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August 12, 2003

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

Valley Beverage, Inc would like to endorse the proposed rule issued in March of 2003 by the Tax and Trade Bureau outlining the alcohol content requirements for flavored malt beverages to be classified as beer.

Throughout history, beer has been considered the beverage of moderation and as such, has been taxed at a different level than wine and spirits. The current increasing popularity of FMB's has raised certain regulatory problems for many states and a consistent approach is needed to maintain order in the marketplace and regulatory arena.

Valley Beverage, Inc. represent various suppliers who have very strong opinions of both sides of this issue. Some favor the .05 proposed rule. Others favor the 51% approach.

In order to assure regulatory authorities and the consuming public that FMB's are malt based and conceived from the brewing process and not the distillation process, we strongly endorse the proposed rule.

Sincerely,

Gordon E. Hall
General Manager