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STAR

August 7, 2003

Attention: TTB Notice #4
Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D.C. 20091-0221

To whom it may concern,

Star Distributors Inc. is a major multi-brand beer wholesaler, located in New Haven Connecticut, servicing the southern half of the State. We are a closely held family business that spans 3 generations and have been exclusively in the beer business since the repeal of prohibition. Throughout our family's entire history in the beer business, beer has always been taxed distinctly different than wines and spirits. This tax difference was established during the inception of alcoholic beverage taxation and continues today. It is based on processes; brewing vs distillation. My family and I believe that to deviate from this formula today is a major set back for the alcoholic beverage industry. Therefore, we support the proposed rule that was issued by the TTB in March of this year. We support the proposition that there be specific alcohol content requirements necessary for flavored malt beverages to be classified and taxed as beer. We endorse the proposition that in order for a flavored malt beverage to be classified as a beer product, its alcohol content and flavoring derived from the distillation process cannot exceed 0.5%.

Beer is not nor never has been a distilled product. Beer is not a wine product. All beer products are brewed. The proposed 0.5% ruling will ensure that beer's product integrity continues.

Star Distributors Inc urges the TTB to extend final approval of the proposed 0.5% standard on all flavored malt beverage products.

Yours Truly,

Anthony J. Gallo
President

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