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THE MARYLAND HOUSE OF DELEGATES OFFICE OF THE SPEAKER ANNAPOLIS, MARYLAND 21401-1991

MICHAEL E. BUSCH State House SPEAKER Annapolis, Maryland 21401-1991 1-800-492-7122 Ext 3800 30th Legislative District 410-841-3800 301-858-3800 ANNE ARUNOEL COUNTY

October 21, 2003

Mr. William Foster, Chief Regulations and Procedures Division Alcohol and Tobacco Tax and Trade Bureau P.O. Box 50221 Washington, D.C. 20091-022 1

RE: Notice No. 4, 27 CFR Parts 7 and 25 Flavored Malt Beverages and Related Proposals (2001R-136P); Proposed Rule

Dear Mr. Foster:

The increasing popularity of "flavored malt beverages" among consumers has given rise to questions concerning the appropriate regulatory standards for such products. We write in support of the Alcohol and Tobacco Tax and Trade Bureau's (TTB) recent efforts to provide guidance to state regulators by clarifying the production and formulation standards for "flavored malt beverages." More specifically we write in support of the sentiments expressed by the Office of the Comptroller of Maryland in a July 28,2003 letter to you (see attached).

According to background information supplied by the TTB, most flavored malt beverage products actually derive the large majority of their alcohol content from the distilled spirits component of the added flavors rather than from fermentation during brewing. It thus seems inappropriate to regulate such products as "malt beverages." Historically, the classification of alcoholic beverage products has been the foundation of the regulatory structure governing the industry. Limiting the alcohol by volume in a malt beverage that can be derived from flavorings containing distilled spirits is consistent with the existing classification system and addresses concerns expressed by Maryland regulators.

Thank you for your consideration.

Michael E. Busch

attachment

cc: The Honorable William Donald Schaefer, Comptroller Charles W. Ehart, DPA, Director Alcohol and Tobacco Tax Division