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Chief, Regulations No. 4
Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, DC 20091-022 1

Dear Sir or Madam:

We at Del Papa Distributing Company support the proposed rule issued in March 2003 by the Tax and Trade Bureau that outlines the alcohol content requirements in order for flavored malt beverages to be classified as beer.

Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. 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. Moreover, 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.

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 a product that has been made through the distillation process. The 0.5% standard will ensure that the integrity of beer remains.

Once again, we encourage the TTB to give final approval to the proposed 0.5% standard on FMBs.
Sincerely,

Lawrence Del Papa
Chairman

LID/cs