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September 21, 2005

Frank Foote
Chief, Regulations and Rulings Division
Alcohol & Tobacco Tax & Trade Bureau
1310 G Street, N.W.
Washington, DC 20005

Re: TTB Notice # 41

Dear Mr. Foote:

I am writing today to express my strong concern with the possible impacts to my business, Southern Tier Brewing Co., should any new mandatory labeling requirements such as those proposed in this notice be enacted.

I can tell you that the costs to my business associated with the changes necessary to comply, would have a serious impact on my operations and my bottom line. I understand that the Brewers Association, the national trade organization for the craft brewing industry, conducted a survey concerning the potential effects such requirements would have on its members and that many of my colleagues find themselves in a similar position.

Most small brewers would be facing costs both short and long-term. The almost certain need to purchase new labeling equipment or upgrade what is already in place, would impose immediate significant costs and would also entail a disruption of packaging operations during installation. Add to this the cost of label redesign and new label stocks and the costs associated with lab testing equipment or services, and significant financial burdens would be placed on my business.

On the long-term side, I have a real concern with the effects such requirements might have on the ability of brewers to produce seasonal beers or develop new styles and offerings. The hallmark of the American craft brewing community is without question the wide diversity of uniquely flavorful beers we brew and bring to the consumer. This reflects a creative/experimental character that is fundamental to the identity of craft beer. Again, the costs associated with the need for a wide variety of seasonal labels due to a small change in ingredients or alcohol content could make it prohibitive to offer the variety our consumers have come to expect.

For these reasons, I believe that enacting any mandatory labeling provisions such as those contained in Notice 41 would be detrimental to individual businesses, the industry and the consumer as serious access to market challenges would face small brewers with the resulting consequence of limited consumer choice.

Thank you for your consideration of my comments before reaching a decision on this matter.

Sincerely,
Phineas Demink

President