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September 5, 2003

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

Dear Sir or Madam:

Mockler Beverage-Budweiser in Baton Rouge, Louisiana, supports the proposed rule concerning flavored malt beverages (FMB's) issued by the TTB in March 2003. The rule outlines the alcohol content requirements for FMB's to be classified as beer. The TTB specifically proposes that the alcohol content derived from distilled spirits cannot exceed 0.5% for an FMB to be classified as beer.

Beer is a unique product and throughout our nation's history, has been regulated and taxed differently than other alcohol beverages. Beer has been regulated differently because of its traditional process and the Internal Revenue Code that dates back to the 1800's when Congress imposed the first beer excise tax. The 0.5% TTB proposal is consistent with the historical interpretation of what constitutes beer and would ensure integrity of beer and the brewing process.

Most states follow federal regulatory guidelines and this proposed rule would help maintain an orderly marketplace. It will also avoid confusing and costly disruptions in taxation, distribution policies, and state licensing. 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. Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product that is distilled. Beer is made through the brewing process. Once again, Mockler Beverage-Budweiser encourages the TTB to give final approval to the proposed 0.5% standard on FMB's.

Sincerely,

Patrick Mockler
Vice President

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