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WILLIAMS DISTRIBUTING
We All Make a Difference

September 15, 2003

Chief of Regulations and Procedures Division
Tax & Trade Bureau
P.O. Box 50221
Washington, DC 20091-0021

Reference: TTB Notice No. 4
Dear Sir or Madam:

We at Williams Distributing Corporation support the proposed rule recently issued in March, 2003 by the Tax and Trade Bureau that outlines the necessary alcohol content requirements in order for Flavored Malt Beverages (FMB 's) to be classified as beer. The proposed standard would require that for an FMB to be classified as beer, its alcohol content derived from distilled alcohol can not exceed 0.5%.

Beer has always been taxed and regulated differently than other alcohol beverages and we believe, rightly so. The proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. This is important to us since states usually follow the federal guidelines in these matters. In Massachusetts our license to sell these products (FMB 's) would double in cost if the proposal is not adopted, not to mention the impact at the retail level.

There is a broad distinction between beer and beverages deriving a majority of their alcohol from distilled spirits. They should never be lumped together in the same class of products.

Williams Distributing Corporation encourages the TTB to give a final approval to the proposed "0.5% standard" on FMB's.

Sincerely,
WILLIAMS DISTRIBUTING CORPORATION

James P. Sadowsky
President

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