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RON S LIQUORS SAN JOSE, CA. 95131-2608

May 16, 2003

May 16, 2003 Chief Regulations and Procedures Division Alcohol and Tobacco Tax and Trade Bureau Washington, D.C. 20091-0221

RE: TTB Notice Number Four

There is something fundamentally unnerving when an agency of the federal government, like the TTB, proposes rules changes that guarantee financial hardship for small retailers. We are already are struggling to survive in the present economic climate and cannot bear the burden of yet another business regulation or tax increase.

I fail to understand the TTB's reasoning in developing new rules for the flavored malt beverages that will likely eliminate this industry altogether. This is a lose-lose proposition. Consumers lose because these products will either be no longer available or too expensive; retailers lose because we will no longer be able to carry products that consumers wish to buy, therefore decreasing our sales. The government also loses because if sales of these products no longer exist they cannot collect taxes on them. This proposal makes absolutely no sense!

This rules change would be a stumbling block for regulatory policy in the U.S. Please stop this rules change or at least work out a fair compromise that benefits all of us. Sincerely yours,