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FLORIDA RESTAURANT ASSOCIATION
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William H. Foster, Chief
Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
Post Office Box 50221
Washington, D.C. 20091-0221

Re: TTB Notice No. 4
Dear Chief Foster:

The Florida Restaurant Association ("FRA") represents over 10,000 restaurants and associated businesses in Florida. By this letter, the FRA wishes to demonstrate its support for the proposed rule recently issued by the Tax and Trade Bureau in ITB Notice No.4 of March 2003 regarding the alcohol content of Flavored Malt Beverages ("FMB's"). This rule would require that no more than 0.5% of the alcohol content of FMB's be derived from distilled alcohol in order to be classified as "beer".

The proposed "0.5% standard" for FMB's is consistent with the historical interpretation by Federal regulatory authorities of what constitutes beer and other malt beverages. These historical standards take into consideration the ancient brewing process for beer that has resulted in the unique regulation and taxation of beer in contrast to other alcohol beverages.

Based upon my experience as the former State Beverage Director for Florida, this proposed rule is also important because it gives states guidance on how to classify products. While states have traditionally had independent regulatory power, they have also generally followed Federal policy in their decisions relating to taxation, licensing and distribution of alcohol. Federal leadership in this area will assist states in making determinations concerning classifications of alcohol and will work to maintain an orderly marketplace. Disruptions in the beverage alcohol marketplace lead to confusion and additional costs for regulatory compliance. Without a federal standard, FMB's may be sold in one state as "beer" and in another state as "distilled spirits".

The Florida Restaurant Association reaffirms our support for the "0.5%" standard for Flavored Malt Beverages and urge its final adoption in the near future.

Sincerely,

Richard E. Turner
General Counsel

RET/ds
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