

**IMMEDIATE RELEASE**

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**ASSOCIATED INDUSTRIES OF FLORIDA URGES  
DOSAL TO PAY THEIR FAIR SHARE TO FLORIDA**

**TALLAHASSEE** – Associated Industries of Florida (AIF) is urging lawmakers to support legislation that would require all tobacco manufacturers that sell cigarettes in Florida to pay their fair share toward the state’s burgeoning Medicaid costs. Under the 1997 Tobacco Settlement Agreement, the handful of major manufacturers that sold almost 99 percent of cigarettes in Florida agreed to pay the state hundreds of millions of dollars annually to help defray some of the state’s health care costs. However, a group of small tobacco companies, including Miami-based Dosal Tobacco Corporation, were not required to sign the agreement due to their miniscule market share--less than 1 percent-of Florida’s cigarette sales at that time.

For nearly 14 years, Dosal and the other “Non-Participating Manufacturers” (NPMs) have been able to increase their market share because their omission from the Settlement has enabled them to sell cheaper priced products. Today, NPMs account for one out of five packs of cigarettes sold in the state and more than 80 percent of these sales are by Dosal alone. If legislation fails to pass, these figures will only continue to grow. This is a glaring loophole since the price of their products does not have to include Settlement money which is paid by their competitors to the state. Forty-eight states have already adopted an equivalent surcharge on NPM products.

“It’s time for our Legislature to derail Dosal’s tobacco gravy train. Florida smokers should not avoid paying important dollars for health care based solely on the brand they choose to smoke. It also gives Dosal and the other NPMs a decidedly unfair competitive advantage -- an intolerable advantage that cannot be condoned any longer,” said Barney Bishop III, President and CEO of Associated Industries of Florida. “AIF strongly supports our state’s business community and all businesses operating in the same industry must be held to the same standards.”

The manufacturers that signed the Settlement have already paid Florida billions of health care dollars and will pay close to \$400 million this year alone. Meanwhile, Florida has already lost more than \$1 billion because of the NPM loophole. Legislation that requires Dosal and the other NPMs to finally pay their fair share could generate more than \$175 million in desperately-needed Medicaid money.

“The time has come to look beyond Dosal’s empty rhetoric and analyze the facts. Dosal claims to be ‘Little Tobacco’ although they are the second-largest in cigarette sales in Florida. Dosal also argues a Florida surcharge will destroy them even though they already pay equivalent surcharges in 14 other states – the truth is that they hypocritically refuse to do so in their own home state while they continue to make colossal profits,” continued Bishop. “Once again, Florida is facing a real budget shortfall, and all tobacco companies, including Dosal, should

recognize that the state cannot afford to allow them to use an inadvertent loophole to avoid paying their fair share and also giving them an unfair price advantage. The Legislature should ignore Dosal's smokescreen of semi-truths and make all smokers pay their fair share for health care regardless of the brand they smoke. Fairness to all Floridians and to the marketplace demands nothing less.”

For more information on AIF, visit [www.aif.com](http://www.aif.com)

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