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B & B BEVERAGE Co.

September 4, 2003

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:

B & B Beverage Co. supports the proposed rule issued by the Tax and Trade Bureau (TTB) in March 2003 that outlines the necessary alcohol content requirements in order for flavored malt beverages (FMB) to be classified as beer. The proposed standard would require that in order for an FMB to be classified as beer, its alcohol content derived from distilled alcohol cannot exceed 0.5%.

Historically, beer has been regulated and taxed differently than other alcohol beverages. The proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages.

While states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace and avoid expensive and confusing disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers.

Beer is made through the brewing process, not through the distillation process. The 0.5% standard will ensure the continued integrity of beer.

We encourage the TTB to give a final approval to the proposed 0.5% standard on FMBs.

Sincerely,

David G. Lewis, III
President

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