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Chief, Regulations and Procedures Division  
Tax and Trade Bureau  
PO Box 50221  
Washington, D.C. 20031-0221

RE: TTB Notice #4, Flavored Malt Beverages and Related Proposals (2001R-136P)

Dear Sir or Madam:

I support the proposed regulations for products marketed as flavored malt beverages (FMBs), as set forth by the Tax and Trade Bureau (TTB) in TTB Notice No. 4 of March 2003.

I feel that the term "flavored beer" or "flavored malt beverage" cannot be used on a product if more than 0.5% of the alcohol in the final product was derived from distilled alcohol is reasonable and supports the longstanding definition of beer found in federal and state statutes as well as regulations.

Companies are trying to disguise products that do not fit the definition beer to gain substantial tax and regulatory benefits by using a minimal amount of malt. This business strategy adversely affects many suppliers of goods and services to the brewing industry. Craft and regional brewers have been closing since the arrival of the newer varieties of FMBs. This fact has made for difficult years in the allied industry.

In summary, I support the proposed "0.5% standard" for FMBs for the reasons of fairness, to protect the beer and allied trade and to protect the image of what the general public considers beer.

Sincerely,

Robert Cassani