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MILLER BREWING COMPANY  
CENTEX BEVERAGE, INC. August 15, 2003

Mr. William Foster  
Chief, Regulations and Procedures Division  
Alcohol and Tobacco Tax and Trade Bureau  
P.O. Box 50221  
Washington, D.C. 20091-0221

Attn: Notice NO. 4  
Dear Mr. Foster,

This comment is submitted to encourage final approval of the proposed standards concerning sources of alcohol in flavored malt beverages as presented in 68 Federal Register 14292, March 24, 2003.

The 0.5% distilled spirits standard, allowing flavored malt beverages (FMB's) to be classified as beer, is a clearly understood and logical solution to the regulatory problems posed by the success of these well marketed products. I say that because for quite a few years flavored malt beverages have existed in many markets (ours included) as fruity drinks often erroneously referred to as 'wine coolers.' 'FMB' s then do not genuinely constitute a new category of beverages as much as they demonstrate innovative marketing techniques.

The traditional distinction between distilled spirits and brewed malt beverages has served local, state and national regulators in creating , practical guidelines about where and when various alcoholic beverages may be sold. The 0.5% limit for distilled spirits in FMB' s will register them in the public mind as beer or malt based products and alleviate the tax, licensing and distribution issues they pose. Raising that limit, allowing FMB's to be classified as beer products when as much as 49% of their alcohol content comes from distillation, would compromise the widely desirable distinction between liquor and beer. It would be confusing to the public and contrary to existing regulatory standards that are functioning well.

With that in mind we at Centex Beverage strongly encourage The Alcohol and Tobacco Tax and Trade Bureau to approve the 0.5% limit on distilled spirits in flavored malt beverages.

Sincerely,

Kirk Killough  
Vice President  
Centex Beverage

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