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State of New Hampshire
House Of Representatives
Concord

Chief, Regulations and Procedures Division
Tax and Trade Bureau
PO Box 50221
Washington, D.C. 20031-0221

September 4, 2003

Dear Sir or Madam:

I support the proposed rule recently issued in March 2003 by the Tax and Trade Bureau that outlines the necessary alcohol content requirements in order for Flavored Malt Beverages ("FMBs") to be classified as beer. The proposed standard would require that in order for a FMB to be classified as beer, it's alcohol content derived from distilled alcohol can not exceed 0.5%.

Beer is a unique type of alcohol that has been regulated and taxed differently than other alcoholic beverages throughout our nations history. The distinction that beer enjoys from other alcohol products is based on its age-old production process. Its definition in the Internal Revenue Code. The proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages.

Such policy consistency is important because while states enjoy regulatory power over alcohol, most follow Federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace, thus avoiding costly and confusing disruptions in state licensing, taxation and distribution policies. Any of which would deal a severe blow to beer wholesalers.

Moreover, equating beer and beverages deriving a majority of their alcohol content from distilled sprits could weaken the important distinctions between beer and products with higher alcohol content. There distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages. If these distinctions disappear, it will only be a matter of time before producers of alcohol beverages attempt to categorize themselves as beer products.

Once again, I encourage the TTB to give final approval to the proposed "0.5% standard" on FMB's

Sincerely,
Robert K. Dodge
District 80

TDD Access: Relay NH 1-800-735-2964