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From: Marcy Larson [mlarson@alaskanbeer.com]

Sent: Tuesday, October 21, 2003 3:48 PM

To: nprm@ttb.gov

Subject: Support of TTB Notice #4

Chief, Regulations and Procedures Division

Tax and Trade Bureau

PO Box 50221

Washington, D.C. 20031-0221

RE: TTB Notice #4

Dear Sir or Madam:

Alaskan Brewing, LLC supports the proposed standard of composition for Flavored Malt Beverages ("FMB's"), as set forth by the Tax and Trade Bureau ("TTB") in TTB Notice No. 4 of March 2003. This proposal is essential to the beer industry as it delineates the difference between beer and other alcohol beverages, requiring that the alcohol content in FMB's derived from distilled alcohol not exceed 0.5% in order to be classified as "beer."

Our brewery opened in 1986, and was started with a group of five employees. Today, we have a brew crew of fifty-eight who are passionate about their work. Over the years, we have been joined by a growing group of breweries who use traditional styles and methods as mandates for business. It has paid off. There are now more than 1,400 of us doing business through the nation. It is a thriving, healthy industry. But it is predicated on clear rules and definitions of what we do.

Continued success in the small brewing industry requires maintenance of an even playing field for all industry members claiming to produce beer or other malt beverages. Our company regards this proposed rule as a critical step towards consistent classification of alcoholic beverages. An orderly marketplace and consistency of laws and regulations establishing alcohol beverage categories are primary concerns of the brewing industry.

Federal leadership in this area is critical as state definitions of "beer," "malt beverage," and "spirits" are generally consistent with the definitions found in federal laws and regulations. Thus, the proposed rule will likely be followed at the state level, helping to maintain clear and distinct definitions that will guarantee consistent tax, licensing, and distribution policies for each category.

Furthermore, any alternative to the TTB proposal will likely trigger disruptive state legislative and regulatory actions. These measures could have significant ramifications for the more than 1,400 small breweries and for thousands of alcohol beverage licensees, most of which are also small businesses.

We reaffirm our company's support for the proposed "0.5% standard" for FMBs. Its consistency with historical interpretations of federal regulations will help maintain an orderly marketplace and the integrity of the beer category.

Sincerely,

Marcy Larson, CFO  
Alaskan Brewing, LLC