



Office of the Secretary

UNITED STATES OF AMERICA
FEDERAL TRADE COMMISSION
WASHINGTON, D.C. 20580

June 22, 2004

Joe Sims
Kathryn M. Fenton
Jones Day
51 Louisiana Avenue, N.W.
Washington, D.C. 20001-2113

Re: *Proposed Merger Between RJ Reynolds Tobacco Holdings, Inc. and British American Tobacco p.l.c., FTC File No. 041 0017*

Dear Mr. Sims and Ms. Fenton:

The Federal Trade Commission has conducted a nonpublic investigation to determine whether the proposed merger of RJ Reynolds Tobacco Holdings, Inc. and British American Tobacco p.l.c. may violate Section 7 of the Clayton Act or Section 5 of the Federal Trade Commission Act.

Upon further review of this matter, it now appears that no additional action is warranted by the Commission at this time. Accordingly, the investigation has been closed. This action is not to be construed as a determination that a violation may not have occurred, just as the pendency of an investigation should not be construed as a determination that a violation has occurred. The Commission reserves the right to take such further action as the public interest may require.

By direction of the Commission, Commissioner Harbour recused.

Donald S. Clark
Secretary