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BUDWEISER

KIIVG OF BEERS.

INDEPENDENT DISTRIBUTORS, INC.  
September 5, 2003

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

Dear Sir or Madam:

Independent Distributors supports the tax and trade bureaus proposed rule recently issued in March 2003. This rule outlines the necessary alcohol content requirement in order for flavored malt beverages (FMB) to be classified as beer. The proposed standard would require that in order for a FMB to be classified, as beer, it's alcohol content derived from distilled alcohol can not exceed 0.5%.

Beer has always been regulated and taxed. differently than other alcoholic beverages, based on its age old production process. The proposed rule is consistent with historical interpretation between beer and other malt beverages.

A consistent policy is important because while states enjoy regulatory control over alcohol, most do follow federal regulatory guidelines. It best serves the interest of our retail customers and less consumer confusion. It will also maintain an orderly marketplace and avoid confusion in state licensing, taxation and distribution policies, which would deal a financial blow to beer wholesalers.

Moreover, equating beer and beverages deriving a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with a higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages. If these distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Once again, Independent Distributors encourages the TTB to give a final approval to the proposed "0.5% standard" on FMB's.

Sincerely,

Michael B Stoddard  
General Manager

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