

<< 0040738 >>

Stein Distributing Company, Inc.

August 12, 2003

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

To Whom It May Concern:

Stein Distributing Company supports 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) to be classified as beer. Specifically, the TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. Both of these products go through completely different production processes. Beer is not a product that is made through the distillation process. Beer is made through the brewing process. Adoption of the TTB "0.5% by volume standard" would ensure the integrity of beer and the brewing process.

Moreover, equating beer and beverages that derive a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with higher alcohol content. This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers.

Once again Stein Distributing Company encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

John A. Grizzaffi
Vice President
Stein Distributing Company

601 N. PHILLIPPI STREET • P O. BOX 9367 • BOISE. IDAHO 03707-3367
PHONE: (208) 375-1450 • FAX: (208) 375-0040