

0040026

Pace Oil Company

Alfred Pace
Magee, MS 39111-0827

May 15, 2003

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

Dear Sir/Madam:
RE: TTB Notice Number Four

What can the government be thinking with the proposed rules change concerning flavored malt beverages? This proposal will see the end of the flavored malt beverage industry and market. Brewers, when faced with the high costs of complying with the new rules, will in all likelihood choose not to continuing producing these products. Those few who produce the newly classified products will be forced to absorb the costs through higher prices. The attending increase in the excise tax will take that cost even higher.

By the time flavored malt beverages reach my store, the price will be so high, thanks to all the added costs, that my customers will opt for less expensive alternatives.. In the end, I lose part of my customer base and the entire revenue stream that flavored malt beverages represent. This is no small or insignificant amount, either!

This proposal would devastate small businesses like mine, not to mention all the job losses that will take place in the brewing industry when they dump this product line completely. Nobody is a winner with this proposal. The wise thing to do would be to reject it. Please do the wise thing.

Regards,

Alfred Pace