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September 15, 2003

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

Dear Sir or Madam:

R. A. Jeffreys' Distributing Company supports the proposed rule issued in March 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. Specifically, the TTB proposes that the alcohol content from distilled alcohol cannot exceed 0.5% in a FMB for it to be classified as a beer.

Beer is a product that has been regulated and taxed differently than other alcohol beverage for many years. Consistent regulatory policy is important because while states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. The TTB proposed rule would help maintain an orderly marketplace and avoid costly and confusing changes in state licensing, taxation and distribution policies, any of which would create difficulties for beer wholesalers.

Also, making beer and other beverages that derive a majority of their alcohol content from distilled spirits equal could weaken the important distinctions between beer and products with higher alcohol content. These distinctions play an important role with state and federal policies regarding the regulation and taxation of beer and other alcohol beverages. If traditional distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Beer is made through a brewing process. Beer is not fortified wine nor is it a product made through a distillation process. The 0.5% alcohol content standard will ensure that the integrity of beer remains.

In closing, R. A. Jeifreys' Distributing Company supports and encourages the Tax and Trade Bureau to give final approval to the proposed 0.5% standard on Flavored Malt Beverages.

Respectfully,

Robert A. Jeffreys
President

bc: NBWA