

Oct 07 03 08:04a p.1

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10-3-03

Mr. William Foster  
Chief  
Regulations and Procedures Division  
ATTN: 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 am writing in response to the request for comments on the TTB's proposed regulations change governing flavored malt beverages. I strongly oppose No. 4 proposal to severely limit the use of flavors in malt beverages. I would urge you to adopt a majority standard that would allow up to 49% of the alcohol content in a flavored malt beverage to come from flavors. The 90/10 standard does nothing more than limit consumer choice, cripple competition and possibly eliminate jobs.

As a consumer, the claim that the FMB suppliers are deceiving consumers is insulting. To read that consumers are likely to be confused about FMB's alcohol content because they "would expect that malt beverages derive a significant portion of their alcohol content from fermentation of barley malt and other ingredients at the brewery" is completely false. As a consumer, I would expect my drink of choice to taste good and its alcohol be derived in a manner that is safe for me. The above statement looks nothing more than brewer's language that as a consumer means very little to me. This "brewers language", is more about the Big Brewers trying to stifle competition, which in turn will hurt me as a consumer.

As mentioned, I believe that 90\10 will cripple competition in its monopolistic stance. It will create a natural barrier that will allow the Big Brewers a unique ability to produce FMB's (large economies of scale), while others are left to cut jobs and or not produce their product at all because of economic fields each are playing on. The playing field is meant to be equal (at least the opportunity) and 90\10 would create an unfair playing field within the industry. Monopoly may seem like a strong stance, however, in its essence this is exactly what could occur within the FMB segment. Bottom Line: Big Guy Wins, Little Guy Loses.

This little guy is the one who sees no benefit. Consumer Joe will not be able to enjoy the product choice he once had and he will definitely have to pay more out of his pocket. Hard working retail owner will see less sales and higher taxes. Finally, employees, such as myself, of the FMB company will also suffer from possible lose of jobs. All this because of a strange notion that we are "confusing" consumers as to what is in the bottle. As an employee of Mark Anthony Brands I have entrenched myself into the market to help sell the brand. This includes promotions, tasting conventions, seminars and day to day selling and not once have I had someone say they were confused on what was in our product. Any confusion should be addressed in labeling, not ingredients.

This is clearly a Big vs. Little argument. In fact, when you read all the letters on your website on this issue you can see that the line is drawn clearly that way. State Authorities, who want more tax money and big brewery associations are in favor. Retailers, consumers, and FMB companies are opposed. Therefore, it is obvious why this is being brought to committee. State authorities want more taxes and Big Brewers would like to take away FMB 's from the consumers (the Little Guy) so they can sell more of their beer.

Thanks for your time and appreciate the forum to discuss this issue.  
Regards

Scott Wallace