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Tn-Eagle
Beverage
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August 11, 2003

Ann: TTB Notice No. 4/Chief, Regulations and Procedures Division
ALCOHOL and TABACCO TAX and TRADE BUREAU
PO Box 50221
Washington, D.C. 20091-0221

Dear Sir or Madam:

In March 2003, the Tax and Trade Bureau (TTB) proposed a rule 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%. As owner of a beer distributor, Tn-Eagle Beverage, I support this proposed rule.

Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product that has been made through the distillation process. Beer is a unique product, produced through the brewing process, that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. 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.

To say beer is equal to those beverages that get a majority of their alcohol content from distilled spirits weakens the significant distinctions between beer and products with higher alcohol content. The state and federal policies regarding the regulations and taxation of beer and other alcohol beverages are impacted by these distinctions.

Adoption of the TTB "0.5% by volume standard" would ensure the integrity of the beer and brewing process. I ask final approval of this proposal be given.

Tony Lazzerini, President
TRI-EAGLE BEVERAGE

/PC