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N&W HAMPSHIRE DISTRIBUTORS, INC.

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September 2, 2003

Attn: TTB Notice No. 4

Chief, Regulations and Procedures Division

Alcohol and Tobacco Tax and Trade Bureau

P0 Box 50221

Washington, D.C. 20091-0221

Dear Sir or Madam:

New Hampshire Distributors, Inc., a small malt beverage distributor in Concord, NH, strongly 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. The TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. The distinct regulatory treatment of beer is based on its age-old production process, and its definition in the Internal Revenue Code dates back to the 1800s when Congress first imposed the beer excise tax. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Consistent regulatory policy is important because most states follow the federal guidelines and don't have separate rules. This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers.

"MAKING FRIENDS IS OUR BUSINESS"

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There are clear 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. Not following the proposed alcohol content requirements could confuse the consumer and make unclear tax and other regulatory issues.

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.

New Hampshire Distributors, Inc. encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

C. Thomas Brown
President & CEO

CTB/sec