



# 1998 Master Settlement Agreement Summary of Marketing Restrictions

*The 1998 Master Settlement Agreement is the largest civil settlement in United States History.*

## Introduction

In addition to individual settlements with Mississippi, Florida, Texas, and Minnesota, tobacco companies reached agreement in November, 1998, to settle litigation brought by the Attorneys General in the remaining states and jurisdictions. The industry agreed to pay a total of \$246 billion to the states, severely restrict other traditional marketing practices, and fund a national research foundation and a public education campaign.

## Targeting Youth

The agreement:

- Prohibits advertising, promotions, or marketing that target youth.
- Bans industry actions aimed at initiating, maintaining, or increasing youth smoking.
- Bans the use of cartoons in the advertising, promotion, packaging, or labeling of tobacco products.
- Requires companies to:
  - Develop and regularly communicate corporate principles that commit to complying with the Master Settlement Agreement and reducing youth smoking.
  - Designate an executive level manager to identify ways to reduce youth access and consumption of tobacco.
  - Encourage employees to identify additional methods to reduce youth access and youth consumption.

## Outdoor Advertising

The agreement:

- Bans all outdoor advertising, including: billboards, signs and placards in arenas, stadiums, shopping malls, and video game arcades.
- Limits advertising outside retail establishments to 14 square feet.
- Bans transit advertising of tobacco products.
- Allows states to substitute, for the duration of billboard lease periods, alternative advertising that discourages youth smoking.

## Product Placement and Sponsorships

The agreement:

- Bans payments to promote tobacco products in movies, television shows, theater productions or live performances, live or recorded music performances, videos, and video games.
- Prohibits brand-name sponsorship of events with a significant youth audience or sports team (football, basketball, baseball, hockey, or soccer).
- Prohibits sponsorships of events where the paid participants or contestants are underage.
- Limits participating tobacco companies to one brand-name sponsorship per year (after current contracts expire or after three years - whichever comes first).
- Bans tobacco brand-names for stadiums and arenas.

## Tobacco Merchandise

Since July 1, 1999, participating tobacco companies have been ordered to stop the distribution and sale of apparel and merchandise with brand-name logos. (This includes caps, T-shirts, backpacks, etc.)

## Gifts Based on Purchases

The agreement bans gifts without proof of age.

## Free Samples

Free samples cannot be distributed except in a facility or enclosed area where the operator ensures no underage person is present.

## Minimum Pack Size

The agreement:

- Limits minimum pack size to 20 cigarettes through December 31, 2001.
- Prohibits participating tobacco companies from opposing state legislation that bans the manufacture and sale of packs containing fewer than 20 cigarettes.

To read a more detailed report of the 1998 Master Settlement Agreement, click on the following link:

[http://www.naag.org/backpages/naag/tobacco/msa/msa-pdf/1109185724\\_1032468605\\_cigmsa.pdf](http://www.naag.org/backpages/naag/tobacco/msa/msa-pdf/1109185724_1032468605_cigmsa.pdf)

