Altria

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June 9, 2004

Mr. Jonathan Katz
Secretary
Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549-0609

Re: File No. PCAOB-2004-03

Dear Mr. Katz:

We appreciate the opportunity to respond to the Proposed PCAOB Rulemaking "Public Company Accounting Oversight Board; Notice of Filing of Proposed Rule on Auditing Standard No. 2, An Audit of Internal Control Over Financial Reporting Performed in Conjunction with an Audit of Financial Statements" (the "Proposed Rule").

We would like to voice our opinion that there is a need for the establishment of a designated time period for management to develop and the Independent Registered Public Accounting Firm to attest to management's control assessment for a recently acquired entity. If our company were to acquire another company late in the year, it would not be possible to complete the entire control evaluation and audit process in time to file the required certification. This situation is further complicated when the acquired entity is a non-U.S. entity that has not previously been subject to the provisions of Sarbanes-Oxley Section 404. The result is a situation where management is unable to express an opinion on the new subsidiary's internal controls.

Financial Accounting Standards Board Statement No. 141 permits a true up of the allocation of purchase price for one year from the acquisition date. This is the same period of time allowed by its predecessor statement. These statements are indicative of a long-established understanding in U.S. Generally Accepted Accounting Principles ("U.S. GAAP") that new subsidiaries require a reasonable period of time to allow for a proper integration into the consolidating entity. It seems reasonable to implement a similar one-year period for internal controls evaluations, particularly since the rules have not yet been issued. Barring the establishment of a reasonable timeframe to assess controls, companies will be forced to forego acquisitions in the latter part of their fiscal year or to endure the market reaction to a qualified control opinion. We believe that both unintended consequences could be avoided if there were a statutorily-determined reasonable time period for acquirers to assess the controls of recently acquired entities.

We are also concerned that the Proposed Rule may place United States Registrants at a competitive disadvantage compared to non-U.S. Registrants. Therefore, we recommend the Commission amend the Proposed Rule to state that the audit and related management assessment and certification do not need to include entities that became consolidated subsidiaries during the year. We also recommend that any such entity that the company chooses to exclude should be listed in the certifications signed by the company's Independent Registered Public Accounting Firm and also reflected in the opinion. This is consistent with U.S. GAAP and the length of time that it takes to perform a quality review of the controls.

We appreciate the opportunity to comment on the Proposed Rule. If you would like to further discuss any of our comments, please do not hesitate to contact me at (917) 663-3955.

Yours very truly,

Joseph A. Tiesi
Vice President and Controller

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