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WATKINS DISTRIBUTING 1640 Kimberly Road Sales & Service Twin Falls, ID 83301 208.733.5705 Fax 208.733.5745

Attention: TTB Notice No. 4 Chief, Regulations and Procedures Division Alcohol and Tobacco Tax and Trade Division P.O. Box 50221 Washington, D.C. 20091-0221

Dear Sir or Madam,

Watkins Distributing definitely supports the proposed rule that the TTB issued in March that requires flavored malt beverages to be made with beer and not distilled alcohol.

Beer and distilled spirits are two different products, and the TTB is correct in it's ruling that they should be sold, taxed, and distributed separately. If traditional distinctions disappear, it will only be a matter of time before other products attempt to categorize themselves as beer products when they in fact are not.

Once again, Watkins Distributing supports the 0.5% standard and encourages the TTB to give finial approval.

Sincerely,

Mitch Watkins President