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August 20, 2003
Don Fischer
GENERAL MANAGER

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

Ben E. Keith Beers - Denton, TX, would like to take this opportunity to voice its support of the proposed rule that was issued in March 2003 by the Tax and Trade Bureau (TTB) which outlines the alcohol content requirements in order for flavored malt beverages (FMB) to be classified as beer. It is our understanding that the TTB proposes that for a FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Throughout our nation's history, beer has been a unique product that has been taxed and regulated in a different manner than other alcohol beverages. The treatment of beer was defined by the Internal Revenue Code back in the 1800's when the beer excise tax was first imposed by Congress. The integrity of beer and the brewing process would be ensuted by the adoption of the TTB "0.5 by volume standard".

Consistent regulatory policy is important. While states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help to avoid costly and confusing disruptions in state licensing, taxation and distribution policies. Any of these would deal a severe blow to beer wholesalers. In addition, equating beer and beverages that derive a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with higher alcohol content. These distinctions influence state and federal policies regarding the taxation and regulation of beer and other alcohol beverages.

If this happens, it will only be a matter of time before other producers of alcohol beverages will attempt to categorize themselves as beer products!

Beer is not a product that has been made through the distillation process... .it is made through the brewing process. Ben E. Keith Beers - Denton, TX encourages the TTB to give final approval to the proposed "0.5% standard on FMBs" so that the integrity of beer will remain

Sincerely,

Don Fischer

Thank you in advance for your support!

DF:sas

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