NATIONAL KAGRO

NATIONAL KOREAN AMERICAN GROCERS ASSOCIATION

30-50 WHITESTONE EXPRESSWAY SUITE #105, FLUSHING, NEW YORK 11354 Tel: 718/359-7414 Fax: 718/359-7411

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

To Whom It May Concern:

Vice-President

Hyun Joo Kim

Maryland

Vice-President

Jae Jeon Choi As president of the National Korean American Grocers Association (National KAGRO), Northern California

I speak on behalf of all our members when I say that we support the proposed rule Vice-President recently issued by the Tax and Trade Bureau in TTB Notice No. 4 of March 2003 Jin Shin

Philadelphia regarding the alcohol content of Flavored Malt Beverages ("FMB's"). This rule requires that no more than 0.5% of the alcohol content of FMB's be derived from distilled alcohol in order to be classified as "beer."

Board at Directors

The proposed "0.5% standard" for FMB 's is consistent with the historical interpretation Chairman

John H. Kim by Federal regulatory authorities of what constitutes beer and other malt beverages. Oregon

These historical standards take into consideration the ancient brewing process for beer Vice-Chairman that has resulted in the unique regulation and taxation of beer in contrast to other Kwang lk Lim beverages. Colorado alcohol

## Vice-Chairman

Kun Woo Rhee The proposed rule is also important because it gives states guidance on how to classify New York

these products. While states have traditionally had independent regulatory power on Vice-Chairman how to classify alcoholic products, they have followed Federal policy in their decisions Chang-Kyun Joo related to taxation, licensing and distribution of alcohol. Federal leadership in this Ontario, Canada important area will likely be followed at the state level and will work to maintain an Vice-Chairman orderly marketnlace.

Yoon K. Hwang

Washington State

This is important to our members because it will help prevent disruption in the market that could cause confusion and extra regulatory compliance costs. For example, without Auditors the proposed federal standard, the same product may ultimately be sold as "beer" in one John H. Jung state and "distilled spirits" in another. Once again, we restate our support for the "0.5% Virginia standard" for FMBs and urge its final adoption soon.

Soo B. Sohn Texas Sincerely, Andrew Ku President National KAGRO