companies have been approved by the FDA.

SCORING OUT

NOAM: Where are all these flavored vapes coming from?

LEON: Well, they're mostly made in China, specifically in Shenzhen, which listeners may, may recognize. I mean, it's a massive city, very famous, but

NOAM: That’s sort of like the big tech hub. Right?

LEON: Yeah. People remember it because Foxconn, was it was in Shenzhen. It's like where all our iPhones were made. And now it's, it's home to the central hub of the world's e-cigarette manufacturing.

*<CLIP> MICHELLE ZHONG: We located in Schenzen city, Bauon District.t's very, very, very easy to find a full supply chain in this city. // And because we have a full supply chain of the electronic products, so it's very easy for the, for us to find all the raw material we need.*

LEON: There's a neighborhood in Shenzhen known as Vapor Valley, where, you know, most of these things are made.

*<CLIP> MICHELLE ZHONG: The European market is very strong right now and the Middle East and – but US still the top one sales in right now in the, of the vaping industry. It's like the biggest market in the world right now*

NOAM: Hm , Wow. most of these flavored vapes that are coming in are coming from this one place?

LEON~~:~~ That's that, that's that's that's the sense that the people we interviewed have is that, and I say that a heads out a little bit because people know very little about these companies. Like one of the subplots of our, you know, attempts to figure out who was in charge is that they're really good at, kind of hiding. And, you know, there's one company called Puff Bar where there's all this speculation for a long time about whether these two, you know, American guys in their 20s who who said they were in charge were actually just a front for a Chinese company that, you know, was actually calling the shots. And so there's there's like a lot of, hazy territory here. We don't really know who is behind these things. All you know is that they are everywhere.

NOAM: If I understand this correctly, the market for all of these Chinese vapes was created by the American government or the FDA saying juul is not healthy and habit forming for kids. Are these new vapes healthier, are they tested?

LEON: No, they are not tested, by anyone. We tested some, actually, for our podcast. We took a handful of disposable vapes that we bought in LA to a lab, where they mostly test THC vapes. Okay. But basically, they have this robot that can smoke, like, ten vapes at a time.

NOAM: So you wait. What is it? I just imagine like a robot with a with a really wide mouth or.

LEON: It's not an it's not an anthropomorphic robot, but it is a it is a device that that can double fist

*<CLIP> LEON WITH VAPE ROBOT: [SOUND OF VAPING] LEON: this is unbelievable. Basically a robot sucking down about seven vapes at once. SCIENTIST: “well it does it one at a time…”*

LEON: what they told us was that the that these vapes contained some nasty stuff, but in very, very, very, very small quantities.

*<CLIP> COOLEY:. I mean, there's arsenic everywhere, in your drinking water in your, you know, your home floating around in the air. Um, it's nothing to get too crazy about.*

NOAM: Okay, so that's the physical stuff, you know, maybe not terrible, but also unregulated. What about the kid stuff?

LEON: So this is sort of interesting. You would think, and I certainly did think that disposable vapes which like, again, come in like insane flavors,Like literally like seltzer, you know what I mean? Like the same way that there's this insane explosion of flavor specificity in the seltzer world. I feel like you have the same thing with with nicotine vapes. They don't look like the juul. Like they're not. They don't resemble a cigarette in any way. Arguably, the juul is still like a thin, like thing you hold in your fingers. Like, this is like a little egg. Almost. And they come in all different forms, but, like, the main form is like an AirPods case, almost, that, if I were a teenager, I would want. But the reality is, and this is why I say it's quite interesting. Teen vaping is way down, like way down from its peak.

NOAM: huh

*<CLIP> KEZI 9: “According to national use tobacco survey the number of high school students using tobacco products dropped from 16 to 12 percent. That drop largely driven by a decrease in then use of ecigarettes…”*

LEON:. And meanwhile, like, the sales of disposables have continued to go up. So it's like, it seems as if it's adults who are driving the adoption of these disposables. Which is interesting.

NOAM: So I'm curious. We we had this product in America, juuls, that people were really scared about. And were at least somewhat regulated. And then there was a push to kind of get them out. And now we've essentially replaced them with much less regulated vapes. Why aren't these new unregulated Chinese vapes causing kind of outrage? Why aren't they getting crackdowns?

LEON: So they are, they're they're getting some outrage. And they're definitely getting at least the trappings of a crackdown.

SCORING IN—SHADOW MAN

I, you know, accompanied, the New York City Sheriff's Department on a raid of a smoke shop in the Bronx.

*<CLIP>LEON: We got the all clear to come in?ROBLES: Yep, we’re ready.[SOUND OF DOOR OPENING]*

LEON: It was something they did every single day. They go to these places that sell flavored vapes and weed, I should say. Though the specific mission on the day that we went was flavored nicotine.

*<CLIP> ROBLES: You have, this is the, the Elf bar. We see this one a lot. and then this one. The miles. And then you'll, once it's bagged up, you'll see how many bags that come out of this location.*

LEON: they sort of like, play whac-a-mole with these convenience stores that often just, like, reopen a week later. So that's like the small ball, effort to crack down. Just the other week, it was announced that the FDA is going to go after disposables in a new way by joining up with, like, a bunch of different bureaus, including, DOJ.

*<CLIP> WFAA NEWS: “The FDA says its sent hundreds of warning letts to shops and manufacturers over the years urging them to stop selling the ecigs, but it hasn’t been affective…”*

LEON: That's seems like a, like a signal that they're that they're serious. They're, you know, by going after these companies with, like, real, enforcement power, up to this point. And I think this is what has been really difficult for them is that they didn't really have a weapon against these places, against these companies, other than trying to stop . But there were so many different brands and so many different companies, again, operating somewhat in the shadows that the FDA just couldn't keep up.SCORING OUT

NOAM: this is kind of a story of unintended consequences in a lot ways. Of ways of good intentions here I guess it just makes me wonder, is there another? Is there, is there another strategy the government could have chosen to to follow here?

LEON: This is a boring answer, but like one thing they could have done differently is not left a huge loophole that these companies advantage of. So that's one thing. But I think, you know, in a more philosophical sense, they could have, I think, done a more careful job of balancing the need to contain the youth vaping epidemic, as they called it, with the reality that smokers like vaping, the vaping helps people who smoke cigarette quit.

SCORING IN—SADLY WE ARE HERE AGAIN

You know, the research is pretty clear. Vaping is by far the best, you know, most effective tool we have for smoking cessation. And I think, you know, in other countries, especially the UK, they've taken a more balanced approach, in terms of trying to, make sure that kids aren't picking up this habit and developing, you know, lifelong nicotine habits, while also encouraging adults to switch and having messaging that I didn't like completely demonize vaping as a, as a, as a phenomenon.guest Right. Like I think in the United States, like the reason, you know, so many people kind of assume that vaping is no better for you than smoking or if anything, it's it's worse. Is that like the messaging in the US has been so prohibitionist, so kind of like unambiguously negative on this thing that actually, like could help millions of people not die. And so I think, you know, there's been this like to me quite, persuasive and, moving like, argument made on behalf of people who smoke, who I think can, again, plausibly observe that like they are being sacrificed on the basis that kids, shouldn't be doing.

SCORING POST

NOAM: Leon Neyfakh is the co-host of Backfired: The Vaping Wars, a podcast from Audible

LEON: Right now I'm I'm on the patch, actually, I've, I've introduced that into the rotation. And it works quite well. That's sort of where I am now. Is trying trying the old school method of quitting, which is, which is to use the patch. Yeah.

NOAM: This episode was produced by Miles Bryan, edited and fact checked by Matt Collette, and engineered by Patrick Boyd and Andrea Kristinsdottir. I’m Noam Hassenfeld. It’s Today, Explained.