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PETER C. STUBLER, INC.

A Tradition of Quality Service Since 1878  
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9/19/03

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:

Peter C. Stubler, Inc. supports the proposed rule issued in March 2003 by the Tax and Trade Bureau (TTB) that outlines the 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 has a tradition and place in our society that is different and unique when compared to distilled spirits and wines. It has always been taxed and regulated accordingly so. 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.

The proposed ruling would help eliminate the confusion and blurring of lines between those beverages that derive a majority of their alcohol content from distilled spirits and are higher in alcohol content and beer. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages. Any alternative to TTB's proposal is likely to trigger disruptive state legislative and regulatory actions with significant ramifications for the U.S. brewing industry and for the thousands of alcohol beverage licensees, most of which are small businesses.

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.

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Once again, Peter C. Stubler, Inc. encourages the TTB to give final approval to the proposed 0.5% standard on FMIBs.

Sincerely,

Frank J. Serbati  
General Manager  
Peter C. Stubler, Inc.