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Mo Moorman
Distributor, Inc.

August 20, 2003

Attn: TTIB Notice No 4
Chief Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D.C 2001-0221

Dear Sir or Madam:

As President of Mo Moorman Distributor, Inc I support the proposed rule issued by the Tax and Trade Bureau in March, 2003 that outlines the alcohol content requirements for flavored malt beverages to be classified as beer. Specifically, the Tax and Trade Bureau proposes that for flavored malt beverage to be classified as beer, its content from distilled alcohol cannot exceed 0.5%.

Beer has always been regulated and taxed differently than other alcoholic beverages in the United States. The Tax and Trade Bureau proposed rule is consistent with the interpretation of what constitutes beer and other malt beverages. The regulatory treatment of beer is based on its age-old production process, and its definition in the Internal Revenue Code dated back to the 1800s when Congress first imposed an excise tax on beer. The adoption of the Tax and Trade Bureau 0.5% by volume standard will ensure the integrity of beer and the brewing process.

It is important to have a consistent regulatory policy because while states have the power to regulate alcoholic beverages, most follow federal guidelines. This proposed rule will maintain an orderly marketplace amid avoid costly and confusing disruptions in state licensing, taxation amid distribution policies, which could be devastating to beer wholesalers.

Equating beer and beverages that derive most of their alcohol content from distilled spirits could weaken the important distinctions between malt products and products with higher alcohol content. These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

Beer is not a distilled spirit or wine, it is not a product that has been made through the distillation process. Beer is made through the brewing process and if that distinction disappears, it will only be a matter of time before producers distilled spirits and wine will attempt to categorize their products as beer products. The 0.5% standard will ensure that the integrity of beer and malt beverages remains.

Mo Moorman Distributor encourages the Tax and Trade Bureau to give final approval to the Proposed 0.5% standard on flavored malt beverages.

Sincerely,

Mo Moorman
President
Mo Moorman Distributor, Inc.

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