

<< 0041323 >>

THE HOUSE OF LAROSE

350 OPPORTUNITY PARKWAY, AKRON, OHIO 44307 330-376-1480, FAX: 330-376-0753

August 26, 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 Madam:

The proposed rule by the Tax and Trade Bureau outlining the alcohol content requirements for flavored malt beverages (FMB) to be classified as beer, which was issued in March of 2003, is supported by The House of LaRose Akron, Inc. We agree that for an FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer has been regulated and taxed differently over the years, which has differentiated it from other alcohol beverages. The TTB proposal would be consistent with the historical interpretation of what constitutes beer and other malt beverages. Beer is distinct and has been treated so in regulations because of its age old production process and its definition in the Internal Revenue Code, that dates back to the 1800's when Congress first imposed a beer excise tax.

States enjoy regulatory control over alcohol leading most to follow the federal guideline. It is important for the regulatory policies to be consistent. Important to the beer wholesalers is an orderly market place free of confusing disruptions in state licensing, taxation and distribution equaling beer and other beverages getting a major part of their alcohol content from distilled spirits could weaken the important differences between beer and higher alcohol content products. If traditional distinctions go away it will only be a matter of time before the alcohol beverage producers try to categorize themselves as beer products. Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product made from a distilled process. Beer comes from the brewing process. The 0.5% standard insures the integrity of beer.

We encourage the TTB to give final approval to the proposed 0.5% standard on FMB's.

Sincerely,

AX1MXA
Frank J. LaRose
Vice President Government Affairs
Artheuser-Busch Beer Distributor