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Sept. 23, 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:

DuBard, Inc., a Florence, S.C.-based distributor of Anheuser-Busch products, supports the proposed rule of March 2003 outlining the alcohol content requirements for flavored malt beverages to be considered beer. I believe that the TTB specifically proposed that, for an FMB to be classified as beer, the alcohol content from distilled alcohol cannot be more than 0.5%.

Beer is beer, and has historically been regulated and taxed differently than other alcohol products. Your proposed rule is consistent with that history and recognizes that the distinct regulatory treatment of beer is based on its longtime production process and its definition from when Congress first imposed the beer excise tax. Quite simply, adopting the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Consistent regulatory policy is important because, while states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace and avoid 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 that get a majority of their alcohol content from spirits could weaken the important distinctions between beer and products with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

If traditional distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product that has been made through the distillation process. Beer is beer -- made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains.

DuBard, Inc. urges the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

Fred F. DuBard III  
President

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