

San Antonio Express-News

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* Metro Edition 50¢

THURSDAY, July 16, 1998

www.expressnews.com

Tobacco accord appears nearer

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AUSTIN — Texas' settlement with the tobacco industry has edged a step closer to completion now that a group of counties and state lawmakers have worked out an agreement that would help counties and hospital districts pay for health care costs related to smoking.

"We have an agreement in place that was signed last night by the counties and lawmakers," attorney Richard Mithoff, who represents Harris County, said Wednesday. "I'm very happy with the outcome. It's going to benefit all the citizens of Texas."

The proposal will be submitted for approval next week to commissioners courts that are involved in the case, Mithoff said by phone from Texarkana.

The tobacco industry must sign off on the deal as well before it is presented to U.S. District Judge David Folsom in Texarkana for final approval, which could occur late next week.

Mithoff would not say how much the counties would get, but he noted the amount would be on top of the \$15.3 billion that the tobacco industry has agreed to pay the state.

Published reports placed the figure at \$2.2 billion.

The counties' challenge is one of two major stumbling blocks to finalization of the settlement. The other involves the amount of legal fees to be paid to a group of attorneys hired by Texas Attorney Dan Morales to handle the lawsuit for Texas.

A group of counties had complained they were unjustly left out of the settlement.

The compromise reached Tuesday came after two days of closed-door sessions ordered by Folsom. The parties involved in the legal fee dispute are expected to resume negotiations today in Texarkana.

Gov. George W. Bush and a group of state lawmakers have filed separate challenges to the \$2.3 billion in legal fees to be paid to the private attorneys under the settlement terms. Bush said earlier this week that an agreement has been reached and that he can accept it.

The proposed agreement would sever the fee issue from the main settlement and allow an arbitration panel decide how much the attorneys should be paid, Bush said.