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BEVERAGE
DISTRIBUTORS
3800 King Avenue, Cleveland, Ohio 44114 (216) 431-1600

August 13, 2003

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

Dear Sir or Madam:

Beverage Distributors, Inc. a beer and flavored malt beverage (FMB) wholesaler in Cleveland, Ohio, strongly supports the proposed rule issued in March, 2003 by the Tax and Trade Bureau (TTB) that outlines the alcohol content requirements for FBM to be classified as beer. With this rule, the TTB proposes that the alcohol content from distilled alcohol cannot exceed 0.5% in order for a FMB to be classified as a beer.

Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Consistent regulatory policy is important. This proposed rule would help maintain an orderly definition for consumers and fair state taxation and distribution policies. Equating beer and beverages 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 products of alcohol beverages attempt to categorize themselves as beer products. The 0.5% standard will ensure that the integrity of beer remains.

Sincerely,

James V. Conway
President
Beverage Distributors, Inc.

cc: NBWA