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Clare Rose Inc.

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:

Clare Rose, Inc. supports the proposed outline that alcohol content requirements for flavored malt beverages (FMB) to be classified as beer. The TTB proposes that for an FMB to be classified as beer, its alcohol content cannot exceed 0.5%.

The treatment of beer is based on its historical production process, and the Internal Revenue Code that date's back to the 1800's defines it. Beer has been regulated and taxed differently than other alcohol beverages. The adoption of the TTB "0.5% by volume standard" would ensure the beer and brewing integrity.

This policy is important because states that enjoy regulatory power over alcohol must follow federal guidelines. This proposal would help keep order and avoid confusion with state licensing. As well as the distribution and taxation policies that could cost beer wholesalers dearly.

We need to make sure that there is a continued distinction between beer beverages and the higher alcohol distilled spirits. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

The tradition and distinction of beer products, and its historical past is vital to making sure that other alcohol beverages don't try to categorize themselves as beer products. Beer is not distilled spirits. Beer is brewed to the 0.5% standard that ensures its integrity.

Clare Rose, Inc. encourages the TTB and give final approval to the proposed 0.5% standard FMB's.

Sincerely,

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