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COMMONWEALTH OF PENNSYLVANIA HARRISBURG

COMMITTEES LIQUOR CONTROL, CHAIRMAN CONSUMER AFFAIRS COMMITTE ON COMMITTEES LEGISLATIVE BUDGET & FINANCE

Alcohol and Tobacco Tax and Trade Bureau William Foster, Chief, Regulations and Procedures Division P.O. Box 50221 Washington, DC 20091-0221

Dear Mr. Foster:

As Republican and Democrat Chairmen of the House Liquor Control Committee, the committee in the House of the Pennsylvania General Assembly which handles legislation dealing with alcohol beverages, we are writing to express our support for the United States Treasury Department Division of Alcohol and Tobacco Tax and Trade Bureau's (TTB) proposed rulemaking for flavored malt beverages (2001 R-136P).

We strongly believe the TTB's proposed action is a much needed clarification of the federal alcohol beverage categories, which have been established to maintain an orderly marketplace in our country. Additionally, the debate associated with the proposed standard provides for an important opportunity for the discussion of the stability of the retail licensing system and the overall marketplace. If the proposed rule is 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. Furthermore, 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.

Finally, while there are some who have concerns regarding the ability of manufacturers to produce flavored malt beverage products in accordance with the new proposal, brewers have already, demonstrated the expertise and technical ability necessary to brew these products under the new federal standard. The flavored malt beverage 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 share our viewpoint on this important issue. Should you require any further information, please do not hesitate to contact us.

Sincerely,

Ron Raymond 162nd Legislative District

Robert C. Donatucci 185th Legislative District

RR: cmw

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