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NATIONAL KAGRO
NATIONAL KOREAN AMERICAN GROCERS ASSOCIATION
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Officers September 17, 2003

President Emeritus

David H. Kim Attn: TTB Notice No. 4

Chief, Regulations and Procedures Division

President Alcohol and Tobacco Tax and Trade Bureau

Andrew Ku

NewYork P. O. Box 50221

Vice-President Washington, D.C. 20091-0221

Yong Wong Han

Delaware

Dear Sir or Madam:

Vice-President

Hyun Joo Kim

Maryland The National Korean American Grocers Association supports the proposed rule

recently issued by the Tax and Trade Bureau in TTB Notice No. 4 of March 2003

Vice-President

Jee Jeon Choi regarding the alcohol content of Flavored Malt Beverages ("FMB 's"). This rule

Northern California would require that no more than 0.5% of the alcohol content of FMB's be derived

Vice-President from distilled alcohol in order to be classified as "beer."

Jin Shin

Philadelphia

The proposed "0.5% standard" for FMB's is consistent with the historical interpretation by Federal regulatory authorities of what constitutes beer and other malt Board of Directors beverages. These historical standards take into consideration the ancient brewing process for beer that has resulted in the unique regulation and taxation of beer in

Chairman

John H. Kim contrast to other alcohol beverages.

Oregon

Vice-Chairman The proposed rule is also important because it gives states guidance on how to

Kwang lk Lim

Colorado classify these products. While states have traditionally had independent regulatory

power on how to classify alcoholic products, they have followed Federal policy in

Vice-Chairman

Kun Woo Rhee their decisions related to taxation, licensing and distribution of alcohol. Federal New York

leadership in this important area will likely be followed at the state level and will Vice-Chairman work to maintain an orderly marketplace. This is important to our members because Chang-Kyun Joo it will help prevent disruption in the market that could cause confusion and extra Ontario, Canada regulatory compliance costs. For example, without the proposed federal standard, the Vice-Chairman same product may ultimately be sold as "beer" in one state and "distilled spirits" in K. Hwang

Washington State another.

Once again, we reaffirm our support for the "0.5% standard" for FMBs and urge its Auditors final adoption in near future.

John H. Jung

Virginia Sincerely,

Soo B. Sohn

Texas

David H. Kim

President Emeritus

National KAGRO