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VRMA  
Virginia Retail Merchants Association  
The voice of free enterprise since 1905

October 20, 2003

Chief, Regulations & Procedures Division  
Attn: Notice No. 4  
Alcohol & Tobacco Tax & Trade Bureau  
P.O. Box 50221  
Washington, DC 20091

Via Fax: 202 927-8525

Dear Chief:

I write in support of the 51/49 "majority" standard for flavored malt beverages (FMBs), which, I understand, TTB says is supported by the law.

I support this reasonable compromise because the federal government has for two decades allowed the use of flavors containing alcohol in beers and FMBs under 6% alcohol by volume without limitation. An entire category of malt beverages with varying taste and flavor types has been developed in reliance on that and should not be harmed now by new federal regulations.

The FMBs share a grocery channel sales last summer was nearly 6% of the total beer category. Establishing the dire 90-10 (0.5%) standard would force these products and others off our retailer's shelves and into the hands of our Virginia owned ABC stores. FMBs like Smirnoff Ice, Mike's Hard Lemonade, and Seagram's Coolers belong on retail shelves in the beer section. In addition, if the standard becomes 90-10 (0.5%) the costs of reformulation by the manufacturer will be passed on to our retailers once again impacting our profit margins.

Thank you for your consideration.  
Respectfully,

Laurie Peterson  
President  
Virginia Retail Merchants Association

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