

<< 0040639 >>

Valley Beverage, Inc.
#1 Runnels Road, P.O. BOX 1790 2000 Redbud, P.O. Box 3264
San Benho, TX 78586 McAllen, TX 78502
(956) 399-4343 Distributing Fine Beers Since 1933 (956) 686-0545
Fax (956) 399-8445 Fax (956) 686-2759
Attn:TTB Notice No. 4 August 7, 2003
Chief, Regulations and Procedures Division
Alcohol & Tobacco Tax and Trade Bureau
POBox 50221
Washington, D.C. 20091-022 1
DEAR Sir/Madam:

Valley Beverage, Inc. strongly supports the proposed rule by the TTB that defines the alcohol content in flavored malt beverages allowing them to be classified as beer. We agree with the proposed requirement that an FMB's alcoholic content derived from distilled alcohol should not exceed 0.5%.

The TTB proposed rule takes into consideration the historical differences between beer and other distilled alcohols, and will help maintain this uniqueness, ensuring the integrity of beer and the brewing process. The proposed rule will also help clear up the confusion in the marketplace pertaining to licensing, taxation, labeling and distribution.

The distinction between beer and distilled spirits or wine with higher alcoholic contents should be maintained. These distinctions affect state and federal policies regarding taxation, regulation and marketing policies. Failure to maintain these historical distinctions will only make it easier for other products with higher alcoholic content to try to pass themselves off as "BEER".

Again, Valley Beverage, mc, encourages the Tax and Trade Bureau to give final approval to the proposed 0.5% standard on Flavored Malt Beverages.

Sincerely,

F. Neal Runnels
President

bc: NBWA