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August 11, 2003

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

Dear Sir:

As General Manager of Tn-Eagle Sales in Tallahassee, Florida, I am writing to you in support of the Tax and Trade Bureau's (TTB) proposed rule outlining the alcohol content requirements for flavored malt beverages (FMB) to be classified as beer.

Proposed in March 2003, the TTB rule proposes that the alcohol content of an FMB cannot exceed 0.50% in order for it to be classified as beer.

The TTB proposed rule is consistent .with the historical interpretation of what constitutes beer and other malt beverages. Since its inception, beer has been a unique product that has been regulated and taxed differently than other alcoholic beverages.

Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process. It would help maintain an orderly marketplace by avoiding costly and confusing disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers.

The 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 excise tax on beer.

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Consistent regulatory policy is important because while states have regulatory power over alcohol, most of them follow federal regulatory guidelines.

Comparing beer and beverages that get a majority of their alcohol content from distilled spirits could 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 alcoholic beverages.

It will only be a matter of time before other producers of alcoholic beverages attempt to categorize themselves as beer products if these traditional distinctions disappear.

Beer is made through the brewing process. It is not a distilled spirit or a fortified wine. Beer is not a product that has been made through the distillation process.

The 0.5% standard will ensure that the integrity of beer remains intact. I encourage the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

Hank Brady
General Manager