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Louis  
GLUNZ BEER  
Inc.  
1888

Merchants of Fine Beers

August 19, 2003

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

To Whom It May Concern:

Louis Glunz Beer, Inc. strongly stands behind the Tax and Trade Bureau (TTB) and its proposed rule outlining the alcohol content requirements in order for flavored malt beverages (FMB) to be classified as beer. This rule, issued in March 2003, also proposes that in order for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Historically, beer has been regulated and taxed differently than any other alcoholic beverages. This is, in large part, due to the uniqueness of beer and its production process, and how it was defined back in the 1800's within the Internal Revenue Codes. It was in the 1800's that Congress first imposed the beer excise tax. The TTB's "0.5 by volume standard" would keep with the history and tradition of beer, as well as uphold the integrity of beer and its brewing process.

Although most states have their own regulatory power over alcohol, many follow the federal regulatory guidelines. Therefore, it is imperative that there is consistency within the regulatory policy. It is TTB's proposed rule that would bring this consistency and order within the marketplace. In addition, it would help in avoiding any costly or confusing disruptions in state licensing, taxation, and distribution policies, any of which would deal a severe blow to beer wholesalers.

Allowing beer and beverages that derive a majority of their alcohol content from distilled spirits to be seen and treated as equals will weaken the very chief distinctions between beer and products with higher alcohol contents. It is these distinctions that impact the state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

If we lose these distinctions all together, it will only be a matter of time before other alcoholic beverage producers attempt to categorize themselves as beer products.

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