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BUFFALO BEVERAGE CORPORATION
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(716) 897-0888

August 11, 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:

Buffalo Beverage Corp. supports the TTB's current proposed rule, 2001R-136P. Under this rule, flavored malt beverages (FMB), like all other malt beverage products, may be classified as beer if not more than .5% of its alcohol, is derived from distilled alcohol.

Beer has been regulated and taxed differently than all other alcoholic beverages for years. This distinct regulatory treatment of beer dates back to the 1800's when Congress first imposed the beer excise tax. What makes beer a unique malt beverage is its age-old production process. If a product is to be sold as a malt beverage, it should be made as a malt beverage according to traditional brewing methods and processes.

If this proposed rule is overlooked, it will strike a severe blow to beer wholesalers nationally. With each state having the power to regulate alcohol individually, most follow the federal guidelines. This being a consistent policy would alleviate any confusion in state licensing, taxation, and distribution policies.

This proposed standard ensures product integrity, preserves longstanding distinctions imposed on beer, wine and spirits, and provides a uniform and consistent classification system on which states, manufacturers, wholesalers, retailers and consumers can rely. If these distinctions were to disappear, it will only be a matter of time before other producers of alcoholic beverages attempt to categorize themselves as beer products.

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Beer is made through a traditional brewing process, not the distillation process. Beer is not a distilled spirit. Beer is not a fortified wine. Not only will the integrity of beer remain if the proposed 0.5% standard is enacted, but it will also maintain an orderly marketplace, meeting consumer expectations for consistent products.

Once again, Buffalo Beverage encourages the TTB to give final approval to the proposed 0.5% standard on FMB's.

Sincerely,

John M. Jablonski
Vice President
Buffalo Beverage