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August 11,2003

Atm: 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:

Carter Distributing Company supports the proposed rule issued in March 2003 by the Tax and Trade Bureau that outlines the alcohol content requirements in order for flavored malt beverages to be classified as beer.

The distinct regulatory treatment of beer is based on its age old production process, and its definition in the Internal Revenue Code dates back to the 1800s when Congress first imposed the beer tax. Adoption of the TTh "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruption in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers.

Beer is not a distilled spirit. Beer is not a fortified wine.

Once again, Carter Distributing Company encourages the TTB to give final approval to the proposed 0.5% standard on Flavored Malt Beverages.

Sincerely,

Blair Carter
President