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WOODRUFF DISTRIBUTING CO.
New Bern, NC 28562

August 07, 2003

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

Dear Sir or Madam:

Woodruff 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. The TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer is produced from the brewing process versus the distillation process. It is different from other spirits and has been regulated and taxed differently. TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. The distinct regulatory treatment of beer is based on its age-old production process, and its definition in the Internal Revenue Code dates back to the 1800s when Congress first imposed the beer excise tax. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and distribution policies, any of which would deal a severe blow to beer wholesalers.

Moreover, equating beer and beverages that derive a majority of their alcohol content from distilled spirits could weaken the important distinctions between beer and products with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

Once again, Woodruff Distributing Company encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Sincerely,

James Corcoran
President
Woodruff Distributing Company

Budweiser. Bud Light. Bud Ice. Bud Ice Light. Michelob. Michelob Light. AmberBock .Red Wolf. Busch. Busch Light. Busch Ice. Busch NA. Natural Light. Natural Ice. King Cobra. O'Doul's. O'Doul's Amber. Tequiza