



September 27, 2022

The Honorable William Tong
Attorney General of Connecticut
Office of the Attorney General
165 Capital Ave.
Hartford, CT 06106

The Honorable Ellen Rosenbaum
Attorney General of Oregon
Office of the Attorney General
Oregon Dept. of Justice
1162 Court St. NE
Salem, OR 97301-4096

The Honorable Ken Paxton
Attorney General of Texas
Office of the Attorney General
300 W. 15th St.
Austin, TX 78701

RE: Avoiding “broken promises” in use of funds recovered in JUUL settlement

Dear Attorneys General Tong, Rosenbaum and Paxton:

The recently-announced “agreement in principle” by over 30 states and territories with JUUL Labs (JUUL), resolving the two-year investigation of JUUL’s marketing of e-cigarettes to young people, is a positive step forward to expose the company’s tragically successful efforts to addict kids to its products and to establish its culpability for the youth vaping epidemic that our country still struggles to address. We write to urge each of you, as the leaders of this investigation and as primary architects of the agreement, to ensure that the final agreement signed by the parties includes a commitment by all the participating states and territories to devote the entirety of the funds collected from JUUL -- \$438.5 million paid out over six to ten years -- to fund programs to promote tobacco prevention and cessation – especially among young people.

The settling states have the opportunity at this time to both build on the successes of the historic 1998 Master Settlement Agreement (MSA) with the tobacco industry, and also avoid some of the mistakes that were made. One of the most successful pieces of the MSA was to establish an entity (the American Legacy Foundation, now Truth Initiative) and community engagement programs to serve the nation’s young people. Results from work done under those programs such as the **truth**® prevention and education campaign, have been evidence proven to

be both highly effective and cost efficient and were instrumental in driving down youth smoking from 23% when the MSA was signed to 2.3% today. Similar progress is now being made by these programs to prevent youth e-cigarette use and help young people already using e-cigarettes to quit. At the same time, it is also true that there were significant missed opportunities with settlement funding. Since the MSA, our organizations have issued annual reports to assess whether the states have been keeping their promises to use a significant portion of their settlement funds – estimated at \$246 billion over the first 25 years – to reduce the disease and death caused by tobacco products. These reports document the consistent failure of the states to keep their promises to fund tobacco control programs at levels commensurate with the public health harms caused by tobacco use. The most recent report (available at <https://www.tobaccofreekids.org/what-we-do/us/statereport/>) shows that in fiscal year 2022, the states collected \$27 billion from the MSA settlement and taxes, but spent just 2.7% of it -- \$718.5 million – on programs to prevent kids from smoking and help smokers quit. Meanwhile, tobacco use remains the leading cause of preventable death and disease in the U.S. – costing 480,000 American lives and creating over \$226 billion in health care expenses every year. Youth use of e-cigarettes, including JUUL and its many imitators, remains high, with at least two million young people using these highly addictive products.

The public statements made by various Attorneys General in announcing the JUUL agreement reflect a desire to use the monies collected to support strong state tobacco control programs. For example, Attorney General Tong stated, “When finalized, Connecticut’s settlement documents will indicate that it is the intention of settling parties that the money be used for cessation, prevention and mitigation.” We urge each of you to translate that admirable intention into a firm commitment expressed in the text of the final agreement. We also urge all the Attorneys General signing the agreement to take all steps necessary to and to build on the proven prevention public education successes of the MSA and ensure that the settlement funds are used to reduce tobacco-caused disease and mortality in each of the participating states.

You and your fellow Attorneys General have a historic opportunity to use the JUUL agreement to turn the tide against tobacco use and save countless lives. We stand ready to support you, and help you, in that endeavor.

Thank you for your consideration of our views.

American Cancer Society Cancer Action Network
American Heart Association
American Lung Association
Americans for Nonsmokers' Rights
Campaign for Tobacco-Free Kids
Truth Initiative

CC: Attorneys General of the states of Alabama, Arkansas, Delaware, Georgia, Hawaii, Idaho, Indiana, Kansas, Kentucky, Maryland, Mississippi, Montana, North Dakota, Nebraska, New Hampshire, New Jersey, Nevada, Ohio, Oklahoma, Puerto Rico, Rhode Island, South Carolina, South Dakota, Tennessee, Utah, Virginia, Vermont, Wisconsin and Wyoming