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R.J. Reynolds employees come to Tallahassee to support Citizens for Fairness in Florida

TALLAHASSEE, Fla. – April 5, 2011 - Almost 100 Florida-based employees of R.J. Reynolds Tobacco Company arrived in Tallahassee today in support of Citizens for Fairness in Florida (CFF). CFF is a coalition of individuals, retailers, manufacturers, health care advocates and statewide organizations, working to ensure that all cigarette companies are treated equally in the state. R.J. Reynolds Tobacco Company is a member of the coalition.

CFF held a rally and march to the capitol in support of HB 1207, sponsored by Rep. John Tobia, R-Melbourne. HB 1207 would close a loophole in Florida law that has created an unfair pricing advantage for some Florida cigarette makers. The loophole is a result of the 1997 tobacco settlement. Tobacco companies that signed the settlement pay more than \$350 million a year to the state totaling more than \$6 billion since 1998. Tobacco companies that were not part of the agreement pay nothing in the form of settlement payments to the state.

"It's an issue of fairness," said Andrea Garrison of Orlando and an employee of R.J. Reynolds. "Our employees live, work and pay taxes in Florida, too. Our jobs matter just as much as others'."

HB 1207 would place an assessment of \$0.52 per pack on cigarettes sold by tobacco companies that were not part of the 1997 agreement. The assessment would generate around \$50 million annually for the state. Opponents of the legislation – namely Dosal Tobacco Company of Opa-Locka – argue that such an assessment would cause job loss and potentially put them out of business. Dosal has about 150 full-time employees in the state, while R.J. Reynolds has about 130 Florida-based employees.

"Dosal is the third-largest tobacco company in Florida," said Garrison. "Why should the state be subsidizing their cigarette sales?" Dosal currently sells cigarettes in 14 other states. In each of those states the company pays into funds set up as a result of the settlement. "If they can pay in the other states, they can pay here in Florida. All cigarette companies should be treated the same," added Garrison.

R.J. Reynolds employees participated in the rally then marched to the capitol to meet with legislative leaders. "We want to send a clear message to the legislature," said Garrison. "We're Floridians too. All we want is a level playing field."

Disclosure

R.J. Reynolds Tobacco Company, an indirect subsidiary of Reynolds American Inc. (NYSE: RAI), is the second-largest tobacco company in the United States, manufacturing about one of every three cigarettes sold in the country. The company's brands include six of the 10 best-selling U.S. cigarette brands: Camel, Pall Mall, Winston, Kool, Doral and Salem. For more information, visit www.RJRT.com.

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