

RJ Reynolds

Tobacco Holdings, Inc.

July 1, 2004

United States Securities & Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

Subject: SEC File No. S7-10-04 (The Trade-through Rule)

Dear Chairman Donaldson and Commissioners Glassman, Goldschmid, Atkins
and Campos:

As the general counsel for a company listed on the New York Stock Exchange, I am writing to express our concern regarding an SEC proposal that would significantly weaken the trade-through rule and jeopardize the ability of shareholders to receive the best price when buying and selling shares in our company and other companies listed on the New York Stock Exchange.

We believe that the proposal to allow institutions to opt out of this rule is not in the best interest of our shareholders, our company or our nation's financial markets. Adopting this proposal would remove investors' assurances that their representatives are working to execute their trades at the best price. This would have the greatest impact on small investors, those who are least able to closely monitor execution costs and question brokers or agents about the price received.

Passing this proposal would increase the volatility of share prices, have a huge negative financial impact on investors (as much as \$3.5 billion a year in increased execution costs), and decrease competition and transparency among markets. For these reasons, we believe that the best-price provisions of the trade-through rule should remain intact, and urge you to ensure that it does.

Sincerely,

Charles A. Blixt

Charles A. Blixt
Executive Vice President and General Counsel

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