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P&CMA

Petroleum & Convenience Marketers of Alabama

4264 Lomac St. August 15, 2003

Montgomery AL 36106

PO. Box 231659 Attn: TTBNNoticeNo.4

Montgomery AL 36123-1659 Chief, Regulations and Procedures Division

www.pcmala.org Alcohol and Tobacco Tax and Trade Bureau

334/272-3800 P.O. Box 50221

Fax 334/272-3837 Washington, D.C. 20091-022 1

Dear Sir or Madam:

As (Executive Vice President) of (The Petroleum & Convenience Marketers of Alabama), and Alabama trade association that represents 300+ companies operating 3 000+ retail convenience stores in the State, I am writing today to express our support for 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 (FMB) to be classified as beer. The proposed standard would require that in order for an FMB to be classified as beer, its 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 alcohol beverages throughout our nation's 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 dates back to the 1800's when the beer excise tax was first imposed by Congress. The proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages.

Such policy consistency is important because most states, while enjoying regulatory power over alcohol, follow federal regulator guidelines. This

proposed rule would help maintain an orderly marketplace, thus avoiding costly and confusing disruptions in state licensing, taxation, and distribution policies.

Thank you for this opportunity to share my viewpoint on this important issue. Should you require any further information, please do not hesitate to contact my office.

Sincerely,

J. Bart Fletcher, CAE
Executive Vice President

Formerly the Alabama Oilmen's Association and Alabama Association of Convenience Stores