

City of Miami, Florida



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March 6, 2017

The Honorable Mick Mulvaney, Director
White House Office of Management & Budget
725 17th Street, N.W.
Washington, D.C. 20503

Director Mulvaney,

As you are aware, The U.S. Food & Drug Administration issued a Final Rule for cigars and other tobacco products on May 10, 2016. Although the Public Comment period is now closed and this rule has been issued, we feel that for the City of Miami, there are numerous issues of economic significance that were not taken into consideration as this rule was being developed, and that perhaps this matter could be reconsidered as the new Administration conducts its own regulatory review and reconsideration process.

The State of Florida is the headquarters for over forty corporations in the premium cigar industry, in Tampa, Miami, Ft. Lauderdale, with Miami hosting most corporate offices for the industry. Florida is home to at least 232 small businesses reliant upon the sale of premium cigars, with a concentration of these retail establishments being in Miami, at 119; and Miami is the base of operations for the logistics surrounding the distribution of cigars entering from Latin America through the Port of Miami, as well as raw leaf for domestic cigar production, through the Ports of Miami, Tampa, and Ft. Lauderdale being utilized by the industry. Shipping, trucking, bonded storage and related operations are all based in Miami, to support the premium cigar industry.

Also specific to the Miami economy, the Little Havana community is home to numerous boutique premium cigar manufacturers. These facilities would be subject to the same federal regulations as a multinational conglomerate cigar manufacturer, and it would be impossible for these local businesses to survive the proposed type of federal regulation.

Florida, and the great Miami community specifically, also serves as host to dozens of premium cigar themed festivals that bring thousands of travelers to the region each year. The impact on local and state tourism should also be taken into consideration.

I believe that the proposed Final Rule for premium cigars needs a comprehensive economic impact analysis addressing how such regulations could affect these facets of the Miami economy, before allowing the regulations to advance any further, while also believing that the most serious consideration should be given to the "Option 2" path to exempting premium cigars from these proposed regulations, at all.

Please advise our office as to information that may be needed to initiate such an economic assessment, as we can facilitate an exchange with the affected Miami business interests in the headquarters, operations, distribution, retail and manufacturing sectors within Miami that will be most directly impacted by any approach to regulating premium cigars.

Your attention to this matter is appreciated.

Sincerely,



Tomás Regalado

cc: The Honorable Tom Price, Secretary
U.S. Department of Health & Human Services
200 Independence Avenue, S.W.
Washington, D.C. 20201