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JERSEY EAGLE SALES  
COMPANY

August 13, 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:

We support the proposed rule issued in March 2003 by the Tax and Trade Bureau (TTB) that spells out the alcohol content requirements in order for flavored malt beverages (FMB) to be classified as beer. We agree that for an FMB 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 the end of prohibition. The TTB proposed rule is consistent with the common sense interpretation of what constitutes beer and other malt beverages. Adoption of the TTNB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Consistent regulatory policy is important because while New Jersey and most states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace.

Equating beer and beverages that derive a majority of their alcohol content from distilled spirits could weaken the important differences between beer and products with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

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If traditional distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Beer is not Vodka or Scotch. Beer is not Red or White wine. Beer is not made through the distillation process. Beer is made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains.

Once again, Jersey Eagle Sales, LLC. Encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

Carlos A. Rivera  
President