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Budweiser
KING OF BEERS

August 8, 2003

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

Dear Sir or Madam:

I support the proposed rule issued in March 2003 by the Tax and Trade Bureau (TTB) that outlines the alcohol content requirement for flavored malt beverages to be classified as beer (ie. not exceed .5% from flavoring).

The regulatory treatment of beer is based on its age-old production process and is defined in the Internal Revenue Code. Adoption of the TTB 0.5% by volume standard, will protect the integrity of beer and the brewing process.

Equating beer and beverages that derive a majority of their alcohol content from distilled spirits would weaken the distinction between beer and products with higher alcohol content. These changes could impact state and federal policies regarding regulation and taxation of both. These changes could be confusing and costly.

Beer is not distilled spirits, beer is not fortified wines, beer is not a distilled product, but made from the brewing process.

Once again, I encourage you to approve the TTB 0.5% standard on FMB's.
Sincerely,

Henry Schwartz
Marketing Manager
Markstein Beverage Company

MARKSTEIN BEVERAGE COMPANY

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