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THE
GAMBRINUS
COMPANY
"Beer brings enjoyment to the world."
KING GAMBRINUS

September 8, 2003

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

Dear Sir or Madam:

The Gambrinus Company, along with its affiliated companies Pete's Brewing Company Spoetzl Brewery, Inc. and BridgePort Brewing Company, support the proposed standard of composition for Flavored Malt Beverages ("FMB's"), as set fourth by the Tax and Trade Bureau ("TTB") in TTB Notice No. 4 of March 2003. This proposal is essential to the beer industry as it clearly establishes the difference between beer and other alcohol beverages, requiring that the alcohol content in FMB's derived from distilled alcohol not exceed 0.5% in order to be classified as "beer".

We regard this proposed rule as a critical step towards consistent classification of these products. Beer is a unique product, and has been regulated and taxed differently than other alcohol beverages throughout our history. It is vital to sustain consistency of federal alcohol beverage categories.

Federal leadership in this area is critical as state definitions of "beer", "malt beverage" and "spirits" are often very similar. Thus, your proposed rule will likely be followed at the state level, helping to maintain clear and distinct definitions that will guarantee consistent tax, licensing and distribution policies for each category. This will help ensure an orderly marketplace.

Furthermore, any alternative to the TTB proposal will likely trigger disruptive state legislative and regulatory actions. These measures could have significant ramifications for our industry and for thousands of alcohol beverage licensees, most of which are small businesses.

We strongly encourage TTB to approve the proposed 0.5% standard for FMBs.

Very truly yours,

William A Levine
General Counsel

WAL:slb

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