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FEDERAL DISTRIBUTORS, INC.

August 8, 2003

Attn: TTB Notice No. 4
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, DC 2009 1-0221

Dear Sir or Madam:

I want you to know Federal Distributors wholeheartedly supports the proposed rule outlined by the TTB that outlines the alcohol content requirements in order for flavored malt beverages (FMB's) to be classified as beer. Even though this company sells a great deal of FMB products, taxing the two products equally is unfair to the beer consumer.

Beer is a unique. It has historically been regulated and taxed differently than other alcoholic beverages throughout history.

The 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 wholesalers.

Going forward, it is of the utmost importance that traditional distinctions don't disappear. If that happens, it will only be a matter of time before other alcoholic beverages attempt to categorize themselves as beer products!

Beer and distilled spirits are completely different. Beer is not fortified wine. Beer is not made through distillation. Beer is brewed.

The 0.5% standard will ensure the integrity of beer remains.

Again, Federal Distributors encourages the TTB to give final approval to the proposed 0.5% standard on FMB's.

Sincerely,

J. Paul Spellman
Chief Operating Officer

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