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September 26, 2003

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

Dear Sir or Madam:

As Chairman of the New York State Senate Committee on Commerce Economic Development and Small Business, I am writing to express my support for the U.S. Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB) proposed rulemaking for flavored malt beverages (FMB). (2001R-136P).

I believe the TTB's action is an important clarification of federal alcohol beverage categories established to maintain an orderly US marketplace. The debate surrounding the proposed standard poses important issues for the stability of the retail licensing system.

This standard is the most efficient means to address recent concerns by both federal and state officials. If adopted, the standard will maintain order, meet consumer expectations for consistent products, and help sustain the long-term development of the product category. In addition, 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.

Absent a national standard rooted in existing law and regulation, manufacturers, retailers and wholesalers will face a potential for a patchwork of individual state laws and regulations where the same product may ultimately be sold as a "beer" in one state and as "distilled spirits" in another.

There are some who have concerns regarding the ability of manufacturers to produce FMB products in accordance with the new proposal. As you may know, brewers have already demonstrated the expertise and technical ability to brew these products under the new federal

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standard. The FMB products that look and taste the same will be available to wholesalers and retailers in all states with no interruption and no discernible taste differences for consumers.

Thank you for this opportunity to express my support for the current TTB proposed rulemaking regarding flavored malt beverages. I appreciate your taking the time to consider my views.

Sincerely,

JAMES S. ALESI
New York State Senate

JSA/mhp