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SKOKIE VALLEY BEVERAGE CO.
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August 8, 2003

Attn: TTB Notice No. 4
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
PO Box 50221
Washington, D.C. 20091-0221

Dear Sir or Madam:

Skokie Valley Beverage Company is a 3rd generation family owned beer distributor for over 50 years in metro Chicago. We have been closely following the national events in Washington surrounding the issue of the Tax and Trade Bureau's guidelines for Flavored Malt Beverages (FMB's) and would like to share some thoughts and concerns.

Consistent regulatory policy is important. While states enjoy regulatory power over alcohol issues, most state agencies follow federal regulatory guidelines. Specifically, TTB proposes that for an FMB to be classified as a beer, it's alcohol content from distilled alcohol cannot exceed 0.5%. Beer is not distilled spirits... .beer is not fortified wine... .beer is not a product that has been made through the distillation process. Beer is made through the brewing process, and the 0.5% standard will ensure that the integrity of beer remains.

Skokie Valley Beverage Company supports the proposed rule issued in March, 2003, by the Tax and Trade Bureau. The TTB proposal rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. Adoption of the TTB "0.5% by volume standard" would ensure the integrity of beer and the brewing process. The danger of equating beer with beverages that derive a majority their alcohol content from distilled spirits, is that it could weaken the important distinction between beer and those products with higher alcohol content. If these traditional distinctions are blurred/removed, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation, and distribution policies. Any other action would deal a severe blow to beer wholesalers.

Once again, Skokie Valley Beverage Company encourages the TTB to give final approval to the proposed 0.5% standard on FMB's.

Sincerely,

William A. Schirmang

President