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PITTSBURGH BREWING COMPANY
SINCE 1861

August 11, 2003

Chief, Regulations and Procedures Division
Tax and Trade Bureau
P.O. Box 50221
Washington, D.C. 20031-0221

RE: TTB Notice #4
Dear Sir or Madam:

Pittsburgh Brewing Company supports the proposed standard of composition for Flavored Malt Beverages (FMB's) as set forth by the TTB Notice No. 4 of March 2003. This proposal is critical to the beer industry as it clearly defines the difference between beer and other alcoholic beverages, as it requires that the alcohol content in FMB's derived from distilled alcohol not exceed 0.5% in order to be classified as "beer".

There has been a revival in the brewing industry in the past quarter of a century in this country, from 41 breweries to more than 1400 today. The revival is based on renewed commitment to the traditional beer styles and processes. The dedication to the art of beer has produced extensive investment in small businesses and the surfacing of consumers who appreciate the unique properties of beer. Many of our customers do understand the attributes of beer and the consequences of this rulemaking process.

Continued success in the small brewing industry requires maintenance of an even playing field for industry members claiming to produce beer or other malt beverages. Our company regards this proposed rule as critical. We need consistent classification of alcoholic beverages! The laws and regulations in establishing alcoholic beverage categories are primary concerns of the brewing industry.

The Federal leadership in this area is important, as State definitions of beer, malt beverages, and spirits are normally consistent with the definitions found in the federal laws and regulations. Thus, the proposed rule will likely be followed at the state level, helping to maintain clear and distinct definitions that will guarantee consistent tax, licensing and distribution policies for each category. Additionally, any alternative to the TTB proposal will likely trigger disruptive state legislative and regulatory actions. This

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could have significant ramification for the more than 1400 small breweries and for thousands of licensees, most of which are also small businesses.

We reaffirm our company's support for the proposed "0.5% standard" for FMBs. Its consistency with historical interpretations of federal regulations will help maintain an orderly marketplace and the integrity of the beer category!

Sincerely,

Joseph R. Piccirilli
President

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