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FROM MIKES-Hf1RD-LEMONRDE PHONE NO. 21629511+6 Oct. 20 2003 07: iinri P1
October 19, 2003

Mr. William Foster
Chief
Regulations and Procedures Division
ATTN: Notice No. 4
Alcohol and Tobacco Tax and Trade Bureau
Post Office Box 50221
Washington, DC. 20091-0221

1~E: TTB Notice No.4

Dear Mr. Foster,

I work for Mark Anthony Brands, one of the largest producers of flavored malt beverages, also referred to as one of the FMB products. Because my job depends on the future viability of FMBs, I am opposed to the TTBs proposal to limit the alcohol contribution from flavoring materials in these beverage products to 0.5% alcohol by volume. In order to establish a more rational standard, I ask the TTB to adopt a majority standard that would allow less than 50% of the alcohol content in FMBs to come from flavoring materials.

For many years, the TTB has allowed brewers to produce and sell FMBs that derive a majority of their alcohol from flavoring materials. Notice No. 4 now claims that a 0.5% standard is necessary to prevent consumer confusion. I have the opportunity to work with many wholesalers, retailers, and consumers. Based on what I have learned from all of them, there is no consumer confusion because consumers are not concerned with the source of alcohol in FMBs. Rather, they select FMBs on the basis of their taste.

Now that FMBs are enjoying a strong growth in sales, it appears that a new standard would eliminate the healthy market competition that now exists. I ask the TTB to adopt a rule that all companies can meet - a majority standard that caps the alcohol contribution derived from flavoring materials contained in an FMB to less than 50% of the product's alcohol content. A majority standard would prevent consumer confusion and establish a nationally uniform standard that would assist the federal government and the states in regulating FMBs, and preserve both market stability and competition.

For the sake of FMB consumers, I encourage TTB to reject the proposed 0.5% standard for FMBs and to work with the FMB industry to achieve a more reasonable and workable set of rules that can preserve and promote this valuable product category.

Sincerely,

Tom Caito