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THE BERNICK COMPANIES
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September 10, 2003

Attn: TTB Notice No. 4
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
PO Box 50221
Washington, DC. 20091-0221

Dear Sir or Madam:

Chas A. Bernick Inc, St. Cloud Minnesota 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. Specifically, the TTB proposes that for FMB to be classified as beer, its' alcohol content from distilled alcohol cannot exceed 0.5%.

Beer is a unique beverage that has been regulated and taxed differently than other alcohol beverages throughout our country's history. The proposal by the TTB is consistent with the historical interpretation of what constitutes beer and other malt beverages. Consistent regulatory policy is important because although states enjoy regulatory power over alcohol, Minnesota follows federal regulatory guidelines. The proposed rule would help maintain an orderly marketplace and avoid costly disruptions to licensing in this state. Any increased cost borne by the state regulatory office in Minnesota would be passed on to Chas A. Bernick and the other 67 independent beer wholesalers in Minnesota.

Further comparing 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. If these distinctions disappear it is only 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 made through the distillation process. Beer is brewed. The 0.5% standard will ensure that the integrity of beer remains.

Chas A. Bernick Inc., St. Cloud Minnesota, encourages the TTB to give final approval to the proposed 0.5% standard on FMB's.

Respectfully

Peter W. Hill
Vice President-Corporate Affairs

CC:
Charles Bemick, Dean Bernick, Jason Bernick, Richard Bemick, Gary Barby

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