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MILLER BREWING COMPANY

ED ROLESAN JR., INC.

August 14, 2003

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

Dear Sir or Madam:

Ed Roleson Jr., Inc. supports the proposed rule recently issued in March 2003 by the Tax and Trade Bureau (TTB) that outlines the necessary alcohol content requirements in order for Flavored Malt Beverages (FMB) to be classified as beer. Specifically, the TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer is a unique type of alcohol 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. The distinction that beer enjoys from other alcohol products is based on its age-old production process. Its definition in the Internal Revenue Code dates back to the 1800's when the beer excise tax was first imposed by Congress. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Such policy consistency is important because while states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace, thus avoiding costly and confusing disruptions in state licensing, taxation, and distribution policies. Any of which would deal a severe blow to beer wholesalers.

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. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

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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, Ed Rolesan Jr., Inc. encourages the TTB to give a final approval to the proposed "0.5% standard" on FMB's.

Sincerely Yours,

Michael W. Roleson  
President  
Ed Roleson Jr., Inc.

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cc: NBWA  
WBDA