LARRY E. ADAIR
SPEAKER
DISTRICT 86

October 3, 2003

Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D.C. 20091-0221

Att: TTB Notice No.4
Dear Sir or Madam:

I support the proposed rule recently issued by the Tax and Trade Bureau in TTB Notice No. 4 of March
2003 regarding the alcohol content of Flavored Malt Beverages ("FIVIB's"). This rule would require that
no more than 0.5% of the alcohol content of FMB's be derived from distilled alcohol in order to be
classified as "beer".

The proposed "0.5% standard" for FMB 's is consistent with the historical interpretation by Federal
regulatory authorities of what constitutes beer and other malt beverages. These historical standards take
into consideration the ancient brewing process for beer that has resulted in the unique regulation and
taxation of beer in contrast to other alcohol beverages.

The proposed rule is also important because it gives our state guidance on how to classify these products.
While our state has independent regulatory power on how to classify alcoholic products, we have
followed Federal policy in their decisions related to taxation, licensing and distribution of alcohol.
Federal leadership in this important area will likely be followed at our state level and will work to
maintain an orderly marketplace, thus avoiding costly and confusing disruption in state licensing, taxation
and distribution policies.

Moreover, equating beer and beverages deriving a majority of their alcohol content from distilled spirits
could weaken the important distinctions between beer and products with a higher alcohol content. These
distinctions impact state policies regarding the regulation and taxation of beer and other alcoholic
beverages.

Once again, I encourage the TTh to give a final approval to the proposed "0.5% standard" for FMBs in
the near future.

Sincerely,

Larry E. Adair
Speaker

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