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THE ASSEMBLY STATE OF NEW YORK ALBANY

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August 20, 2003 COMMITTEES

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Chief, Regulations and Procedures Division Alcohol and Tobacco Tax and Trade Bureau P.O. Box 50221 Washington, DC 2001-0221

Dear Sir or Madam:

As an elected official, I am writing to express my support for the U.S. Treasury's Alcohol and Tobacco Tax and Trade Bureau proposed rulemaking for flavored malt beverages (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 and the overall marketplace. It appears that these standards limiting the addition of flavoring and other materials containing alcohol less 0.5% by volume of the finished product is fair. This standard is the most efficient means to address recent concerns by both federal and state officials. If 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. 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 and 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 a "distilled spirits" in another.

There are some who have concerns regarding the ability of manufacturers to 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 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 discernable taste differences for consumers.

Sincerely,

Anthony S. Sominerio Member of Assembly