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SOUTHERN BEVERAGE Co., INC.
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Theo P. Costas, Jr.
PRESIDENT

August 11, 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 Chief:

Southern Beverage Co. of Yazoo City 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 an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages.

Consistent regulatory policy is important and this proposed rule would help maintain an orderly marketplace and avoid disruptions in state licensing, taxation and distribution policies.

Beer is not distilled spirits. Beer is not fortified wine. Beer is made through the brewing process. The 0.5% standard will ensure that the integrity of beer remains. Once again, Southern Beverage Co. of Yazoo City encourages the TTB to give final approval to the proposed 0.5% standard on flavored malt beverages.

Kay A. Mills
Office Manager

Budweiser. Bud Light. Michelob . Michelob Light s Busch . Natural Light. O'Doul's/Amber