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September 19, 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:

Boone Beverage Inc. supports the proposed rule recently 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. The proposed standard would require that for in order for an FMB to be classified as beer, it's alcohol content from distilled alcohol can not exceed 0.5%.

The distinction that beer enjoys from other alcohol products is based on it's age -old production process, and it's definition in the Internal Revenue Code dates back to the 1800's when congress first imposed the beer excise tax. Beer has historically been a unique alcohol type that has been regulated and taxed differently than other alcohol beverages. The proposed rule is consistent with historical interpretation of what constitutes beer and other malt beverages.

It is important for policy consistency because while states enjoy regulatory policy over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly market place and avoid costly and confusing disruptions in state licensing, taxation and distribution polices, any of which would deal a severe blow to beer wholesalers.

Equating beer and beverages deriving a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with higher alcohol content. If these distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Sincerely,

Sam Selby
President
Boone Beverage, Inc.