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Budweiser

KING OF BEERS

September 9, 2003

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

Dear Sir or madam:

I support 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 a FMB to be classified as beer, its alcohol content from distilled alcohol cannot exceed 0.5%.

Beer is a unique product that has been regulated and taxed differently than other alcohol beverages throughout our nation's history. The TTB proposed rule is consistent with the historical and current consumer interpretation of what constitutes beer and other malt beverages. Adoption of the TTB "0.5 by volume standard" would ensure the integrity of beer and the brewing process.

Consistent regulatory policy is important because while states enjoy regulatory power over alcohol, most follow federal regulatory guidelines. This proposed rule would help maintain an orderly marketplace and avoid costly and confusing disruptions in state licensing, taxation and distributions policies, any of which would deal a severe blow to commerce as it is known today.

Moreover, equating beer and beverages that derive a majority of their alcohol content from distilled spirits will destroy the important distinctions between beer and products with higher alcohol content.

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These distinctions impact state and federal policies regarding the regulation and taxation of beer and other alcohol beverages.

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.

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. The 0.5% standard will ensure that the integrity of beer remains.

Once again, I encourage the TTB to give final approval the proposed 0.5% standard on FMBs.

Sincerely,

Mike Hopkins  
President  
Mike Hopkins Dist. Co., Inc.