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OKLAHOMA STATE SENATE
STATE CAPITOL
2300 N. LINCOLN BLVD.
OKLAHOMA CITY, OKLAHOMA 73105-4808

MAXINE HORNER
SENATOR

October 1, 2003
District 11

428-B State Capitol Attn: TTB Notice No. 4
(405) 521-5598

FAX: (405) 521-5697 Chief, Regulations and Procedures Division
E-Mail: horner@lsbstate.ok.us Alcohol and Tobacco Tax and Trade Bureau

P. O. Box 50221
Washington, DC. 20091-0221

COMMITTEES:

Chairman
Business & Labor
Democratic Caucus

Dear Sir or Madam:

MEMBER

Appropriations I support the proposed rule recently issued by the Tax and Trade Bureau in TTB Notice
Judiciary No. 4 of March 2003 regarding the alcohol content of Flavored Malt Beverages
Rules ("FMB's"). This rule would require that no more than 0.5% of the alcohol content of
Subcommittee on FMB's be derived from distilled alcohol in order to be classified as "beer."
Natural Resources & Regulatory Service
Sunset

Tourism & Wildlife The proposed "0.5% standard" for FMB's is consistent with the historical interpretation by
Federal regulatory authorities of what constitutes beer and other malt beverages. These
historical standards take into consideration the ancient brewing process for beer that has
resulted in the unique regulation and taxation of beer in contrast to other alcohol beverages.

The proposed rule is also important because it gives our state guidance on how to classify
these products. While our state has independent regulatory power on how to classify
alcoholic products, we have followed Federal policy in their decisions related to taxation,
licensing and distribution of alcohol. Federal leadership in this important area will likely be
followed at our state level and will work to maintain an orderly marketplace, thus avoiding
costly and confusing disruptions in state licensing, taxation and distribution policies.

Moreover, equating beer and beverages deriving a majority of their alcohol content from
distilled spirits could weaken the important distinctions between beer and products with a
higher alcohol content. These distinctions impact state policies regarding the regulation
and taxation of beer and other alcohol beverages.

Once again, I encourage the TTB to give a final approval to the proposed "0.5% standard"
for FMBs in the near future.

Sincerely,

Maxine Homer
Oklahoma State Senator
District 11