

0040505

STATE OF INDIANA
HOUSE OF REPRESENTATIVES
INDIANAPOLIS, INDIANA 46204

ED MAHERN
INDIANAPOLIS, INDIANA 46203
COMMITTEES:
ELECTIONS, CHAIRMAN
FINANCIAL INSTITUTIONS
JUDICIARY

August 11, 2003

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

Dear Sir or Madam:

As an elected State Representative in Indiana, I am writing to express my support for the U.S. Treasury's Alcohol and Tobacco Tax and Trade Bureau proposed rule-making for flavored malt beverages. (2001R-136P)

I believe the TTBS action is an important clarification of federal alcohol beverage categories established to maintain an orderly U.S. marketplace. Further, I believe the debate surrounding the proposed standard poses important issues for the retail licensing system and the overall marketplace.

With my support for the proposed 0.5% standard, I am joining The Beer Institute, the National Beer Wholesalers Association, and major small brewer associations, among many others, because this standard 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 as they do today.

However, 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.

While there are some who have concerns regarding the ability of manufacturers to produce FMB products in accordance with the new proposal, 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.

Thank you for this opportunity to offer my support for the current TTB proposed rule-making for flavored malt beverages.

Sincerely,

Ed Mahern
Indiana State Representative
House District 97