

DAIRY MART
Nicholas Geniale
Louisville, KY 40218-4006

RE: TTB NOTICE NUMBER FOUR

May 16. 2003

Chief
Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P. O. Box 50221
Washington, D.C. 20091-0221

Dear Alcohol Tobacco Tax and Trade Bureau:

I am gravely concerned about the effect of proposed rules outlined in Notice no. 4. These rules if adopted will harm my retail sales of flavored malt beverages and may actually harm the sales of other products as well. As a retailer who is feeling the pressures of today's economic environment these rules would only harm my business further. That is why I am writing to ask that the proposed rules be thrown out and the TTB work to develop rules in conjunction with the flavored malt beverage industry.

Retail sales of flavored malt beverages has risen steadily over the past five years and I don't think it is by chance that the TTB would like to re-classify these products so that they will fall under a new category of alcoholic beverage. Rather, I think the TTB is interested in placing these new products in a new category so that it may collect higher amounts of excise taxes. These rules are nothing more than an attempt to increase taxes at a time when our businesses are suffering.

I can ill afford to have the TTB raise taxes on flavored malt beverage products at this time. These increases would only hurt sales and drive customers away; something we've tried hard to stop over the past two years. These rules should be scrapped entirely and the TTB should focus on other issues rather than trying to create new rules that harm retail sellers. Please vote no on the proposed rules outlined in Notice no. 4. Thank you for your time.

Sincerely,

Nicholas Geniale