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September 26, 2003

Chief, Regulations & Procedures Division
Attn: Notice No. 4
Alcohol & Tobacco Tax & Trade Bureau
P.O. Box 50221
Washington, DC 20091

Dear Chief:

I am writing to you in support of 51/49 "majority" standard for flavored malt beverages (FMB's), which Notice No. 4 says would meet the requirements of federal law.

I understand that meeting the majority standard would be an expensive proposition for FMB brewers. However, it stands to reason that meeting the radical "90/10" standard would be even more expensive.

When government regulation causes much greater expense to be incurred by brewers, it is certain to threaten jobs. Why, then, would TTB publish a final rule that adopts the most expensive solution when a less expensive one is available and supportable?

I also find it troubling that TTB proposes a drastic change in FMB formula only after several decades of approving every FMB to come before it. Both management and employees in our industry have to be able to rely on what government regulators say and do, and not be at the mercy of governmental whim or competitive pressure.

I urge you to consider carefully the impact of this regulation on jobs.
Thank you very much for your consideration.

Respectfully,

Donald Kuegler
Director of Supply
Diageo, Menlo Park, CA