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Budweiser
KING OF BEERS

September 8, 2003

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

Dear Sir or Madam

LaMonica Beverages 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%.

since early days in our republic beer has been taxed differently than other alcohol beverages. The TTB proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages. The unique regulatory treatment of beer is based on its time worn production method and early definition in the IRS code dating back to the early 1800's. Approval of the TTB "0.5 by volume standard" would insure beer remains unique.

These policies are important because although states enjoy regulatory power over alcohol, most follow federal guidelines. This proposed rule would help maintain an orderly marketplace and avoid costly avoid costly and confusing disruptions in state licensing, taxation and distribution policies. Any disruption here would be a severe blow to beer wholesalers.

Confusing the distinction between beer and higher alcoholic content distilled spirits begins a dangerous direction. These distinctions provide clear regulatory direction and provide equally clear taxation distinctions.

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

Once again, LaMonica Beverages encourages the TTB to give final approval to the proposed 0.5% standard on FMBs.

Michael J. LaMonica Jr.
President

LAMONICA BEVERAGES, INC.
4060 Rock Valley Parkway Loves Park, IL 61111 • tel: (815) 282-3535 fax: (815) 282-3737