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Tue., August 26, 2003

Chief, Regulations and Procedures Division
Attn: TTB Notice No. 4
ALCOHOL, TOBACCO TAX AND TRADE BUREAU
P. O. Box 50221
Washington, D.C. 20091-0221

Re: ADOPTION OF TTB "0.5%" BY VOLUME STANDARD

Dear Sir or Madam:

I am writing to express this Company's support for the proposed rule issued last March, 2003 by the Tax and Trade Bureau outlining the alcohol content requirements so that flavored malt beverages may be categorized as beer. More particularly, the TTB proposes that in order for a Flavored Malt Beverage to be classified as a beer, the alcohol content from distilled alcohol cannot be greater than 0.5%.

Over the seven (7) decades of our company's experience in this industry, I can testify that beer is a very unique product. Its regulation and taxation has consistently been different than other types of alcoholic beverages. The proposed rule is in line with the traditional interpretation of what it takes to be categorized as beer. It is important in my view that this distinct regulatory treatment is founded upon the ancient brewing production process. The IRS definition in the Code dates back to the nineteenth century when Congress first determined to adopt a beer excise tax. The proposed rule of 0.5% by volume standard would keep in place the integrity of beer and recognize the uniqueness of it.

Since states commonly follow the federal regulatory guidelines in detennining their own regulatory policies, it is important to keep the federal regulatory policies consistent. This proposed rule would go a long way in maintaining an orderly marketplace. It would avoid costly and confusing disruptions in the various states' licensing, taxing and distribution policies, disruptions of any of which would most assuredly deal a severe blow to beer wholesalers.

Beer is in no way a distilled spirit. There is absolutely no distillation used in its manufacture. Nor is it a fortified wine. The brewing process is the only way to make this ancient product. If the traditional distinctions are lost, then there will be other producers of alcoholic beverages who will attempt to define themselves as beer. The 0.5% standard will ensure that the integrity of beer remains.

In closing, I want to state again that I and my Company, High Life Sales Company, encourage and urge the TTB to give final approval to the proposed 0.5% standard on Flavored

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Malt Beverages.

Thanking you for your attention to this matter, I am

Respectfully,

HIGH LIFE SALES COMPANY

R. H. Mos, Jr.
General Counsel

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