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Lisa Rose
Vice President & General Manager

August 7, 2003

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:

Clare Rose, which has locations in both Suffolk and Nassau Counties on Long Island fully support the proposed rule issued in March 2003 by the Tax and Trade Bureau (TTB) which outlines the alcohol content requirements in order for flavored malt beverages (FMB) to be classified as beer.

Beer has always been regulated and taxed differently from other alcohol beverages. The TTB proposed rule is consistent with the historical interpretation what constitutes beer and other malt beverages, so the adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Consistent regulatory policy is important, because while New York State still enjoys regulatory power of alcohol, we still follow federal regulatory guidelines. With this proposed rule, we will continue to maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and distribution policies, any of which could deal a severe blow to us and other wholesalers.

To equate beer with beverages that get most of their alcohol content from distilled spirits will surely weaken the distinction between beer and products with higher alcohol content. If traditional distinctions disappear, in a matter of time other makers of alcohol beverages will attempt to categorize themselves as producers of beer.

Beer is not distilled spirits, nor a fortified wine; it is not made through a distillation process, but a brewing process. The 0.5% standard will ensure that the integrity of beer remains.

Once again, Clare Rose strongly encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

CLARE ROSE

Lisa Rose
CEO & President

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