

00415810

October 21, 2003

Chief, Regulations and Procedures Division

Tax and Trade Bureau

PO Box 50221

Washington, D.C. 20031-0221

RE: TTB Notice #4

To Whom It May Concern:

As the representative of those seeking to revive the Moehn Brewing Company, let me state that we support the proposed standard of composition for Flavored Malt Beverages ("FMB's"), as set forth by the Tax and Trade Bureau ("TTB") in TTB Notice No. 4 of March 2003. This proposal is essential to the beer industry as it clearly delineates the difference between beer and other alcohol beverages, requiring that the alcohol content in FMB's derived from distilled alcohol not exceed 0.5% in order to be classified as "beer."

Continued success of the small brewing industry requires maintenance of the highest standards for all industry members claiming to produce beer or other malt beverages. Our company regards this proposed rule as a critical step towards consistent classification of alcoholic beverages. An orderly marketplace and consistency of laws and regulations establishing alcohol beverage categories are primary concerns of the brewing industry.

Federal leadership in this area is critical as state definitions of "beer," "malt beverage," and "spirits" are generally consistent with the definitions found in federal laws and regulations. Thus, the proposed rule will likely be followed at the state level, helping to maintain clear and distinct definitions that will guarantee consistent tax, licensing, and distribution policies for each category.

Furthermore, any alternative to the TTB proposal may trigger disruptive state legislative and regulatory actions. These measures could have significant ramifications for the more than 1,400 small breweries and for thousands of alcohol beverage licensees, most of which are also small businesses.

It may be true that "malternatives" are a cyclical aberration which will be erased relatively soon by market forces, however we cannot survive the backlash from anti-alcohol forces, their sycophants and those unable to remember the failure of "The Great Experiment." The real questions are whether respect for the law is mocked by those seeking to exploit loopholes and if the damage to the reputation of malt beverages is to be allowed to continue. This is obviously a gray area that needs defining. We reaffirm our company's support for the proposed "0.5% standard" for FMBs. Its consistency with historical interpretations of federal regulations will help maintain and orderly marketplace and the integrity of the beer category.

Sincerely,

Eric Sorensen

Brewmaster/ Manager

The New Brewery/ Moehn Brewing Company