MARKSTEIN BEVERAGE COMPANY
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August 14, 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:

Markstein Beverage of Pittsburg and Union City, California, supports the proposed rule issued in March 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 for several reasons.
1. It is consistent with historical interpretations of what are beer and malt beverages, based on how the alcohol content is brewed, not added, into the product.

2. It would not disrupt existing licensing, taxation and distribution policies. Our marketplace is already experiencing significant challenges due to economic conditions on the West Coast (340,000 lost jobs in high tech, millions of lost tourist visits post-9/11, and rapid consolidation among beer wholesalers.) We do not care to speculate on how much more difficult the disruption of the current taxation and regulation structure would make our business.

3. We spend a significant amount of time, energy and money educating consumers on consuming our products responsibly. We do not want to confuse consumers with new and different standards for labeling and selling higher-alcohol-content products. If you equate beer with beverages that get most of their alcohol content from distilled spirits, you will lose important distinctions between beer and higher-alcohol content products.

We believe that the 0.5% standard will ensure that the integrity of beer remains. We at Markstein Beverage encourage the TTB to give final approval to the proposed standard of 0.5% on flavored malt beverages.

Sincerely,

Robert C. Markstein

Robert C. Markstein,
President

Proud Distributors of the World's Greatest Family of Beers
From Anheuser-Busch, Inc.