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Ismael "Kino" Flores CHAIR VICE-CHAIR

TEXAS HOUSE of Rejpreseiaitafives Commifree on Licensing & Administrative Procedures

29 September 2003

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

RE: Alcohol and Tobacco Tax and Trade Bureau Notice No. 4 To Whom It May Concern:

My comments concerning the above subject docketed matter are from my personal viewpoint as Chair of the Texas House of Representatives Committee on Licensing and Administrative Procedures. The following are just some of the matters within the jurisdiction of the Committee: oversight of businesses, industries, general trades and occupations. The, Committee also is charged with the regulation of the sale of intoxicating beverages and local option control as well as all other matters relating to the Texas Alcoholic Beverage Code.

I will not belabor the subject matter at hand, but raiher state very simply the thoughts I hope you will consider as you pursue the rulemaking process.

1. I support the proposed Rule as published. If the Rule as published is adopted, there should be no necessity to change any Texas statute in order for Flavored Malt Beverages to be marketed in the manner in which they are marketed today. The only change that will be required is that the manufacturers of these products must re-formulate them to adhere to the Alcohol and Tobacco Tax and Trade Bureau's required standard.

2. I am reliably advised that a significant number of the major producers of Flavored Malt Beverages have indicated a willingness to re-formulate their products in accordance with the Rule as proposed.

P.O. Box 2910 - AUSTIN, TEXAS 78768-2910 * 512-463-0798

MEMBERS: RICHARD RAYMOND, CBO * JOE DRIVER * ROB EISSLER * TONY GOOLSBY

MARK HOMER * DELWIN JONES * MIGUEL "MIKE" WISE MILDA MORA, CHIEF CLERK - M.J. NICCHIO, RESEARCH DIRECTOR << 0042552A >>

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3. The Texas Constitution, together with the laws of the state, require local option elections to be held where the residents of an area - not the Legislature - prescribe which types of alcoholic beverages may be sold in the area. By insuring that these Flavored Malt Beverages fit the standards of identity for beer, this also insures that the products may be sold everywhere the sale of beer is lawful. Many areas of the state do not allow the sale of distilled spirits products.

4. Lastly, I believe it to be important that consumers not be mislead as to the contents of Flavored Malt Beverages. Exaggerated amounts of distilled spirits disguised as "flavorings" could be misleading to consumers wishing to purchase these products.

5. Please refer to the attached letter dated July 29, 2002 from the Texas Alcoholic Beverage Commission. The thoughts expressed in the attached letter, in my opinion, should be given great weight in your decision-making process.

Thank you for taking the time to consider my thoughts on this issue.

Sincerely,

State Representative Kino Flores Chalr