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NOR-CAL BEVERAGE CO., INC.

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September 9.2003

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

Dear Sir or Madame:

Nor-Cal Beverage Co., Inc. 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. Specifically, the TTB proposes that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Consistent regulatory policy is important because while states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. 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 result in a severe blow to beer wholesalers.

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 federal and state policies regarding the regulation and taxation of beer and other alcohol beverages.

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Should these traditional distinctions disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product that has been made through the distillation process. Beer is made through the brewing process. The standard 0.5% will ensure that the integrity of beer remains.

Once again, Nor-Cal Beverage Co. Inc. encourages the TTB to give final approval to the proposed 0.5% standard on FMBS.

Sincerely,

Tim Deary
Vice-President of beer Operations
Nor-Cal Beverage Co. Inc.