

EXHIBIT B**RJRT December 2013 Excessive Assessment (July 2013 through September 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	\$3,611,879,968	\$3,630,821,663.50 <i>(See Section B below for more detailed calculation of adjusted taxes paid by class.)</i>
Total Taxes Paid by RJRT	\$841,637,600	\$841,637,600
RJRT Market Share (Total Taxes Paid by RJRT/Total Taxes Paid by Class of Tobacco)	$\$841,637,600 / \$3,611,879,968 = 23.3019\%$	$\$841,637,600 / \$3,630,821,663.50 = 23.1804\%$ <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	\$65,826.95	\$65,826.95
RJRT Total Program Costs (Total Program Costs * Market Share)	$\$211,512,610 * 0.233019 = \$49,286,456.87$	$\$211,512,610 * 0.231804 = \$49,029,388.37$
RJRT Total Interest Costs (Total Interest Costs * Market Share)	$\$65,826.95 * 0.233019 = \$15,338.93$	$\$65,826.95 * 0.231804 = \$15,258.93$
RJRT Total Quarterly Assessment (Program Costs + Interest Costs)	$\$49,286,456.87 + \$15,338.93 = \$49,301,795.80$	$\$49,029,388.37 + \$15,258.93 = \$49,044,647.30$
Amount Assessed in Excess of Share (RJRT Total Quarterly Assessment – RJRT Adjusted Total Quarterly Assessment)	$\\$49,301,795.80 - \\$49,044,647.30 = \\$257,148.50$	

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)	6,435,000	1,092,000
Number of Cigarettes per Carton	200	200
Total Estimated Sales of Cigarettes (Cartons * Cigarette/Carton)	$6,435,000 * 200 = 1,287,000,000$	$1,092,000 * 200 = 218,400,000$
Estimated Sales of Cigarettes per Quarter (Total Estimated Sales of Cigarettes / 4 quarters)	$1,287,000,000 / 4 = 321,750,000$	$218,400,000 / 4 = 54,600,000$

(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.)	321,750,000
Total Estimated Quarterly Sales for Onondaga and T&D	$54,600,000 + 321,750,000 = 376,350,000$
Estimated Excise Taxes Owed by Onondaga and T&D (Total Estimated Quarterly Sales * 2013 Federal Excise Tax)	$376,350,000 * (\$50.33/1000 \text{ sticks}) = \$18,941,695.50$
Adjust Total Taxes Paid by Class of Tobacco (Total Excise Tax + Estimated Excise Taxes Owed Onondaga and T&D)	$\$3,611,879,968 + \$18,941,695.50 = \$3,630,821,663.50$
Total Taxes Paid by RJRT	\$841,637,600
Adjusted RJRT Market Share (Total Taxes Paid by RJRT/Adjusted Total Taxes Paid by Class of Tobacco)	$\$841,637,600 / \$3,630,821,663.50 = 0.231804\%$

SFNTC December 2013 Excessive Assessment (July 2013 through September 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	\$3,611,879,968	\$3,630,821,663.50 <i>(See Section D below for more detailed calculation of adjusted taxes paid by class.)</i>
Total Taxes Paid by SFNTC	\$52,404,203	\$52,404,203
SFNTC Market Share (Total Taxes Paid by SFNTC/Total Taxes Paid by Class of Tobacco)	$\$52,404,203 / \$3,611,879,968 = 1.4508\%$	$\$52,404,203 / \$3,630,821,663.50 = 1.4433\%$ <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	\$65,826.95	\$65,826.95
SFNTC Total Program Costs (Total Program Costs * Market Share)	$\$211,512,610 * 0.014508 = \$3,068,624.95$	$\$211,512,610 * 0.014433 = \$3,052,793.77$
SFNTC Total Interest Costs (Total Interest Costs * Market Share)	$\$65,826.95 * 0.014508 = \955.02	$\$65,826.95 * 0.014433 = \950.09
SFNTC Total Quarterly Assessment (Program Costs + Interest Costs)	$\$3,068,624.95 + \$955.02 = \$3,069,579.96$	$\$3,052,793.77 + \$950.09 = \$3,053,743.86$
Amount Assessed in Excess of Share (SFNTC Total Quarterly Assessment – SFNTC Adjusted Total Quarterly Assessment)	$\\$3,069,579.96 - \\$3,053,743.86 = \\$15,836.10$	

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)	6,435,000	1,092,000
Number of Cigarettes per Carton	200	200
Total Estimated Sales of Cigarettes (Cartons * Cigarette/Carton)	$6,435,000 * 200 = 1,287,000,000$	$1,092,000 * 200 = 218,400,000$
Estimated Sales of Cigarettes per Quarter (Total Estimated Sales of Cigarettes / 4 quarters)	$1,287,000,000 / 4 = 321,750,000$	$218,400,000 / 4 = 54,600,000$

(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.)	321,750,000
Total Estimated Quarterly Sales for Onondaga and T&D	$54,600,000 + 321,750,000 = 376,350,000$
Estimated Excise Taxes Owed by Onondaga and T&D (Total Estimated Quarterly Sales * 2013 Federal Excise Tax)	$376,350,000 * (\$50.33/1000 \text{ sticks}) = \$18,941,695.50$
Adjust Total Taxes Paid by Class of Tobacco (Total Excise Tax + Estimated Excise Taxes Owed Onondaga and T&D)	$\$3,611,879,968 + \$18,941,695.50 = \$3,630,821,663.50$
Total Taxes Paid by SFNTC	\$52,404,203
Adjusted SFNTC Market Share (Total Taxes Paid by SFNTC / Adjusted Total Taxes Paid by Class of Tobacco)	$\$52,404,203 / \$3,630,821,663.50 = 0.014433\%$