

<< 0041205 >>

BUDWEISER
KING OF BEERS

September 3, 2003

Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
PO Box 50221
Washington, DC 20091-0221

Re: TTB Notice #4
Dear Sir or Madam:

Let me take this opportunity to communicate to you McLaughlin & Moran, Inc. support of the proposed rule addressing the alcohol content of flavored malt beverages (FMB's). McLaughlin & Moran, Inc. feels strongly that the March 2003 proposal recommended by the Tax and Trade Bureau that outlines the necessary alcohol content requirements of FMB's to be classified as beer should be enacted.

Our distributorship was founded in 1936 and has focused on the marketing of beer almost exclusively over the past 67 years. McLaughlin & Moran recognizes the great distinctions between beer and spirits. While our company has a long history, it pales in comparison to the duration of the Internal Revenue Code that dates back to the 1800's when Congress first enacted a beer excise tax. The distinction that beer is different than other alcoholic beverages has its roots in Congress's actions at that time.

McLaughlin & Moran, Inc. feels that preserving the status quo as it exists in the area of the regulation of beer is extremely important. Change at this time could be both confusing and potentially costly to our state in the areas of licensing, taxation, and distribution policies.

Beer is different from spirits and equating beer on par with spirits and/or beverages which derive a majority of their alcohol content from spirits would be a great mistake. The implementation of the ".05 standard" would preserve the distinctions between beer and other alcoholic beverages and maintain the current state and federal policies relative to the regulation and taxation of beer and other alcoholic beverages.

In closing, let me once again underscore McLaughlin & Moran Inc.'s support TTB Notice #4 and ask that you give the proposed 0.5% standard" on FMB's your final approval.

Yours truly,

McLaughlin & Moran, Inc.

Paull P. Moran
Chairman

CMB:knj

cc Michael Owens
Paul Doherty
Curtis Greer

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