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STATE OF CALIFORNIA - BUSINESS TRANSPORTATION AND HOUSING AGENCY GRAY DAVIS Governor

DEPARTMENT OF ALCOHOLIC BEVERAGE CONTROL
3810 Rosin Court, Suite 150
Sacramento, CA 95834
(916) 263-6890

August 19, 2003

Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
Post Office Box 50221
Washington, DC 20091

Re: Notice No. 4
Dear Sir or Madam:

The California Department of Alcoholic Beverage Control submits these comments in response to the Notice of Proposed Rulemaking regarding a standard for flavored malt beverages and related proposals, 68 Federal Register 14292, March 24, 2003.

California regulations require that beer manufacturers submit copies of malt beverage labels for Department approval. Although our labeling requirements for malt beverages differ slightly from Federal requirements, we have always deferred to your agency's professional expertise concerning the classification of alcoholic beverages into one of three primary categories: beer, wine, or distilled spirits. With respect to the flavored malt beverage category, California intends to continue deferring to the Alcohol and Tobacco Tax and Trade Bureau (TTB) classification system. However, we are concerned that other states may not continue to do so with respect to this particular category.

We believe it could be detrimental to both regulatory agencies and the industry if there are inconsistent classifications of these products in different states. For this reason we encourage the TTB to continue its review of the issues and establish appropriate guidelines and parameters.

Sincerely,

Jerry R. Jolly
Acting Director

JRJ/KHR