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CHAMPAGNE BEVERAGE CO., INC.

COVINGTON, LOUISIANA 70434

August 7, 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:
Champagne Beverage Company of Covington, La supports the-proposed rule issued in March 2003 by the Tax and Trade Bureau (TTB) that outlines the alcohol content requirements in order for flavored malt beverages to be classified as beer.

The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout history. Adoption of the TTB 0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Consistent regulatory policy is important because while states enjoy regulatory power over alcohol, most follow federal standards and guidelines. This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation, and distribution policies, any which would deal a major hit to beer wholesalers. Also equating beer and beverages that derive a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with higher alcohol content.

If traditional distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products. Beer is not distilled spirits or wine, it is made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains.

Once again, Champagne Beverage Company encourages the TTB to give final approval to the proposed 0.5-% standard on FMBs.

Sincerely,

Greg Quinn
General Manager