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MARKSTEIN BEVERAGE CO.

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August 8, 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:

I am writing in regards to the newly proposed rule issued by the Tax and Trade Bureau (TTB) that states that flavored malt beverages will be classified as beer as long as the alcohol content from distilled alcohol does not exceed 0.5%. Our company, Markstein Beverage Co., is in full support of this proposed rule.

Historically, beer has been regulated and taxed differently than other alcohol beverages. We feel this proposed rule stays within the traditional guidelines of what comprises beer versus other malt beverages. Beer is a product produced through the brewing process, and this proposal strengthens the integrity of beer by differentiating malt-based products in a simple and easy to understand manner. It is also consistent with the way most state legislatures, state alcohol beverage regulators and the Internal Revenue Service define malt beverages for taxation and distribution purposes.

There needs to be an established definition of beer versus products with higher alcohol content. The implementation of TTB "0.5 by volume standard" fulfills that necessity and ensures that the integrity of beer remains.

Markstein Beverage Co. encourages the TTB to implement the proposed 0.5% standard on flavored malt beverages permanently.

Sincerely,

MARKSTEIN BEVERAGE CO.

Ken Markstein
President

