

Greg Merlino 206-664-6275 p.2

MIKE'S HARD LEMONADE

GREG MERLINO
7336 57th Ave NE
Seattle, WA 98115

10/06/03

Mr. William Foster
Chief
Regulations and Procedures Division
ALTN: Notice No. 4
Alcohol and Tobacco Tax and Trade Bureau
Post Office Box 50221
Washington, D.C. 20091-0221

RE: TTB Notice No. 4

Dear Mr. Foster:

I work for mike's hard lemonade, the number one flavored malt beverage in the Northwest I have been in the alcoholic beverage business for over 10 years. Because my job and my families well being depends on the future of this beverage segment, I strongly disagree with TTB's proposal to limit the alcohol contribution from flavoring materials in these products to 0.5% alcohol by volume. In order to establish a more rational standard, I urge the TTB to adopt a majority standard that would allow less than 50% of the alcohol content in Flavored Malt Beverages to come from flavorings.

TTB I BATF has allowed brewers to produce and sell Flavored Malt Beverages that derive a majority of their alcohol from flavoring materials for years. Notice No. 4 now claims that a 0.5% standard is necessary to prevent consumer confusion. In my job as Northwest Chain Sales Manager, I am in daily contact with a variety of Beverage Distributors, large and small Retailers, and many consumers. Over the past 2 years that I have been selling mike's, not once have I heard any conversation regarding the source of the alcohol in any Flavored Malt Beverage. People drink these products based on taste and cost, not on the source of the alcohol.

Notice No. 4 also notes that state alcohol authorities have urged TTB to establish regulatory limits on the addition of alcohol to malt beverages from flavors. While a nationally uniform standard could benefit both state regulators and the FMB industry, Notice No. 4 gives no reason why the proposed 0.5% standard is the only way to accomplish this goal.

I strongly urge TTB to adopt a rule that all brewers can meet. A majority standard that caps the alcohol contribution derived from flavoring materials contained in a Flavored Malt Beverage to less than 50% of the product's alcohol

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content. A majority standard of less than 50% would prevent the consumer confusion that TTB is concerned with, establish a nationally uniform standard that would assist the federal government and the states in regulating FMBs, and preserve both market stability and competition.

I encourage TTB to reject the proposed 0.5% standard for Flavored Malt Beverages and work with our Flavored Malt Beverage industry to achieve a more reasonable and workable set of rules that can preserve and promote this valuable product category. For the sake of my job, and the many other families impacted or that rely on the Flavored Malt Beverage industry, I urge you to consider all that I have discussed above. I appreciate your time taken to read this letter.

Sincerely,

Greg Marlino
Mike's hard lemonade