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Stash Distributing, Inc.
Chico, CA 95927

August 7, 2003

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

Dear Sir or Madam:

We as a company support the proposed rule issued in March of this year by the Tax and Trade Bureau (TTB) that outlines the alcohol content requirements for flavored malt beverages (FMB). Specifically, the TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol can not exceed 0.5%. As you know, beer has been regulated and taxed differently than other alcohol beverages throughout our country's history. This new proposed rule is consistent with the interpretation of what actually constitutes beer and other malt beverages. The regulatory treatment of beer is based on its production process and its definition in the Internal Revenue Code dating back to the pre-prohibition era. Adoption of the "0.5 by volume standard" would ensure the continued integrity of beer and the brewing process.

Consistent policy is important because most states will follow Federal guidelines. This new rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and other policies. Equating beer and beverages that derive a majority of their alcohol content from distilled spirits might weaken the important distinctions between beer and products with higher alcohol content. Distinctions such as these could impact state and Federal policies regarding the regulation and taxation of beer and other alcohol beverages.

If these traditional and historical distinctions disappear, it's possible that other producers of alcoholic beverages may attempt to categorize themselves as beer products. Beer is not a fortified wine. Beer is not a distilled spirit. Beer is not a product that has been made through the distillation process. Beer is made using a sophisticated brewing process. The 0.5% standard should ensure that the integrity of beer remains.

Please give your final approval to the proposed 0.5% standard on flavored malt beverages.

If you have any questions concerning the enclosed, please feel free to give me a call.

Sincerely,

Patrick W. Lawing
President