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September 18, 2003

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

Dear Sir or Madam:

Bernie Little Distributors, Inc. 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. Specifically, the TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

As a beer wholesaler, our business and growth depend on the integrity of beer and the brewing process. The proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. Adoption of the TTB "0.5 by volume standard" would avoid costly and confusing disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers. 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. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages. 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. The 0.5% standard will ensure that the integrity of beer remains.

Once again, Bernie Little Distributors, Inc. encourages the Tax and Trade Bureau to approve the proposed 0.5% standard on flavored malt beverages.

Sincerely,

Stephen D. Floyd
Marketing Director
BERNIE LITTLE DISTRIBUTORS, INC.
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