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BUDWEISER
KING OF BEER

September 3, 2003

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

Dear Sir or Madam:

I am writing to voice my company's support for 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 's) 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 .05%. I fully support this position and recommend adoption of the .05% standard by the TTB.

The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. It preserves the consistent approach throughout the country that FMB's should be advertised, distributed, taxed and licensed as beer. Most, if not all, of the concerns expressed by state regulators and taxing authorities are effectively addressed in this proposed new standard.

If the important distinctions disappear between beer and other beverages that derive a majority or their alcohol content from distilled spirits it would open the door for other producers of alcohol beverages to categorize their products as beer. The .05% standard will insure the integrity of beer remains intact.

In closing, I would like to once again clearly state that Tyler Sales Company encourages the TTB to give final approval to the proposed .05% standard on FMB's.

Sincerely,

Tom Schultz
Vice-President

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