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September 29, 2003
Chief; Regulations and Procedures Division
UTAH HOTEL & LODGING ASSOCIATION
Alcohol and Tobacco Tax and Trade Bureau

P.O. Box 50221
Washington DC 20091-0221

Dear Sir or Madam:

As the executive director of Utah Hotel & Lodging Association, I write to express my support of the U.S. Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB) proposed rulemaking (201R-136P) for flavored malt beverages (FMB).

I believe the TTB's action is an important clarification of federal alcohol beverage categories established to maintain an orderly U.S. marketplace. Further, I believe the debate surrounding the proposed standard poses important issues for the stability of the licensing system and the overall marketplace.

With my support for the proposed 0.5 percent standard, I join The Beer Institute, the National Beer Wholesalers Association, and major small brewer associations, among many others, because 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 and license and distribution laws allowing wholesalers and retailers to continue to distribute, sell, and market FMBs as they currently do.

However, without a national standard rooted in existing law and regulation, manufacturers, retailers, and wholesalers will face potential inconsistencies in individual state laws and regulations in which the same product may ultimately be sold as a "beer" in one state and as "distilled spirits" in another.

Finally, while there are some who have concerns regarding the ability of manufacturers to produce FMB products in accordance with the new proposal, as you are probably aware, brewers have already demonstrated expertise and technical ability to brew these products under the new federal standards. The FMB products that look and taste the same will then be available to wholesalers and retailers in all states with no interruption and no discernable taste differences.

Thank you for this opportunity to offer support for the current TTB proposed rulemaking for flavored malt beverages.

Sincerely,

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