

THE TOBACCO INSTITUTE

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WILLIAM A. ADAMS
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July 28, 1995

Dr. S. Thomas Jones
Director of PD
Lorillard Tobacco Company
Research Center
P.O. Box 21688
Greensboro, NC 27400-1688

Dear Dr. Jones:

The Board of Directors of The Tobacco Institute Testing Laboratory approved a budget of \$1,026,400 for the calendar year 1995.

Your company's assessment for Testing Laboratory expenditures for the first half of 1995 is \$44,140. The attached schedule shows the computation of this assessments. Your remittance check should be made payable to The Tobacco Institute and sent to my attention.

For purposes of Section 6033(e) of the Internal Revenue Code, we estimate that none of this assessment is attributed to activities that are treated as lobbying under section 162(e) of the Internal Revenue Code. Accordingly, all of this payment will be deductible as a business expense for federal income tax purposes. Assessments and other payments to The Tobacco Institute are not deductible as charitable contributions.

Sincerely,



William A. Adams

WAA:nrc

Attachment

cc: Mr. David J. Anderson
Dr. William L. Steele