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September 2, 2003

Chief, Regulations and Procedures Division  
Tax and Trade Bureau  
PO Box 50221  
Washington, DC 20031-0221

RE: TTB Notice #4

Dear Sir or Madam:

Lorain County Beverage supports the proposed standard of composition for flavored Malt Beverages ("FMBs") as set forth by the Tax and Trade Bureau (TTB) in 1TB Notice No. 4 of March 2003. This proposal is essential to the beer industry as it clearly delineates the difference between beer and other alcohol beverages, requiring that the alcohol content in FMB's derived from distilled alcohol not exceed 0.5% in order to be classified as "beer."

The United States has, in the past quarter of a century, experienced a revival in the brewing industry, from a low of 41 breweries to today's high of more than 1,400 breweries. The revival is predicated on renewed commitment to traditional processes and beer styles. This dedication to the art of beer has produced extensive investment in small businesses and the emergence of a group of consumers who appreciate the unique properties of beer.

Continued success in the brewing industry requires maintenance of an even playing field for all industry members desiring to produce beer or other malt beverages. Our company, a beer wholesaler, regards this proposed rule as a critical step towards consistent classification of alcoholic beverages. An orderly marketplace and consistency of laws and regulations establishing alcohol beverage categories are primary concerns of the brewing industry. Adoption of the TTB "0.5 by volume standard" would ensure this objective.

Federal leadership in this area is critical as state definitions of "beer," "malt beverage," and "spirits" are generally consistent with the definitions found in federal laws and regulations. Thus, the proposed rule will likely be followed at the state level, helping to maintain clear and distinct definitions that will guarantee consistent tax, licensing, and distribution policies for each category.

Furthermore, any alternative to the UB proposal will likely trigger disruptive state legislative and regulatory actions. These measures could have significant ramifications for the more than 1,400 breweries and for thousands of alcohol beverage licensees, most of which are small businesses. If traditional distinctions between beer and spirits disappear, it will only be a matter of time before other producers of alcohol beverages attempt to categorize themselves as beer products.

Beer is not distilled spirits. Beer is not fortified wine. Beer is not a product that has been made through the distillation process. Beer is made through the brewing process. We reaffirm our company's support for the proposed "0.5% standard" for FMBs. Its consistency with historical interpretations of federal regulations will help maintain an orderly marketplace and the integrity of the beer category.

Sincerely,

MAPLE CITY ICE COMPANY

DBA LORAIN COUNTY BEVERAGE

John P. Hipp, Manager

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