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UNITED STATES SENATE
WASHINGTON, DC 20510

October 21, 2003

William Foster
Chief, Regulations and Procedures Division
Alcohol & Tobacco Tax & Trade Bureau
Department of the Treasury
ATTN: Notice Number 4
P.O. Box 50221
Washington, DC 20091-0221

Dear Mr. Foster:

We write to comment on the Alcohol and Tobacco Tax and Trade Bureau (TTB)'s Notice Number 4, concerning future governance of flavored malt beverages (FMBs). We understand that TTB proposes to require that only .5 percent of an FMB's alcohol may come from flavorings containing alcohol, and we are concerned that such a measure would severely harm the flavored malt beverages market, and especially one of its Upstate New York producers.

We have been informed that FMB producers have demonstrated that the .5 percent standard cannot be met without massive economic impact to their industry. Therefore, should TTB opt to change longstanding policy and adopt new regulations, we would request that the agency adopt instead a "majority standard," which would require that over 50 percent of alcohol be derived from malt.

In making this request, we are mindful of the fact that High Falls Brewing Company, a major employer within Rochester, NY, bottles and packs several leading lines of flavored malt beverages. This company's 420 employees, who also produce products for the Genesee Brewing Company, are dependent upon the third party contracts for FMB manufacturing. This is a booming industry that has brought a direct benefit to our state, and we do not wish to see its growth - and associated jobs - curtailed in such an unnecessary fashion.

Thank you for your consideration of our request. If you have any questions about our views, please feel free to contact us or Moira Campion (Schumer) or Leecia Eve (Clinton) of our offices.

Sincerely,
Charles E. Schumer Hillary Rodham Clinton