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ND ND Petroleum Marketers Association
ND Retail Association

October 6, 2003

Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, DC 20091-0221

Dear Sir or Madam:

As the President of the North Dakota Retailers Association and Petroleum Marketers Association, I am writing to express my support of the U.S. Treasury's Alcohol and Tobacco Tax and Trade Bureau proposed rulemaking for flavored malt beverages. (200 1R-136P).

I believe the TTB 's action is an important clarification of federal alcohol beverage categories established to maintain an orderly US marketplace. Further, I believe the debate surrounding the proposed standard poses important issues for the stability of the retail licensing system and the overall marketplace.

With my support of the proposed 0.5% standard, I am joining The Beer Institute, the National Beer Wholesalers Association, and major small brewer associations, among many others, because this standard is the most efficient means to address recent concerns by both federal and state officials. If adopted, the standard will maintain an orderly marketplace, meet consumer expectations for consistent products, and help sustain the long-term development of the product category. In addition, these reformulated products will be consistent with state tax, license, and distribution laws allowing wholesalers and retailers to continue to distribute, sell and market flavored malt beverages as they do today.

However, absent a national standard rooted in existing law and regulation, manufacturers, retailers, and wholesalers will face a potential for a patchwork of individual state laws and regulations where the same product may ultimately be sold as a beer in one state and as distilled spirit in another.

Finally, while there are some who have concerns regarding the ability of manufacturers to produce FMB products in accordance with the new proposal, as you may know, brewers have already demonstrated the expertise and technical ability to brew these products under the new federal standard. The FMB products that look and taste the same will be available to wholesalers and retailers in all states with no inteffuption and no discemable taste differences for consumers. r

Thank you for this opportunity for me to offer my support for the current TTB proposed rulemaking for flavored malt beverages.

Sincerely,

Russ Hanson
President of North Dakota Retailer
Association and Petroleum Marketers Association

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