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Budwiser
KING OF BEERS

September 11, 2003

Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D. C. 2009 1-0221

Attn: TTB Notice No. 4
Dear Sirs:

Our company 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%.

We support this proposed rule and request you do so as well, for it adds clarification of this product for retailers, consumers, wholesalers and our industry. It preserves the consistent approach throughout the country that FMB's should be advertised, distributed, taxed and licensed as beer. Most, if not all of the concerns expressed by state regulators and taxing authorities are effectively addressed in this proposed new standard. Many, if not all states take their leadership and in fact, base, some of their regulations upon those of the federal government regarding labeling, taxing and approval of alcoholic beverages.

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. 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. in the United States. It would also preclude encroachment of foreign spirits companies into the regulatory process of the United States.

MATESICH DISTRIBUTING Co.

1190 E. Main Street P.O. Box 4400 Newark, OH 43058-4400 . tel: (740) 349-8686

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Alcohol and Tobacco Tax and Trade Bureau

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, Matesich Distributing Company and its 82 associates, encourages the TTB to give final approval to the proposed 0.5% standard of FMB's
Sincerely

John C. Matesich, III
President & CEO
Sales & Marketing

JCK/km