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Budwiser  
CLASSIC AMERICAN LAGER  
HEPCO, INC.  
630 East Faulkner • El Dorado, AR 71730 • (870) 862-7986

9-11-2003

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:

HEPCO, Inc. 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 TTB 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 ensure the integrity of beer and the brewing process. This proposed rule would help maintain an orderly marketplace and avoid costly and confounding disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers.

Beer is not distilled spirits. Beer is made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains.

Once again, HEPCO, Inc. encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

Lawrence Waschka  
President

cc: NBWA