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STATE OF RHODE ISLAND AND PROVIDENCE PLANTATIONS
RHODA E. PERRY Vice Chair,
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September 2, 2003

Chief
Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
PO Box 50221
Washington, DC 20091-0221

Dear Sir:

As the Deputy President Pro Tempore of the RI Senate, I am writing to express my support for the US Treasurer's Alcohol and Tobacco Tax Trade Bureau's proposed rule making for Flavored Malt Beverages (2001 R - J136P).

It is my understanding that when Flavored Malt Beverages first appeared on the market, the federal governor allowed some discretion in the formulation and taxation of the products. However, it is now apparent that up to 99% of the alcohol in flavored malt beverages is derived from distilled spirits in distinction from a brewing process.

State and Federal tax law both make this distinction clear. Spirits and malt beverages are indeed very different. Further, with regard to alcohol and public policy, the consumption of Flavored Malt Beverages may give consumers, especially the young, the illusion that they are having something akin to beer when in fact the product's alcohol is primarily derived from distilled spirits and the product is flavored to mask its presence.

Thank you for this opportunity to express my support for the current TTB rule making for Flavored Malt Beverages.

Sincerely,

Rhode E. Perry

