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McBride Distributing Co., Inc.  
PO Box 1403 - 2549 S. School - Fayetteville, AR 72702 - (470) 521-2500 - Arkansas only

August 19, 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

McBride Distributing Company is in favor of the ruling proposed in March 2003 by the Tax and Trade Bureau outlining alcohol content for flavored malt beverages to be classified as a product of the brewing industry. As you are aware, the proposal for a flavored malt beverage to be considered a beer product, alcohol content cannot exceed 5% as derived from distilled alcohol.

The proposed ruling would serve to maintain an already consistent marketplace and help avoid any confusion over state licensing taxes and distribution. Any extreme changes in the current regulations can create severe hardship and costs to distributors many of whom are small independent businessmen.

Beer being the unique product that it is, has always had a distinctly different set of regulations and taxes than most other alcohol beverages. The Tax and Trade Bureau proposed rule is consistent with the historical interpretation of what constitutes beer and other malt based beverages. Lets ensure the integrity of beer and brewing process by adopting the Tax and Trade Bureau 0.5 by volume standard.

Let's don't blur the line of distinction between brewed alcohol products with slight flavoring, with totally distilled products. There is a very large difference in the two categories. Beer is not a distilled spirit nor is it a fortified wine. Beer is made through the brewing process not by distillation. The 0.5% standard will ensure that the integrity of beer remains.

In closing McBride Distributing Company encourages the Tax and Trade Bureau to give final approval to the proposed 0.5% standard on flavored malt beverages

Sincerely,

Ben Thompson  
Operations Manager