

EXHIBIT A**RJRT September 2013 Excessive Assessment (April 2013 through June 2013)****A. Calculation of Quarterly Assessment**

	USDA's Erroneous Calculation of RJRT's Quarterly Assessment (per TTAP)	Corrected Calculation of RJRT's Quarterly Assessment
Total Taxes Paid by Class of Tobacco	\$3,716,824,161	\$3,725,863,429 <i>(See Section B below for more detailed calculation of adjusted taxes paid by class.)</i>
Total Taxes Paid by RJRT	\$861,802,332	\$861,802,332
RJRT Market Share (Total Taxes Paid by RJRT/Total Taxes Paid by Class of Tobacco)	$\$861,802,332 / \$3,716,824,161 = 23.1865\%$	$\$861,802,332 / \$3,725,863,429 = 23.1303\%$ <i>(See Section B below for more detailed calculation of adjusted market share.)</i>
Total Program Costs by Class of Tobacco	\$211,512,610	\$211,512,610
Total Interest Costs by Class of Tobacco	\$133,100.66	\$133,100.66
RJRT Total Program Costs (Total Program Costs * Market Share)	$\$211,512,610 * 0.231865 = \$49,042,371.32$	$\$211,512,610 * 0.231303 = \$48,923,441.24$
RJRT Total Interest Costs (Total Interest Costs * Market Share)	$\$133,100.66 * 0.231865 = \$30,861.38$	$\$133,100.66 * 0.231303 = \$30,786.54$
RJRT Total Quarterly Assessment (Program Costs + Interest Costs)	$\$49,042,371.32 + \$30,861.38 = \$49,073,232.70$	$\$48,923,441.24 + \$30,786.54 = \$48,954,227.79$
Amount Assessed in Excess of Share (RJRT Total Quarterly Assessment – RJRT Adjusted Total Quarterly Assessment)	$\\$49,073,232.70 - \\$48,954,227.7 = \\$119,004.92$	

B. Adjustment to Market Share to Account for Unreported Production

(1) T&D Enterprises and Onondaga Nation Estimated Quarterly Sales of Cigarettes

	T&D Enterprises	Onondaga Nation
Total Estimated Sales of Cartons (per GlobalSource)	2,500,000	1,092,000
Number of Cigarettes per Carton	200	200
Total Estimated Sales of Cigarettes (Cartons * Cigarette/Carton)	$2,500,000 * 200 = 500,000,000$	$1,092,000 * 200 = 218,400,000$
Estimated Sales of Cigarettes per Quarter (Total Estimated Sales of Cigarettes / 4 quarters)	$500,000,000 / 4 = 125,000,000$	$218,400,000 / 4 = 54,600,000$

(2) Adjustment to RJRT's Market Share to Account for Unpaid Excise Taxes

Onondaga Estimated Quarterly Sales (See Section B(1) for calculation.)	54,600,000
T&D Estimated Quarterly Sales (See Section B(2) for calculation.)	125,000,000
Total Estimated Quarterly Sales for Onondaga and T&D	$54,600,000 + 125,000,000 = 179,600,000$
Estimated Excise Taxes Owed by Onondaga and T&D (Total Estimated Quarterly Sales * 2013 Federal Excise Tax)	$179,600,000 * (\$50.33/1000 \text{ sticks}) = \$9,039,268$
Adjust Total Taxes Paid by Class of Tobacco (Total Excise Tax + Estimated Excise Taxes Owed Onondaga and T&D)	$\$3,716,824,161 + \$9,039,268 = \$3,725,863,429$
Total Taxes Paid by RJRT	\$861,802,332
Adjusted RJRT Market Share (Total Taxes Paid by RJRT/Adjusted Total Taxes Paid by Class of Tobacco)	$\$861,802,332 / \$3,725,863,429 = 23.1303\%$

SFNTC September 2013 Excessive Assessment (April 2013 through June 2013)**C. Calculation of Quarterly Assessment**

	USDA's Erroneous Calculation of SFNTC's Quarterly Assessment (per TTAP)	Corrected Calculation of SFNTC's Quarterly Assessment
Total Taxes Paid by Class of Tobacco	\$3,716,824,161	\$3,725,863,429 <i>(See Section D below for more detailed calculation of adjusted taxes paid by class.)</i>
Total Taxes Paid by SFNTC	\$48,224,153	\$48,224,153
SFNTC Market Share (Total Taxes Paid by SFNTC/Total Taxes Paid by Class of Tobacco)	$\$48,224,153 / \$3,716,824,161 = 1.2974\%$	$\$48,224,153 / \$3,725,863,429 = 1.2943\%$ <i>(See Section D below for more detailed calculation of adjusted market share.)</i>
Total Program Costs by Class of Tobacco	\$211,512,610	\$211,512,610
Total Interest Costs by Class of Tobacco	\$133,100.66	\$133,100.66
SFNTC Total Program Costs (Total Program Costs * Market Share)	$\$211,512,610 * 0.012974 = \$2,744,164.60$	$\$211,512,610 * 0.012943 = \$2,737,624.89$
SFNTC Total Interest Costs (Total Interest Costs * Market Share)	$\$133,100.66 * 0.012974 = \$1,726.85$	$\$133,100.66 * 0.012943 = \$1,722.73$
SFNTC Total Quarterly Assessment (Program Costs + Interest Costs)	$\$2,744,164.60 + \$1,726.85 = \$2,745,891.45$	$\$2,737,624.89 + \$1,722.73 = \$2,739,347.62$
Amount Assessed in Excess of Share (SFNTC Total Quarterly Assessment – SFNTC Adjusted Total Quarterly Assessment)	$\\$2,745,891.45 - \\$2,739,347.62 = \\$6,543.83$	

D. Adjustment to Market Share to Account for Unreported Production

(1) T&D Enterprises and Onondaga Nation Estimated Quarterly Sales of Cigarettes

	T&D Enterprises	Onondaga Nation
Total Estimated Sales of Cartons (per GlobalSource)	2,500,000	1,092,000
Number of Cigarettes per Carton	200	200
Total Estimated Sales of Cigarettes (Cartons * Cigarette/Carton)	$2,500,000 * 200 = 500,000,000$	$1,092,000 * 200 = 218,400,000$
Estimated Sales of Cigarettes per Quarter (Total Estimated Sales of Cigarettes / 4 quarters)	$500,000,000 / 4 = 125,000,000$	$218,400,000 / 4 = 54,600,000$

(2) Adjustment to SFNTC's Market Share to Account for Unpaid Excise Taxes

Onondaga Estimated Quarterly Sales (See Section D(1) for calculation.)	54,600,000
T&D Estimated Quarterly Sales (See Section D(2) for calculation.)	125,000,000
Total Estimated Quarterly Sales for Onondaga and T&D	$54,600,000 + 125,000,000 = 179,600,000$
Estimated Excise Taxes Owed by Onondaga and T&D (Total Estimated Quarterly Sales * 2013 Federal Excise Tax)	$179,600,000 * (\$50.33/1000 \text{ sticks}) = \$9,039,268$
Adjust Total Taxes Paid by Class of Tobacco (Total Excise Tax + Estimated Excise Taxes Owed Onondaga and T&D)	$\$3,716,824,161 + \$9,039,268 = \$3,725,863,429$
Total Taxes Paid by SFNTC	\$48,224,153
Adjusted SFNTC Market Share (Total Taxes Paid by SFNTC / Adjusted Total Taxes Paid by Class of Tobacco)	$\$48,224,153 / \$3,725,863,429 = 0.012943\%$