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Senator Joe Conti Senate Room 20 East Wing Chairman Harrisburg, PA 17120-3010 Law & Justice (717) 787-7305 Committee

October 15, 2003

Mr. William Foster, Chief, Regulations and Procedures Division Alcohol and Tobacco Tax and Trade Bureau P.O. Box 50221 Washington, DC 20091-0221

Dear Mr. Foster:

As Republican and Democratic Chairmen of the Pennsylvania Senate Law and Justice Committee, the committee that oversees legislation dealing with alcohol, we are writing to express our support for the proposed rule issued in March of 2003 by the United States Treasury Department Division of Alcohol and Tobacco Tax and Trade Bureau (TTB) for flavored malt beverages (200 lR-136P).

The proposed rule outlines the necessary alcohol content requirements in order for a Flavored Malt Beverage (FMB) to be classified as beer. The proposed standard would require that in order for an FMB to be classified as beer, its alcohol content derived from distilled alcohol cannot exceed one-half of one percent (0.5%).

The Committee is aware that most FMBs currently on the market derive the overwhelming majority of their alcohol content from distilled spirits, rather than malt beverage bases. The Committee believes that products produced in this manner are more properly classified as liquor products than as malt or brewed beverages. The proposed rule provides clear, unambiguous guideline that accurately and equitably distinguishes between products produced through these different procedures.

The Pennsylvania Senate Law and Justice Committee urges the TTB to give final approval to the proposed 0.5% standard regarding FMBs.

Thank you for taking our viewpoint into consideration on this issue, and feel free to contact us if you require any additional information.

Sincerely,

Senator Joe Conti Senator Sean Logan 10th Legislative District 45th Legislative District

cc: Pennsylvania Liquor Control Board