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DISTRICT 9

Arizona House of Representatives

Phoenix, Arizona 85007

September 10, 2003

Chief

Regulations & Procedures Division

Attn: Notice No. 4

Alcohol & Tobacco Tax & Trade Bureau

P.O. Box 50221

Washington, DC 20091

Dear Sir or Madam:

I am writing in support of the 51/49 "majority" standard for flavored malt beverages (FMBs), which I understand TTB says is supported by the law.

I support this reasonable compromise for the following reasons:

- It will promote fairness. For two decades, the federal government has allowed the use of flavors containing alcohol in beers and FMBs under 6% alcohol by volume without limitation. An entire category of malt beverages with varying taste and flavor types has been developed in reliance on this and should not be harmed by new federal regulations.
- It will ensure the continued availability of today's most popular FMB products. FMBs like Smirnoff Ice, Mike's hard Lemonade and Seagram's Coolers belong on retail shelves in the beer section. Establishing the dire 90-10 (0.5%) standard would force FMB brewers to make costly changes to their production process which some companies may not be able to accomplish.
- It will allow brewers to continue to satisfy consumers. According to national reporting services, the FMB Category has achieved remarkable acceptance among consumers who want a bottled ready-to-drink beverage with the same alcohol content as beer, but do not prefer the taste of conventional

beers. The category's share of grocery channel sales last summer was nearly 6% of the total beer category.

- It will ensure that tomorrow's FMB products continue to taste like the products consumers enjoy today. The use of significant amounts of flavors in an FMB allows those products to achieve the refreshing taste many consumers want. A 90-10 rule would force FMB brewers to increase substantially the amount of malted barley and other traditional ingredients used in an FMB, probably resulting in a product that tastes very different.

Thank you for your consideration.

Yours truly,

BOB STUMP
State Representative
District 9