

<< 0040828 >>

Robert Hallam, Jr.
VICE PRESIDENT MARKETING

August 21, 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. 20091-022 1

Dear Sir or Madam:

I am writing this letter regarding 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 (FMB) to be categorized as beer. I am the Vice President of Marketing of Ben E. Keith Beers and we also are distributors of FMB's. My company totally SUPPORTS the proposed rule that an FMB's alcohol content from distilled alcohol cannot exceed 5% to be classified as beer.

Beer is prepared through a brewing process. It is not distilled. It is a unique product that has been treated differently from other alcoholic beverages through regulation and taxation. The .5% standard will guarantee that the integrity of beer remains.

If beer is compared to beverages that receive the majority of their alcohol content from distilled spirits the significant differences between beer and higher alcohol content products would become insignificant in itself. If these two products are compared on the same alcohol content basis and the federal government rules on it, then chaos will surely disrupt both federal and state regulations where licensing, taxation and distribution policies are concerned. It could devastate beer wholesalers.

I reiterate that I strongly SUPPORT the proposed .5% standard on FMB's.
Sincerely,

Robert Hallam, Jr.
Vice President of Marketing
Ben E. Keith Beers

RH:jb

BEN E. KEITH BEERS

P.O. Box 36629 Dallas, Texas 75235 . tel: (214) 267-6339 .fax: (214) 267-6389 e-mail: robert4@bekco.com