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STEAMWORKS BREWING COMPANY
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October 20, 2003

Chief, Regulations and Procedures Division
Tax and Trade Bureau
POBox 50221
Washington, D.C. 20031-0221
RE: TTB Notice #4

Dear Sir or Madam:

Steamworks Brewing Co. supports the proposed standard of coitiposition for Flavored Malt Beverages "FMB's"), as set forth by the Tax and Trade Bureau ("TTB") in TTB Notice No. 4 of March 2003. This proposal is essential to the beer industry as it clearly delineates the difference between beer and other alcohol beverages, requiring that the alcohol content in FMB's derived from distilled alcohol not exceed 0.5% in order to be classified as "beer."

Steamworks Brewing Co. was founded as a brewpub in 1996. A 10 barrel brewhouse has been making quality hand-crafted lagers and ales for over seven years, using only water, malted barley, hops and yeast. Our staff of 75 employees takes pride in our commitment to quality. We are currently expanding with another facility at which we will be adding another 25 employees and packaging our product for distribution. We expect to compete with other quality small brewers in our region, but would not like to see huge corporations with seemingly unlimited legal and marketing funds compete against us with products which are not real beer.

The United States has, in the past quarter of a century, experienced a revival in the brewing industry, from a low of 41 breweries to today's high of more than 1,400 breweries. The revival is predicated on renewed commitment to traditional processes and beer styles. This dedication to the art of beer has produced extensive investment in small businesses and the emergence of a group of consumers who appreciate the unique properties of beer. Many of our customers do understand the attributes of beer and the consequences of this rulemaking process.

Continued success in the small brewing industry requires maintenance of an even playing field for all industry members claiming to produce beer or other malt beverages. Our company regards this proposed rule as a critical step towards consistent classification of alcoholic beverages. An orderly marketplace and consistency of laws and regulations establishing alcohol beverage categories are primary concerns of the brewing industry.

Federal leadership in this area is critical as state definitions of "beer," "malt beverage," and "spirits" are generally consistent with the definitions found in federal laws and regulations. Thus, the proposed rule will likely be followed at the state level, helping to maintain clear and distinct definitions that will guarantee consistent tax, licensing, and distribution policies for each category.

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Furthermore, any alternative to the TTB proposal will likely trigger disruptive state legislative and regulatory actions. These measures could have significant ramifications for the more than 1,400 small breweries and for thousands of alcohol beverage licensees, most of which are also small businesses.

We reaffirm our company's support for the proposed "0.5% standard" for FMBs. Its consistency with historical interpretations of federal regulations will help maintain an orderly marketplace and the integrity of the beer category.

Sincerely,

Kristopher K. Oyler - Manager
Peak Brewing Co., LLC
d.b.a. Steamworks Brewing Co.
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