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COMMITTEES: Member LEGISLATIVE BUILDING: Elections, Procedures, and Ethics 401 S. Carson Street Government Affairs Carson City, Nevada 89701-4747 Natural Resources, Agriculture, Office: (775) 684-8853 and Mining Fax No.: (775) 684-1346 State of Nevada Assembly Seventy-Second Session

Chief, Regulations and Procedures Division Alcohol and Tobacco Tax and Trade Bureau P.O. Box 50221 Washington, DC 20091-0221 Attn: Notice 4

Dear Sir or Madam:

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As the Nevada State Assemblyman for District 13, I am writing to express my support for the U.S. Treasury's Alcohol and Tobacco Tax and Trade Bureau proposed rulemaking for flavored malt beverages. (2001R-136P)

I believe the TTB's action is an important clarification of federal alcohol beverage categories established to maintain an orderly US marketplace. Further, I believe the debate surrounding the proposed standard poses important issues for the stability of the retail licensing system and the overall marketplace.

With my support for the proposed 0.5% standard, I am joining The Beer Institute, the National Beer Wholesalers Association, and major small brewer associations, among many others, because this standard is the most efficient means to address recent concerns by both federal and state officials. If adopted, the standard will maintain an orderly marketplace, meet consumer expectations for consistent products, and help sustain the long-term development of the product category. In addition, these reformulated products will be consistent with state tax, license, and distribution laws allowing wholesalers and retailers to continue to distribute, sell and market flavored malt beverages as they do today.

However, absent a national standard rooted in existing law and regulation, manufacturers, retailers, and wholesalers will face a potential for a patchwork of individual state laws and regulations where the same product may ultimately be sold as a "beer" in one state and as a "distilled spirits" in another.

Finally, while there are some who have concerns regarding the ability of manufacturers to produce FMB products in accordance with the new proposal, as you may know, brewers have already demonstrated the expertise and technical ability to brew these products under the new federal standard. The FMB