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United States Senate  
WASHINGTON, DC 20510  
October21, 2003 0002813

William Foster  
Chief Regulations and Procedures Division  
Alcohol & Tobacco Tax & Trade Bureau  
Department of Treasury  
Attn: Notice Number 4  
P.O. Box 50221  
Washington, DC 20091-0221

Re: TTB Notice 4. Flavored Malt Beverages and Related Proposals  
Dear Mr. Foster:

We understand that the Tax and Trade Bureau (TTB) issued TTB Notice 4, Flavored Malt Beverages and Related Proposals, which proposes a 0.5% alcohol by volume limit as the flavored malt beverage (FMB) formulation standard. While we commend your overall efforts in assuring that these beverages are labeled properly and consumed responsibly, we are informed that this proposed rule change may result in the unintended consequence of discontinuing the manufacturing of a successful category of product.

It is our understanding that TTB Notice 4 proposes a standard that would not permit more than 10% of the total alcohol level in FMBs be derived from flavors. TTB's predecessor, ATF, first suggested that limit in July of last year without the benefit of industry input. We are told that the companies have also demonstrated to your Agency that they cannot meet that standard without compromising the product itself. This change may lead to closing the market for these products and more importantly, cost jobs in production facilities in our states and across the nation. We would be interested to learn of the public policy or consumer-protection interests that TTB's proposed regulations would address.

Further, we have been informed that the companies have proposed a reasonable compromise limiting the alcohol in beer coming from flavors to less than half the alcohol in the product - a substantial change in itself- but one that will not threaten existing jobs. lose any tax revenue or cost companies millions,

In light of this compromise offer, we urge you to reconsider proposing regulations incorporating last year's standard. Thank you for your prompt attention to this matter.

Sincerely,

Arlen Specter

Conrad Burns

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OCT. 21. 2C03 5:17PM SENATOR SPECTER NO. C78 P. 1/2

U.S. SENATOR ARLEN SPECTER  
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TO: William Foster  
LOCATION: Alcohol and Tobacco Tax and Trade Bureau  
Regulations and Procedures Division

FAX: 202-927-8525

FROM: Kevin Carpenter

DATE: 10-21-03

PAGES (including cover): 2

RE: TTB Notice 4, Flavored Malt Beverages and Related proposals