



THE TOBACCO MASTER SETTLEMENT AGREEMENT'S SHORTCOMINGS

Although a constructive step in the right direction, the Master Settlement Agreement (MSA) with the cigarette companies does not adequately address the problem of tobacco use in the United States. While the MSA will direct billions of dollars to the states for years to come, it says nothing about how that money should be spent – and many states are failing to invest adequate amounts of their settlement funding to prevent and reduce tobacco use among kids and adults. In addition, the MSA's new restrictions on cigarette marketing do not significantly restrict cigarette company marketing practices, including many that reach and influence kids – and the MSA fails to establish or support many of the other critically important elements of any effective tobacco prevention strategy.

Accordingly, the MSA will not, by itself, substantially reduce tobacco use unless: a) the states invest a significant amount of their settlement proceeds in new and expanded efforts to reduce smoking and other tobacco use; and b) the federal and state governments institute new measures to restrict cigarette company marketing, make it harder for kids to obtain cigarettes, and otherwise reduce the enormous harm and costs caused by tobacco use.

The MSA Fails to Do Any of the Following:

- Establish comprehensive programs to prevent and reduce tobacco use in every state;
- Protect people from secondhand smoke;
- Make tobacco products less accessible to children (e.g., by banning vending machines and self-service displays);
- Require more effective and more visible health warnings on tobacco products;
- Establish Food and Drug Administration authority over tobacco products;
- Restrict US tobacco company marketing to youth overseas.

The MSA Also Allows the Following Cigarette Company Marketing Practices to Continue:

- Permits *outdoor* advertising for cigarettes and other tobacco products with signs of fourteen square feet or smaller on the buildings or property of any business where tobacco products are sold (including at stores next to schools and playgrounds) and at any events sponsored by the tobacco industry;
- Places no limits or restrictions on any cigarette or tobacco product advertising *inside* the more than half a million businesses where tobacco products are sold.
- Places no limits or restrictions on cigarette or other tobacco advertisements in newspapers and magazines, even if they have large numbers of underage readers;
- Places no limits or restrictions on advertising or selling cigarettes or other tobacco products on the Internet;
- Places no limits or restrictions on direct-mail advertising of tobacco products;
- Permits each tobacco company to continue a single tobacco-product brand-name sponsorship of an event not specifically prohibited (see above), such as auto racing or rodeo events, with the limit of a “single” sponsorship defined to allow the companies to sponsor and entire single series of auto races, rodeos, or other events (such as all Nascar races);

- Allows unlimited tobacco-company sponsorships of events in their corporate (as opposed to brand) names;
- Places no restrictions on the televising of tobacco brand-name sponsored events;
- Permits the use of human images in tobacco advertising, such as the Marlboro cowboy.

What the MSA Does Do To Restrict Cigarette and other Tobacco Product Marketing

- Eliminates tobacco billboards and transit ads;
- Prohibits the use of cartoon characters to promote tobacco products;
- Prohibits tobacco brand-name merchandise (e.g., hats, t-shirts), except at tobacco-sponsored events;
- Prohibits tobacco brand-name sponsorship for concerts, events in which any contestants are under 18, or for football, baseball, soccer or hockey (except for Brown & Williamson's continued sponsorship of either the Kool Jazz Festival or the GPC Country Music Festival);
- Limits other tobacco brand-name sponsorships to one event or series (such as the Winston Cup race tour) annually per manufacturer;
- Restricts the distribution of free cigarettes or other tobacco products to adult-only locations;
- Limits offers of non-tobacco items or gifts based on proofs of purchase to adults only;
- Prohibits the use of non-tobacco brand names on tobacco products (such as "Harley Davidson" Cigarettes);
- Reaffirms the previously agreed upon ban on tobacco product placements in movies or on TV.

In addition, the MSA states that the tobacco companies cannot "take any action, directly or indirectly, to target youth in the advertising, promotion, or marketing of tobacco products." Whether this provision will have any impact on cigarette company behavior will depend on how vigorously it is enforced by the states' attorneys general and how it is interpreted by the courts.

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The full MSA text is available at the National Association of Attorneys General website, <http://naag.org/tobacco.php>.

Additional information on the MSA is available at
http://www.tobaccofreekids.org/facts_issues/fact_sheets/policies/settlements_us_state/.