



Division of Advertising Practices

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

June 17, 2008

Martin L. Holton III  
General Counsel  
R.J. Reynolds Tobacco Co.  
401 N. Main Street  
Winston Salem, NC 27101

Re: *R.J. Reynolds Tobacco Co. (Eclipse)*

Dear Mr. Holton:

As you know, the staff of the Federal Trade Commission has conducted an investigation of R.J. Reynolds Tobacco Co. ("Reynolds") for possible violations of Section 5 of the Federal Trade Commission Act, 15 U.S.C. § 45, with respect to its advertising and marketing of Eclipse "cigarettes." In particular, the investigation focused on Reynolds' claims that Eclipse tobacco products were less harmful than conventional cigarettes and presented a reduced risk of cancer, chronic bronchitis, and emphysema. The staff investigation considered whether these "reduced harm" claims were adequately supported by competent and reliable scientific evidence, and whether they might otherwise be likely to mislead reasonable consumers.

Notwithstanding our concerns with these "reduced harm" claims, staff has decided not to recommend enforcement action at this time. No one factor was dispositive in reaching this decision. Rather, a number of factors were considered. For example, we note that Reynolds' advertising for Eclipse is currently the subject of on-going litigation brought by the Vermont Attorney General involving the same or similar issues as those in the FTC investigation. Thus, under these circumstances, expending further FTC staff resources would be duplicative of that litigation.

The closing of this investigation 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.

Very truly yours,

Mary K. Engle

Associate Director for Advertising Practices

cc: John Villafranco, Esq.