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College City Beverage, Inc.
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August 27, 2003

Attn: TTB Notice No. 4
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P0 Box 50221
Washington, D.C. 20091-0221

Dear Sir or Madam:

I am the owner of College City Beverage, Inc. and I support the proposed rule issued in March of 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. This rule proposes that for an FMB to be classified as malt beverage, its alcohol content from distilled alcohol cannot exceed 0.5%.

Throughout history beer has been taxed and regulated different than other alcohol beverages in our country. The TTB proposed rule of 0.5% by volume will ensure the integrity of beer and the brewing process.

The majority of states follow federal regulatory guidelines regarding alcohol even though the states have their own regulatory power over alcohol. Consistent policy is important and the proposed rule would help provide an orderly marketplace and would reduce confusion and disruptions in the way we are licensed and taxed at the state level. The beer wholesalers could be dealt a severe blow to the way we operate if alcohol policies are not consistent.

Beer and beverages that derive a majority of their alcohol content from distilled spirits should not be considered equal. There are distinct differences between beer and distilled spirits and these distinctions would impact state and federal policies regarding regulation and taxation of beer and other beverages that contain higher alcohol content.

Beer is the beverage of moderation, it is not a distilled spirit, or a fortified wine, beer is made through a brewing process. If traditional distinctions disappear other producers

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of alcohol beverages will attempt to categorize themselves as beer. The 0.5% standard will protect the integrity of beer.

My employees and I encourage the TTB to approve the 0.5% standard on FMBs

Sincerely,

Jim Sawyer
President