

ASH ANNUAL REPORT

2016

WASHINGTON, D.C.

Global action for
everyone's health

ASH recognizes
Big Tobacco as the

VECTOR

of the tobacco
epidemic, and we
work on several
fronts to

COUNTER

ATTACK

their deadly
products

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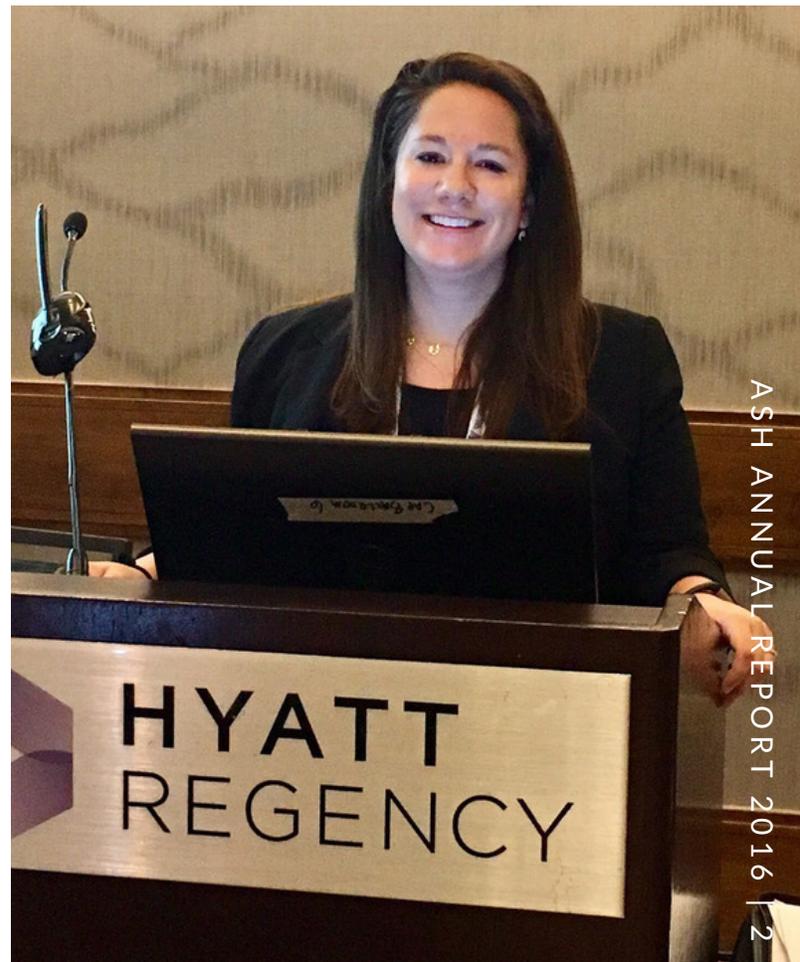
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Our Vision Forward



Joint Letter from ASH Board Chair Alfred Munzer and Executive Director Laurent Huber

The ongoing struggle against tobacco addiction and death saw notable successes in 2016. Standardized packaging spread from one country (Australia) to more than a dozen and counting. Two international trade lawsuits launched by Philip Morris against strong national tobacco regulations in Uruguay and Australia were resolved in favor of public health. And here at home, smoking prevalence among adults and children fell to their lowest levels in more than a century, spurred in part by raising the age to purchase tobacco products to 21 in hundreds of jurisdictions.

And perhaps most importantly for the future, a number of countries have expressed their intention to finally achieve a tobacco-free society, a society where no one dies because of tobacco, something that ASH will strive to make a reality here in the U.S. and around the world.

As we enter our second half-century, our mood is less one of celebration than of measured introspection. Certainly when ASH was formed in 1967 it was inconceivable that the tobacco epidemic would still be raging in 2017. It had only been three years since the U.S. Surgeon General had definitively linked tobacco use and death. Surely society would not long suffer the legal sale of a product that kills when used as intended!

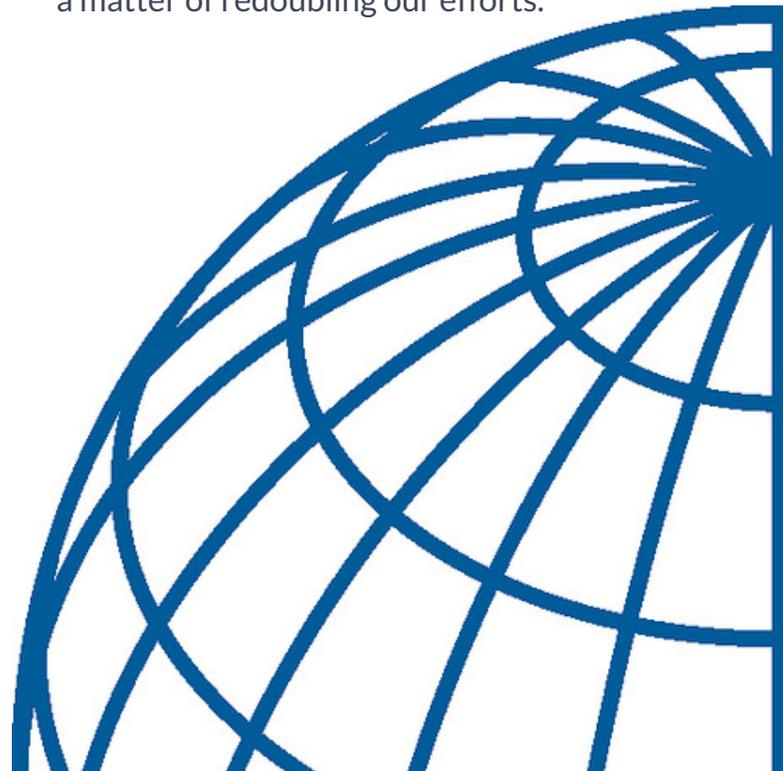
Sadly, in spite of all the progress, there are more tobacco users today than yesterday, and there will be more tomorrow. While the prevalence of smokers is down in the U.S. based on population growth,

tobacco still accounts for more than one of every five deaths,

and millions of Americans alive today will live substantially shorter, less healthy lives. Nationally, more than 36 million adults smoke, representing 14% of the adult population, and about half of them will die because of it.

ANY OTHER PUBLIC HEALTH THREAT DESTINED TO KILL 7% OF OUR POPULATION WOULD BE A NATIONAL EMERGENCY,

but society has a blind spot when it comes to tobacco. This is not the time to rest and pat ourselves on the back. And it is not just a matter of redoubling our efforts.



We must reconsider how we address the tobacco epidemic.

When cigarettes were first introduced to the marketplace, had we known the danger, they would not have been sold as a consumer good.

When we discovered the magnitude of the problem, there were too many users who would oppose regulations that matched the magnitude of the harm being caused. It was imperative to first drive down prevalence by keeping kids from starting and convincing – and helping – adults to quit. This strategy has worked. It is time to think about what comes next, to update our aspirations.

As ASH marks its 50th anniversary, we dedicate ourselves to ensuring that we never see our 100th. It is time to make the final drive to a truly tobacco-free society. We know how, we know why. You have been with us through so many victories. Let's make the final push to end the war together.



Dr. Alfred Munzer
Board Chair



Laurent Huber
Executive Director

Tobacco use: a barrier to ending poverty in America and the world.

ASH is working to correct this social injustice!

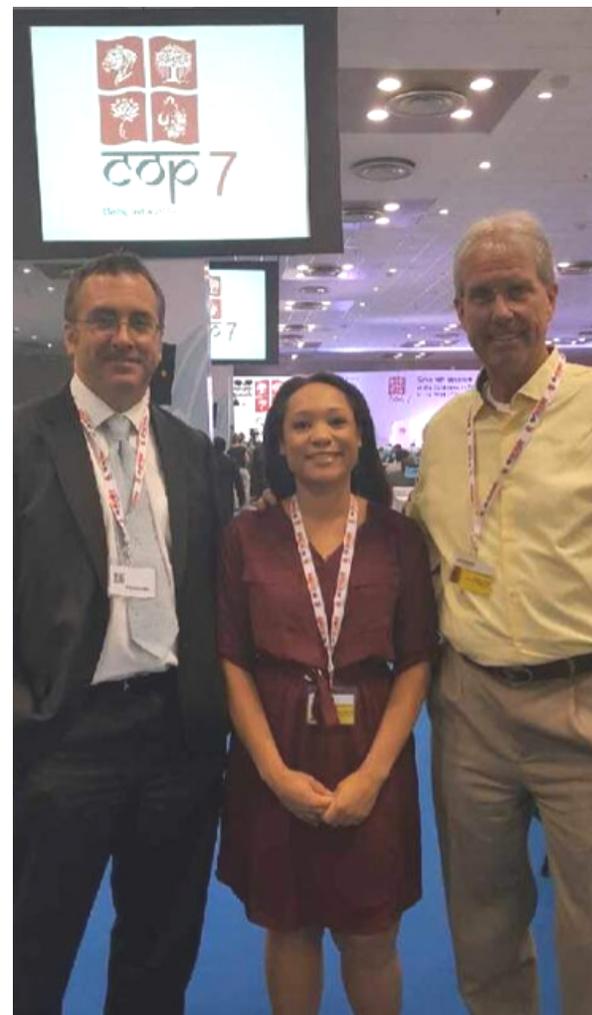
Tobacco use has decreased among wealthier Americans, giving the false impression that in America, tobacco is a problem of the past. Unfortunately this is hardly the case; in 2012, tobacco drained 1.8% of the world's gross domestic product (GDP), totaling over \$1.4 trillion, and smoking-related illnesses in the United States cost more than \$300 billion each year. This cost is mostly incurred by the poor here in the U.S and around the globe. Americans living in low income communities, living below the poverty level, and/or having achieved lower levels of education experience much higher rates of cigarette smoking than the general population. So it is not surprising that the 2016 report from the U.S. National Cancer Institute and the World Health Organization found that, **“tobacco use accounts for a significant share of the health disparities between the rich and poor.”**

Thanks in part to the work of ASH, the world now has a tool to address inequities caused by tobacco.

In 2015, the world agreed to a new blueprint for growth by adopting the United Nations Sustainable Development Goals (SDGs) which replace the Millennium Development Goals (MDGs) and are meant to be a guide in reducing poverty and improving the lives of the world's 7 billion inhabitants. ASH worked hard to ensure that tobacco was included as a target in the SDGs.

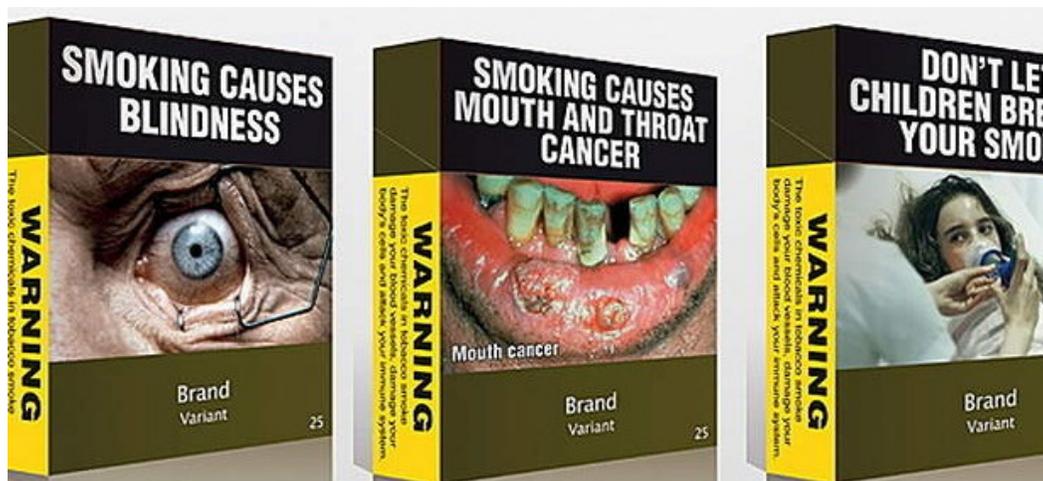
The U.S. Government participated in the development of the SDGs and embraced the global call for implementation of measures that will reduce tobacco use. Now is the time to act at the local level. We want to see the U.S. achieve the tobacco use reduction targets associated with the SDGs, but not only in wealthy neighborhoods. **Low income jurisdictions in the U.S. are at risk of continuing to be disproportionately hurt by tobacco use and could be left even further behind.**

So in 2017 and beyond, ASH will continue to raise awareness about the impact of tobacco on the poor and will help implement solutions to ensure that all Americans, not only wealthy Americans, are protected from tobacco addiction and disease.



Global Initiatives

The biggest news in global tobacco control in 2016 was the spread of plain – or standardized – packaging (pictured below). When the year started, only Australia had implemented plain packaging and was kept busy fending off the last of multiple lawsuits from the tobacco industry. Today, 17 countries have embraced plain packaging and more are on course to join. Based on the Australian experience, these measures will save millions of lives.



ASH continues to support its allies in foreign countries. Lawsuits against the tobacco industry were filed in several countries in 2016, including a private criminal suit in the Netherlands. Just like here at home, **it is always an uphill battle to take on an industry whose revenues exceed \$750 billion.** We are privileged to have friends whose dedication equals our own.

The last round of negotiations for the WHO Framework Convention on Tobacco Control (FCTC) were in November in New Delhi, India. The FCTC is the roadmap that helps countries implement the national measures designed to reduce national prevalence and eventually end the global tobacco epidemic. The treaty negotiations, also called the Conference of the Parties (COP), provide an opportunity to review progress and decide the best ways to move forward with the implementation of the treaty. Decisions at the negotiations were hard-fought this year, with the tobacco industry represented on several national delegations and determined to blunt progress. **Even so, a number of important strides were taken:**

Supporting National Implementation – the COP agreed to develop a “medium-term strategic framework” for the FCTC to help the world achieve the 30% tobacco reduction target.

Human Rights – the COP agreed to link the FCTC process to other international treaties that address human rights mechanisms.

Trade – the COP called on all parties to consider tobacco regulations when negotiating trade and investment agreements.

Environment – the COP called for an environmental impact assessment of the tobacco product lifecycle and for the FCTC secretariat to collaborate with the United Nations Framework Convention on Climate Change and the United Nations Environment Program.

While we have made tremendous progress here at home, the tobacco scourge has raged abroad. There are still over 1.2 billion tobacco users, and unless we can change that, 1 billion people will die this century. This is not someone else’s problem – tobacco industry profits abroad are repatriated to buy political influence and market deadly products here at home.

**IF TOBACCO PRODUCTS
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ANY OF THE REGULATORY
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TO PROTECT CONSUMERS
AND THEY WOULD
NOT
BE SOLD FREELY**

LAURENT HUBER
EXECUTIVE DIRECTOR, ASH



Criminal Liability Project

ASH's tobacco criminal liability program made major strides in 2016. This initiative, which seeks to hold tobacco executives and/or corporations criminally liable for tobacco related deaths, was first publicly launched in 2015. ASH staff worked diligently in 2016 to gain support for the program in both the legal and public health communities in order to increase both the legitimacy and visibility of the program.

In spring 2016, working with our partners at Georgetown University's O'Neill Institute for National and Global Health Law, ASH convened a meeting of criminal law experts. The goal of the meeting was to discuss the specific potential criminal charges and their viability. We got advice from the legal experts on the nuts and bolts of each possible crime and engaged in a lively two day discussion on the best strategy to achieve a victory in this case. There was also a discussion of strategies for bringing this case to the attention of a prosecutor.

In order to open a criminal case, a prosecutor must bring charges against a tobacco executive and/or tobacco corporation. ASH staff has been researching which prosecutors might be politically inclined to bring a case and how best to present this information to an interested attorney. We have met with representatives from prosecutors' offices and sought their opinions on the best path forward. The result from both the expert group meeting and these further consultations is a white paper, produced by ASH, that outlines the arguments and counter arguments in a case against tobacco executives, in a way we believe will be most persuasive to potential prosecutors. This paper will be published in 2017, and we hope that it will convince new allies to join the fight.

We are also working on bringing criminal charges in other countries. To that end, we have been researching the legal and political climates of other potential venue countries. ASH will convene legal experts from these countries in a meeting this year, and the participants will work together to determine what is needed to move criminal liability forward around the world. 2017 looks to be another exciting year for our criminal liability program – please follow our progress through our e-newsletter and our website.

Additional ASH Campaigns

ASH campaigns are designed to ensure that everyone and all mechanisms are moving toward a tobacco-free world. For most of the life of the tobacco epidemic some sectors, such as trade and commerce, have actively worked to increase tobacco consumption. Many governments work to fight tobacco disease and death with one hand and work to increase it with the other. ASH is determined to change this dynamic, and we are well on our way.



Trade

After our victory in seeking a tobacco carve-out in the negotiations of the giant Trans-Pacific Partnership (TPP) trade agreement, ASH set out in 2016 to make such carve-outs “the new normal” in trade relations globally, starting with bilateral investment agreements (BITs), of which there are approximately 3,000 worldwide. Working with the Harrison Institute at Georgetown University Law Center, we reached out to a number of likely governments with research showing that they could easily alter existing BITs with willing partner countries. In October, Australia and Singapore agreed to insert a tobacco carve-out in their BIT, a first in history. Both were participants in the TPP negotiations, and they used language pulled from that agreement. ASH will build on this momentum until trade agreements no longer work in support of the tobacco industry.

Human Rights

ASH has been working for several years to include anti-tobacco activities in the global human rights framework. In April 2016, we achieved our biggest success to date. ASH attorneys Kelsey Romeo-Stuppy and Chris Bostic were invited to present our research before the Inter-American Human Rights Commission, an important international body that has great influence on government policies in the Western hemisphere. We are optimistic that this will lead to stronger anti-tobacco measures, particularly in countries that have fallen behind.

Tobacco-Free Generation

ASH continued its research and advocacy in favor of the Tobacco-Free Generation concept, which promises to end the commercialization of tobacco within two generations. Tasmania, Singapore, Hong Kong, and several U.S. jurisdictions are considering the move, and ASH is encouraging the race to be first.

Communications

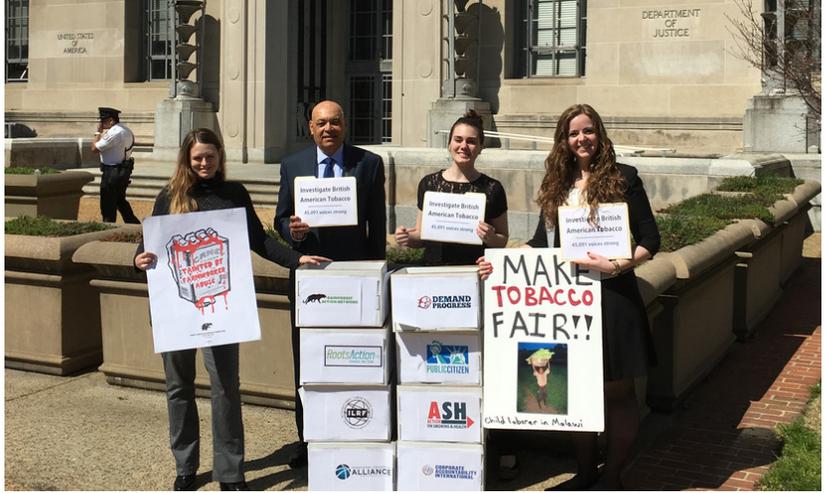
ASH continued to grow its public presence in 2016. We started off the year joining allies (Corporate Accountability International, Public Citizen, & International Labor Rights Forum) to deliver 45,091 petition signatures to the U.S. Department of Justice, calling on the Department to open an investigation on British American Tobacco (BAT)'s alleged corruption in East Africa.

We saw a spike in our communications traffic following our hearing before the Inter-American Commission on Human Rights (IACHR), our webinar on the cross-section between tobacco and the environment, and our 2016 U.S. Campaign Contributions Map. Our biggest press hits followed Uruguay's legal win against Philip Morris International and ASH's public comments on US Vice President (then "elect") Pence's stance on smoking.

ASH maintained its presence as a contributor to The Huffington Post, with our Executive Director's piece "A Development Challenge the World Can Overcome" rising to a featured story on their site.

With the help of a dedicated ASH donor, ASH released a Campaign Case Study to assist individuals working to raise the minimum purchase age for tobacco products to 21.

And our year-end campaign featured a video, VANISH, that showcased a new ending to the tobacco story, where instead of people dying (i.e. vanishing) from tobacco use, the tobacco products themselves vanish.



Collaborations

Advancing Tobacco Free Communities (ATFC)
American Academy of Pediatrics
American Cancer Society
American Heart Association
Americans for Nonsmokers' Rights
American Lung Association
Association of State and Territorial Health Officials
Bill & Melinda Gates Foundation
Bloomberg Initiative
Campaign for Tobacco-Free Kids
Canadian Cancer Society
Corporate Accountability International
Craigslist Charitable Fund
F.M. Kirby Foundation
Fragasso Financial Advisors
Framework Convention Alliance
Fundación Interamericana del Corazón Argentina
Georgetown University Law Center – Harrison Institute
Georgetown University Law Center – O'Neil Institute for National and Global Health Law
International Development Research Centre

Johns Hopkins University
National Association of Attorneys General
National Association of County and City Health Officials
NCD Alliance
Non-Communicable Disease Roundtable
Pan American Health Organization
Public Citizen
Robert Wood Johnson Foundation
Seaway Valley Prevention Council
Southeast Asia Tobacco Control Alliance
The State University of New York, Potsdam
The Ohio State University Moritz College of Law
Truth Initiative
The South Centre
The University of Maryland Francis King Carey School of Law
Thoracic Foundation
Tobacco Control Legal Consortium
University of California, San Francisco Center for Tobacco Control Research and Education
United Nations Economic and Social Council
World Health Organization





Paul Miller, lead sponsor of T 21; Carol Waterman, longtime ASH member; Theresa Zubretsky and Judy Rightmyer, Capital District Tobacco Free Communities

SUPPORTER SPOTLIGHT

By Carol Waterman, ASH Advocate

It took a village to increase the minimum purchase age for tobacco products to 21 in the county of Albany, NY in 2016. It seemed impossible, or at least very difficult, to get T 21 signed into law. However, we won because of everyone's hard work, dedication and skill, in addition to the extensive cooperation among many wonderful people and organizations.

Victory was especially sweet because we were up against powerful opposition. Despite pressure to water down the bill by exempting the military and only increasing the age to 19, we didn't sacrifice our core principles. We won with the bill we wanted.

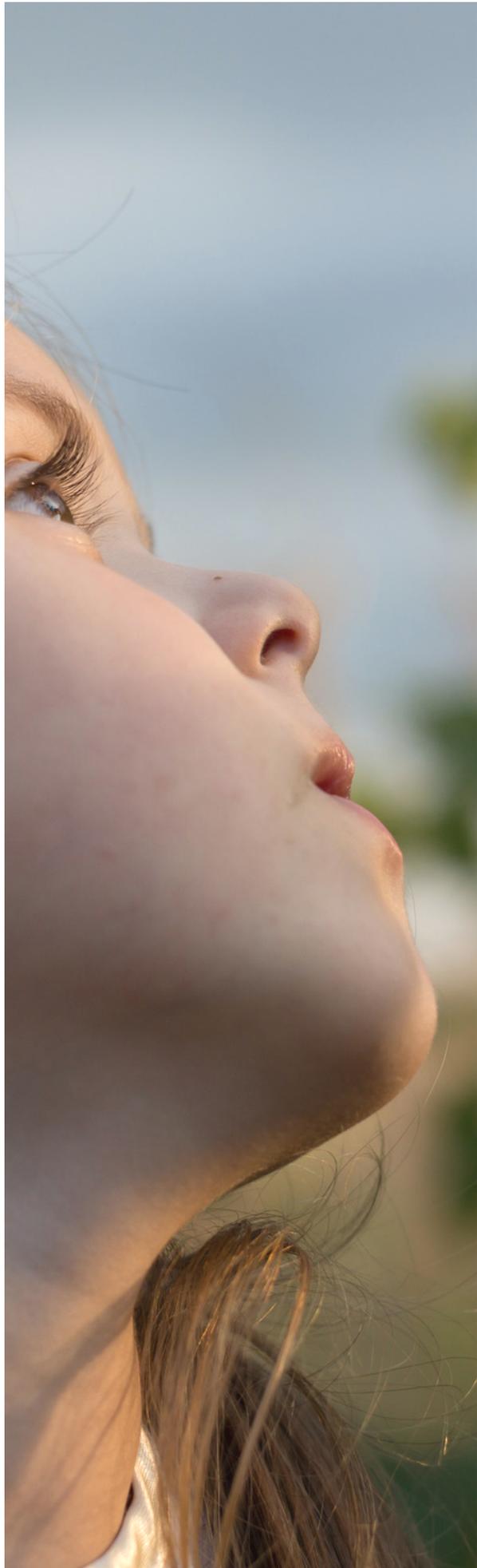
ASH played a very important role from the beginning. I often sought and followed advice from ASH Deputy Director Chris Bostic, and his encouragement and support meant a lot to me.

You can read about our strategies and guiding principles by going to <http://ash.org/tobacco-21-case-study>.

The celebration and victory high were fun for a while, but now, we have moved on to working toward smoke-free county parks and recreation areas. Wish us luck!

Finances and Expenses

ASSETS	DECEMBER 31	
	2016	2015
Cash and cash equivalents	\$ 1,445,051	\$ 1,841,739
Grants and contributions receivable	25,000	166,626
Due from Framework Convention Alliance	1,870	-
Prepaid expenses and other assets	27,641	25,340
Investments	4,467,087	4,384,328
Property and equipment, net	204	2,576
TOTAL ASSETS	\$ 5,966,853	\$ 6,420,609
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable	\$ 18,870	\$ 21,223
Accrued expenses and other liabilities	172,395	165,038
Due to Framework Convention Alliance	-	52,418
TOTAL LIABILITIES	\$ 191,265	\$ 238,679
NET ASSETS:		
Unrestricted net assets:		
Operation balances	\$ 665,171	\$ 1,196,973
Funds functioning as endowment	479,259	467,792
Total unrestricted net assets	\$ 1,144,430	\$ 1,664,765
Temporarily restricted net assets:		
Donor contributions for programs	\$ 125,208	\$ 74,229
Donor contributions for facilities	500,000	500,000
Funds functioning as endowment	1,467,098	1,404,084
Total temporarily restricted net assets:	\$ 2,092,306	\$ 1,978,313
Permanently restricted net assets:		
Endowments	\$ 2,538,852	\$ 2,538,852
TOTAL NET ASSETS	\$ 5,775,588	\$ 6,181,930
TOTAL LIABILITIES AND NET ASSETS	\$ 5,966,853	\$ 6,420,609



Zero Tobacco Deaths

Beginning this year, ASH is no longer a “tobacco control” organization.

That term, coined in the 60s, no longer seems applicable. How much control is sufficient? How many completely preventable deaths are acceptable to society? The only moral answer is “none.”

The percentage of our population using tobacco products is lower than it has been in over a century. And the vast majority of smokers wish they could break the addiction. Virtually none want their children to smoke.

We sit at a political crossroads. People have had enough of tobacco – the lingering disease and death of loved ones and the staggering cost to all of us. We need only overcome the influence of the tobacco industry to finally be rid of tobacco.

ASH’s vision has always been a world without tobacco disease and death.

For the past several years, we have been quietly working toward an “endgame;” the final moves that will end the tobacco epidemic. For decades, it was considered lunacy to talk of the end of tobacco, and many people, even some allies working in public health, still see it as too far over the horizon.

But ASH has been here before.

Restricting tobacco marketing was impossible until ASH forced it to be possible. Requiring smoke-free airplanes, workplaces, and shopping malls was too radical until ASH made it the norm. And carving out tobacco from trade agreements was preposterous just a few years ago. In these cases and more, ASH cajoled, convinced, and even sued to make the unthinkable our reality.

We are confident that we can end the tobacco epidemic. But we can’t do it alone. Help us make ASH obsolete. This year we mark our 50th anniversary. Join us to ensure we never mark our 100th.

ASH

ACTION
ON SMOKING & HEALTH

Global action for *everyone's* health.



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