

## **TOBACCO DEAL STILL SHOULD FLY**

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Is the landmark \$368.5 billion settlement between states and the tobacco industry going up in smoke due to political infighting in Washington? It appears so, unfortunately.

While the fragile deal struck between state attorneys general and industry executives is not perfect, it probably is superior to what Utah could negotiate independently or win alone in court. Yet it appears to be collapsing under its own weight as interest groups and politicians seek to tweak it to their benefit. The Senate was right in voting 95-3 last week to nullify offensive balanced-budget legislation passed in July providing tobacco companies a \$50 billion tax credit for their penalty payout. But while correcting that flaw, some lawmakers in Washington expressed resentment that such a mammoth and monumental deal was crafted by a group of state attorneys general.

That is a pompous political reason for rejection if the settlement is sound, which it is overall.

Under the deal, Utah would receive \$618 million. By comparison, the state is seeking damages of only \$130 million through its own lawsuit, which could take years to resolve due to appeals.

The \$618 million would be paid in \$22 million the first year of the settlement, \$12 million the next year and grow to \$25.6 million a year for the last 20 years of the 25-year payoff. That money goes into the state's general fund.

The settlement also calls for states to get money for cessation, law enforcement and teenage smoking prevention education programs. Some \$50 billion would go toward a public-health trust fund, tobacco-control measures, health care for uninsured children and other measures.

It also provides strict regulation on tobacco sales and marketing, including bans on outdoor advertising and Internet promotions, store displays and vending machines. Cigarette companies would pay for anti-tobacco advertising campaigns, fines would be imposed on the industry if youth smoking does not decrease significantly and other penalties and restrictions would be assessed.

Currently, 30,000 Utah youths are regular smokers, and that figure is on the rise. The proposed settlement would result in a 30 percent reduction in youth smoking by the year 2003 and a 60 percent reduction in 10 years.

Those figures are nothing to take lightly.

But with political pressures for and against the settlement mounting in Washington, and with Clinton administration officials split on the matter, the settlement certainty appears in doubt.

That is unfortunate. Though it's not ideal and gives the tobacco industry stability that may benefit it financially, it is better and more immediate than what states can, and eventually will, hammer out on their own.