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October 6, 2003

JOSEPH O.HOLSTON,JR. Mr. William Foster

ANTHONY L. ORISCI Chief, Regulations and Procedures Division
 Alcohol and Tobacco Tax and Trade Bureau

 P.O. Bo. 50221
OF COUNSEL Washington, DC 20091-0221
RONALD G. LENCH

Re: TTB Notice 4: Flavored Malt Beverages

Dear Mr. Foster:

TIMOTHY J. SULLIVAN
SR. GOVERNMENT AFFAIRS
SPECIALIST In March of 2003, the U.S. Treasury's
 Alcohol and Tobacco Tax and Trade Bureau proposed a
 regulation requiring that flavored male beverages
 obtain less than 0.5% by volume from flavorings and
W. RUSSELL MCDAID other alcoholic substances. This new
 regulation
DIRECTOR, POLICY, simply mandates that beverage
PLANNING, AND RESEARCH flavored malt products

derive all but 0.5% of their alcohol from the
fermentation process.

JOHN V. KULIK I wholeheartedly support TTB Notice 4 and
GOVERNMENT AFFAIRS the significant advantages that this regulation
CONSULTANT

would bring. In expressing my support for the
proposed 0.5% standard, I am joining The Beer
Institute, the National Beer Wholesalers
Association, and other rnal. brewer associations
well as many other organizations..

This action is a positive step because it
will further clarify the federal classification of
alcohol beverage categories, which in turn will
regularize the national market for these products.
Furthermore, this proposal proffers stability for
the retail licensing system. Finally, this rule
benefits consumers, retailers, and manufacturers.
Not only will the new standard maintain an orderly
marketplace and meet consumer expectations for
consistent products, but it will also promote
consistency among state tax, licensing, and

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distribution laws that will permit wholesalers and retailers to distribute, sell, and market flavored malt beverages just as they do now.

Without such a national standard, manufacturers, retailers, and wholesalers must contend with a patchwork of individual state laws and regulations. Under such a chaotic system, the same product may be sold as a "beer" in one state and as "distilled spirits" in another.

Brewers have the expertise and technical ability to brew flavored malt beverage products in conformity with the new proposal. These reformulated products will look and taste the same and will be available nationwide to wholesalers and retailers with no interruption and no discernable taste differences for consumers.

I thank you for considering my position.

Sincerely yours,
Joseph D. Holston, Jr.