

0040508

Budweiser
King of Beers
EAGLE DISTRIBUTING COMPANY
Windsor, California 95492

8/7/03

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 Sirs or Madam:

Eagle 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%.

The distinct regulatory treatment of beer is based on its age-old production process and its definition in the Internal Revenue Code dates back to the 1800s when Congress first imposed the beer excise tax. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Beer is not a product that has been 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, Eagle Distributing Company encourages the TTB to give final approval to the proposed 0.5% standard on Flavored Malt Beverages.

Sincerely,

Charlie Head
Managing General Partner

