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October 17, 2003 Technology

Chief, Regulations and Procedures Division

Alcohol and Tobacco Tax and Trade Bureau

P.O. Box 50221

Washington, D.C. 20091-0221

Subject: TTB Notice No. 4

Dear Sir or Madam:

As Assemblyman for the 132nd District of New York representing sections of the city of Rochester and the Monroe County suburbs frondequoit and Brighton, I am writing to express my strong support for the United States Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB) proposed rulemaking (220 lR-136P)for Flavored Malt Beverages (FMB's).

The proposed standard would require that in order for a FMB to be classified as beer, its alcohol content derived from distilled alcohol can not exceed 0.5%. I believe the TTB's action is an important clarification of federal alcohol beverage categories established to maintain an orderly U.S. marketplace. The debate surrounding the proposed standard poses important issues for the stability of the retail licensing system and the overall marketplace.

The proposed rule is consistent with the historical interpretation of what constitutes beer and other malt beverages, and 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 (FMB) as they do today.

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 spirit" in another.

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Page 2, October 17, 2003
Chief, Regulations and Procedures Division

As you may know, brewers have already demonstrated the expertise and technical ability to brew these products under the new federal standard. The FMB products that look and taste the same will be available to wholesalers and retailers in all states with no interruption and no discernable taste differences for consumers.

I strongly encourage the TTB to give final approval to the proposed "0.5% standard" on Flavored Malt Beverages. Please do not hesitate to contact me directly at (585) 467-0410 if I may be of further assistance.

Sincerely

JOSEPH D. MORELLE
Member of Assembly, 132nd District

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