

STANDARD SALES COMPANY, L.P.  
Corporate Office  
Odessa, Texas 79762

August 7, 2003

ALCOHOL AND TOBACCO TAX AND TRADE BUREAU  
Attn: Chief, Regulations and Procedures Division  
P. O. Box 50221  
Washington, D.C. 20091-0221

RE: TTB Notice No. 4

Dear Sir or Madam:

Standard Sales Company, L.P. is an Anheuser-Busch beer wholesaler that operates nine branches in Texas, Colorado and Mississippi. Our company wholeheartedly supports the proposed rule issued in March, 2003, by the Tax and Trade Bureau (TTB) that outlines the alcohol content requirements in order for flavored malt beverages (FMB) to be classified as 'beer to be classified as beer its alcohol content from distilled alcohol cannot exceed 0.5%.

The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. The distinct regulatory treatment of beer is based on its age-old production process, and its definition in the Internal Revenue Code dates back to the 1800's when Congress first imposed the beer excise tax. Adoption of 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 derive a majority of their alcohol content from distilled 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 made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains.

Once again, Standard Sales Company, L.P. encourages the TTB to give final approval to the proposed 0.5% standard on FMB's.

Thank you for your support and consideration and for all that you do for the beer industry in the United States.

Very truly yours,

STANDARD SALES COMPANY, L.P.

Franklin A. Deaderick  
President