

Vaping Deaths, Injuries Seen Rising

By THOMAS M. BURTON

WASHINGTON—Hundreds of new cases of lung injuries linked to e-cigarettes have arisen during federal and state investigations over the past week, a federal health official told House lawmakers Tuesday during a hearing on vaping.

Anne Schuchat, principal deputy director of the U.S. Centers for Disease Control and Prevention, said vaping-related injuries had surpassed the previously reported estimate of 530 and that officials believe the eight reported fatalities linked to the practice have also been exceeded.

Dr. Schuchat was testifying before the House Committee on Oversight and Reform's economic and consumer policy subcommittee. That panel's chairman, Rep. Raja Krishnamoorthi (D., Ill.), said Tuesday that vaping products were generally "released onto the market without safety testing and trials."

Dr. Schuchat called youth vaping an epidemic affecting nearly all U.S. states, with half of all cases appearing in people 25 and younger.

Most of the products involved in the reported injuries or illnesses are believed to be black-market ones that include THC, a psychoactive ingredient in marijuana, though she said that chemical isn't necessarily the culprit. She also said three out of four such patients are male.

The CDC's most recent report a week ago had described 530 cases of respiratory disease linked to vaping, and Dr. Schuchat said she expects the agency's next weekly report to include a "much higher" number.

But, she said, no single ingredient or additive has been implicated in all cases and that the CDC is referring to these cases only as lung injury.

"We don't know if there's a new, particularly risky product" that has touched off the outbreak, she said.

Dr. Schuchat said some patients hadn't been fully forthcoming about their use of adul-



Anne Schuchat, a Centers for Disease Control and Prevention official, told Congress on Tuesday that e-cigarette use among young people is an epidemic affecting nearly every state.

terated vaping products. However, Mr. Krishnamoorthi said that about 20% of cases in Illinois and Wisconsin involved nicotine-based products without obvious adulterants.

"We have not ruled out any of the substances yet," said Dr. Schuchat, nor could the CDC identify any risks posed by specific flavors added to e-cigarettes.

She said her agency is trying to determine exactly which products the patients had used.

Dr. Schuchat said that "flavors are a big attractor" for young vape consumers, and added that "the legal market and the illicit market are very dynamic."

Witness Ruby Johnson, a mother of seven from New Lenox, Ill., said that her oldest daughter started having severe difficulty breathing while being taken to college in Colorado. She admitted that she

had been vaping and that a classmate had given her an e-cigarette.

Ms. Johnson said her daughter was treated in an intensive-care unit after experiencing a very rapid heartbeat

Cases of lung illness will be 'much higher' than the 530 estimated last week.

called tachycardia. She survived, but doctors couldn't say what likelihood of permanent lung damage the young woman may face.

Another witness, Vicki Porter of Wisconsin, said e-cigarettes helped her kick her long-time smoking habit after other methods failed.

"I've been vaping for nine years, and I've never been healthier," she said.

"Vaping is a health miracle to me" and involves "inhalation of a much less harmful substance than smoking," Ms. Porter asserted.

Dr. Albert Rizzo, chief medical director of the American Lung Association, cast doubt on that idea.

"There is no proven health benefit of e-cigarettes," he said, adding that nicotine is dangerous for people's health no matter what the source.

Dr. Ngozi O. Ezike, director of the Illinois Health Department, told the panel that one-third of the vaping injury cases in Illinois have required the patient to be put on a mechanical ventilator.

She added that the chemicals in the aerosols used in vaping products are themselves harmful to people.

WSJ 9/25/19

ANDREW HARNIK/ASSOCIATED PRESS

Juul Readies Shake-Up of Staff

By JENNIFER MALONEY

Juul Labs Inc. is preparing a staff restructuring, as the e-cigarette maker braces for slower sales following a mysterious vaping-related illness and a proposed U.S. ban on flavors that make up more than 80% of its sales.

The move illustrates the pressure-faced by one of the country's most valuable startups. The San Francisco company, which employs about 3,900 people, has been adding hundreds of staff as it expands in the U.S. and abroad. It had about 225 employees at the

end of 2017.

While Juul plans to continue its expansion, the company will scale back the pace of its hiring and some jobs will be eliminated, according to people familiar with the matter. All job postings are under review, the people said.

Juul this week instructed managers of some divisions to prepare staff-reduction plans, identifying must-keep roles, some of the people said. Juul will try to avoid layoffs by re-deploying staff to new or existing open positions where possible, one of the people said. The company last week

implemented a two-week hiring freeze but has made exceptions.

Juul's website lists hun-

The company has been adding hundreds of employees.

dreds of job openings—from engineering and data-science roles in San Francisco to sales and marketing functions in

Montreal and Moscow. The company recently issued \$785 million in convertible debt in part to fund its expansion.

U.S. health officials have urged adults to stop vaping while the Centers for Disease Control and Prevention investigates a rash of respiratory illnesses that have sickened hundreds of people and caused eight deaths. Juul hasn't been linked to the illnesses.

Juul's U.S. sales fell in August as officials raised the alarm about the illnesses, dropping to \$278 million in the four weeks ended Sept. 7 from \$294 million in the four

weeks before that, according to a Wells Fargo analysis of Nielsen data.

On Tuesday, Massachusetts Gov. Charlie Baker declared a public-health emergency and ordered a four-month ban on the sale of e-cigarettes and marijuana vaping products.

Citing a surge in underage vaping, the Trump administration earlier this month said it planned to ban all e-cigarettes except those formulated to taste like tobacco. The banned flavors, including mint and menthol, represent more than 80% of Juul's sales. Juul, Please turn to page B2

Juul Set To Revamp Its Staff

Continued from page B1
Meanwhile, is the subject of several investigations, including a criminal probe by federal prosecutors in California and

investigations by the Food and Drug Administration and Federal Trade Commission.

Juul dominates the U.S. market for e-cigarettes and was on track for \$2 billion in annual revenue this year before the CDC warning, the regulatory crackdown and a decision by Walmart Inc. to halt e-cigarette sales in its U.S. stores.

Juul's rapid growth prompted Marlboro maker Altria Group Inc. to invest \$12.8

billion last year for a 35% stake, which valued the e-cigarette maker at \$38 billion.

Federal health officials and antitobacco groups have blamed Juul for a rise in underage vaping.

Juul says that it hasn't targeted teens, that it has taken steps to combat underage purchases and that its products are intended for adult cigarette smokers who want to switch.

Many of Juul's employees

already have been paid handsomely for their time at the company. More than \$2 billion of Altria's investment was cash that went directly to the 1,500 people Juul employed at the time of the December 2018 deal. That came out to about \$1.3 million per employee, though payouts varied based on tenure. Some of the money is being paid out in installments to encourage staff to stay. The next installment is due in October.