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Virginia Beer Wholesalers Association, Inc.  
September 30, 2003 Proud of our Products,  
Committed to Responsible  
Enjoyment!

William Foster, Chief  
Regulations and Procedures Division  
Alcohol and Tobacco Tax and Trade Bureau  
P.O. Box 50221  
Washington, DC 20091-0221

Re: Notice #4 - Flavored Malt Beverages & Related Proposals  
Dear Mr. Foster:

This letter is submitted by the Virginia Beer Wholesalers Association in response to the Notice of Proposed Rulemaking regarding a standard for flavored malt beverages and related proposals, 68 Federal Register 14292, March 24, 2003.

The Virginia Beer Wholesalers Association supports the proposal of the Alcohol Tobacco Tax and Trade Bureau which would require that alcoholic beverage products which are produced like beer and which contain little or no alcohol derived from any process other than fermentation should be classified, labeled and taxed as beer. Likewise, the proposed rule would prohibit alcoholic beverage products from being classified, labeled and taxed as beer if their alcohol content is derived in substantial part from some other process. This proposal is known as the 0.5% standard. The association fully supports that standard.

Beer is unique in its production process and as such is regulated and taxed differently from other alcoholic beverages. Moreover, public understanding will be enhanced by the Bureau's proposal that the labeling of alcoholic beverages correctly reflects these different production processes. It is important to wholesalers in Virginia that alcoholic beverage products be taxed according to whether they are beer, wine or spirits. It is also important to make certain that public understanding of the inherent differences in these products is not undermined by inaccurate labeling.

Sincerely

Dennis P. Gallagher  
President/CEO

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