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EAGLE ROCK DISTRIBUTING COMPANY
August 7, 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:

Eagle Rock Distributing Company fully supports the Tax and Trade proposal from last March that states for a flavored malt beverage to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer has been regulated and taxed differently than other alcohol beverages since our nation's birth, based mainly on its production process. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

We feel a consistent federal regulatory policy is very important. Most states follow the federal guidelines even though they have the power to regulate it themselves. The TTB proposed ruling would help avoid disruptions in state licensing, taxation, and distribution to say the least. Any of these would hurt beer wholesalers, which of course would affect the communities they serve.

Keeping traditional distinctions between beer and other alcohol beverages is essential. If not, eventually, every alcohol beverage will categorize itself as beer, impacting state and federal policies regarding regulations and taxation.

Beer is not distilled spirits. Beer is not fortified wine. Beer is not distilled. Beer is made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains.

Eagle Rock Distributing Company encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

Steve Craine
President

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