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GROCERY ASSOCIATION

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October 6, 2003

Charles N. Bacon
Program Manager
Regulations and Procedures Division
10 Causeway Street, Room 701
Boston, MA 02222

Dear Mr. Bacon:

This letter is regarding the possible rule changes (Notice 4) dealing with Flavored Malt Beverages.

The Oregon Grocery Association believes that any federal standard regarding the alcohol content of distilled liquor in Flavored Malt Beverages (FMB) should be uniform for all states. Without a uniform standard, small market states such as Oregon could become undesirable markets and eventually be excluded from selling a product that we currently have in our product mix.

We support this in two possible ways.

1) A Federal pre-emptive standard. This would be the most effective standard, as all manufacturers, distributors and retailers in all markets would receive the same product.

2) Set the alcohol standard at the lowest existing State standard (90/10). This this would allow all states including Oregon to continue selling FMB's without amending their current statutory definitions for malt beverages. Manufacturers would be able to deliver a 90/10 in all states, but also have the option to brew a different product for a state with a more liberal standard.

Your consideration in this matter is important and we ask that you take great care in considering our view and opposing views. The FMB products themselves are widely accepted and popular. Any decision that pushes FMB's from the retail shelf into a closed state operated system will simply eliminate the category for consumers in that state.

Best regards,

Joe Gilliam
OGA President