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HUBERT DISTRIBUTORS, INC.
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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:

We are an Anheuser-Busch distributor in Oakland County, Michigan. We support the proposed rule issued in March 2003 by the Tax and Trade Bureau (TTB) that outlines the alcohol content requirements necessary for Flavored Malt Beverages (FMB) to be classified as beer.

It is important to have clear rules when classifying alcoholic beverages. We agree that for a FMB to be classified as a beer, the FMB must have an alcohol content, from distilled alcohol, not in excess of 0.5%.

Beer is not like liquor. It is a unique product that has been regulated and taxed differently than other alcohol beverages throughout history. The TTB proposed rule gives deference to the historical difference between beer and other malt beverages.

We understand that the distinct regulatory treatment of beer is based on its age-old production process, and its definition in the Internal Revenue Code dates back to the 1800s when Congress first imposed the beer excise tax

Consistent regulatory policy is important because while states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to our company.

We know some liquor companies would want the TTB to equate beer to beverages that derive a majority of their alcohol content from distilled spirits. This would weaken the important distinctions between beer and products with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

Budweiser Bud Light Bud Dry Bud Ice Bud Ice Light Michelob Michelob Light Michelob Dark Michelob Dry AmberBock
Red Wolf. Busch Busch Light Busch Ice Busch NA NaturalLight Natural Ice . King Cobra O'Douls ODouls Amber Tequila

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If traditional distinctions disappear. it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product that has been made through the distillation process. Beer is made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains.

Once again, Hubert Distributors encourages the TTB to give final approval to the proposed 0.5% standard on FMiBs.

Sincerely,

Thomas Vella
Sr. V.P. & General Manager

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Budweiser Bud Light Bud Dry Bud Ice Bud Ice Light Michelob Michelob Light Michelob Dark Michelob Dry AmberBock
Red Wolf. Busch Busch Light Busch Ice Busch NA . NaturalLight Natural Ice King Cobra O'Doul's O'Douls Amber . Tequiza