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APPLEBEE'S NEIGHBORHOOD GRILL & BAR

September 3, 2003

DAVID L. GOEBEL

Executive Vice President of Operations

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:

Our company, Applebee's International, Inc. a major casual dining chain, recently had an opportunity to be educated on TTB Notice 4, the proposed rule recently issued regarding the alcohol content of Flavored Malt Beverages ("FMBs"). This rule would require that no more than 0.5% of the alcohol content of FMBs be derived from distilled alcohol in order to be classified as "beer."

As a consumer of these products, Applebee's endorses this new standard for the following main reasons:

- TTB Notice 4 best preserves the consistent approach throughout the country that FMBs should be advertised, distributed, taxed and licensed as beer.
- Our best interests will be served by preserving the historical and well-founded distinctions between beer and spirits. Consumer confusion, not only ours but that of our guests, will be greatly diminished because all FMBs will be treated the same around the country.
- With the TTB's stated position of allowing a reasonable amount of time to comply with the new standards, our vendors/major producers will be able to provide us product without interruption allowing the transition to be smooth and seamIess.

Once again, we reaffirm our support for the 0.5% standard for FMBs and urge its final adoption in the near future.

Sincerely,

Dave Goebel

APPLEBEE'S INTERNATIONAL. INC. 4551 W. 107th Street / Suite 100 / Overland Park. Kansas 66207 (913) 967-4000 / Fax (913) 341-1694

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