

00410466

From: Peter Heimark [pheimark@triangle-dist.com]

Sent: Thursday, October 16, 2003 10:45 AM

To: nprm@ttb.gov

Subject: 'TTB Notice No. 4'

name=Peter Heimark

name=Triangle Distributing Company

Address1=12065 E. Pike Street

Address2=

City=Santa Fe Springs

State=CA

Zip Code=90670

Comments=Dear Sir or Madam: Triangle Distributing Company supports the proposed regulations for products marketed as flavored malt beverages (FMBs), as set forth by the Tax and Trade Bureau (TTB) in TTB Notice No. 4 of March 2003. The limit of alcohol in a beer derived from distilled spirits should be limited to 0.5% alcohol by volume. The 0.5% alcohol by volume limit is the standard for determining the tax status of beer, wine and fruit flavored concentrates as well as juices and sodas that contain small amounts of alcohol. The 0.5% standard is fair across the board for all beverages, and should apply to FMBs with added flavors as well. The TTB proposal asks for comment on alternative standards, such as whether the standard should be less than 50 percent of the final alcohol derived from spirits addition. This alternative limit would create a huge disruption to state governments who currently have regulations mirroring the federal standards.

Many products now classified as FMBs do not have a malt component when produced in and for other countries. In the United States, however, companies are obtaining substantial tax and regulatory benefits using a minimal amount of malt. The preamble to Notice No. 4 indicates that TTB is aware of this business strategy. It significantly reduces the agricultural products used in the brewing process, and it adversely affects many suppliers of goods and services to the brewing industry.

In summary, our company supports the proposed "0.5% standard" for FMBs for reasons of fairness, to protect the beer industry and the allied trade and to protect the image of what the general public considers beer.

Sincerely,

Peter Heimark

Trinagle Distributing Co.