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BLUE RIDGE BEVERAGE  
August 8, 2003

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

To Whom It May Concern:

Blue Ridge Beverage Co., Inc. strongly supports the proposed rule issues by the Tax and Trade Bureau in March of this year that specifies the alcohol content in order for flavored malt beverages to be classified as beer. According to this proposal, to be classified a flavored malt beverage, its alcohol content from distilled alcohol cannot be greater than 0.5%.

As you know, malt beverages have been regulated and taxed differently, than other alcohol beverages throughout our history. Your proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

As you also know, though states have regulatory power over alcohol, most do follow federal guidelines. This proposal will assist in maintaining an orderly marketplace and avoid costly and confusing disruption in state licensing, taxation, and distribution policies - all of which directly impact beer wholesalers.

Please keep in mind that equating beer and other beverages that derive most of their alcohol content from distilled spirits would only cloud the critical distinctions between beer and other products with higher alcohol content. These distinctions directly impact state and federal policies as relates to the regulation and taxation of beer and other beverages. If this distinction disappears, it will not be long before other producers of alcoholic beverages attempt to categorize themse4ves as beer. The 0.5% standard is more than reasonable and will ensure that the integrity of beer remains.

Thank you for your consideration, and we are hopeful that you will agree that the 0.5% standard on FMB's is the correct standard.

Sincerely,

Blue Ridge Beverage Co., Inc.

Robert A. Archer

President

BLUE RIDGE BEVERAGE COMPANY. INC., P.O. BOX 700, SALEM, VIRGINIA 24153 380-2000