

NEWS RELEASE

Luther Strange

Alabama Attorney General



FOR IMMEDIATE RELEASE

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AG STRANGE: TOBACCO SETTLEMENT A GOOD DEAL FOR ALABAMA

MONTGOMERY – Attorney General Luther Strange today announced a multi-state agreement with the major tobacco companies that settles a 10-year dispute regarding payments under the 1998 Master Settlement Agreement (MSA). Today’s agreement ensures the stability of continued payments in the future.

“This settlement is important for Alabama and essential to the future of our public health funding from the Alabama 21st Century Fund,” said Strange. “The Legislature has utilized the state’s MSA funds by funding incentives for economic development and supporting health care programs for children and seniors. Our office is focused on maintaining the integrity of that fund. Under the terms of the settlement, we avoid the significant uncertainty of costly litigation and the potential loss of one or more entire annual MSA payments.”

In 1998, the major tobacco companies agreed to pay states more than \$200 billion over 25 years to settle lawsuits over the health care costs related to smoking. For the past ten years, there has been a dispute between the tobacco companies and the states over portions of the payments.

Since 2003, Alabama has received nearly \$1 billion from the MSA. For each of those years, no less than \$14 million in payments would be at risk by continued arbitration.

On December 17, 2012, the settlement was agreed upon by 17 states including Alabama, Arizona, Arkansas, California, Georgia, Kansas, Louisiana, Michigan, Nebraska, Nevada, New Hampshire, New Jersey, North Carolina, Tennessee, Virginia, West Virginia and Wyoming. The states were joined by the District of Columbia and Puerto Rico.

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