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DUNLAP DISTRIbUTING  
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August 29, 2003

Chief, Regulations and Procedures Division  
Tax and Trade bureau  
PO Box 50221  
Washington, DC 20091-00221

RE: 0.5% standard for Flavored Malt Beverages

Good Day,

We are writing to express our appreciation and support of the proposed federal ruling providing a 0.5% standard for FMBs. The industry has been experiencing a great deal of confusion in this category and a federal standard that supports FMBs remaining clearly a malt beverage will serve the industry and its consumers wefl.

As beer wholesalers for nearly 40 years we fully recognize how important clear federal standards are, both to give solid direction for state regulation as well as credibility to the industry. This new 0.5% standard will serve to maintain the important distinction between beer and other stronger spirits, a distinction of vital importance to malt beverage consumers.

If a higher standard was to be implemented it could have dire repercussion to those of us, who distribute FMB brands. All of us in malt beverage distribution have spent serious dollars in marketing and placing these brands in retail and a higher standard would mean, for many of us, that we would have to forfeit these brands, and all the work and money we have put behind them, to a spirits distributor. Such would be the case in Wyoming.

But even more importantly, the alcohol content could increase dramatically and present consumers would still have a notion that it is a lower alcohol beverage. It wouldn't be a beer and it wouldn't be a spirit and the Issue would once again be confusion. Maintaining the integrity of the brewing industry, and certainly of our business and the products it sells and our responsibility to our consumers Is of primary importance to us.

Again, we are grateful for the approach the Tobacco Tax and Trade Bureau is taking and we urge you to now give final approval to the 0.5% standard for FMBs.

Sincerely,

Christine Denton, President            Arthur Denton, VP

BUDWEISER