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From: pgyimesi@nwscorp.com

Sent: Monday, October 20, 2003 3:23 PM

To: nprm@ttb.gov

Subject: In Support of the "51/49" Standard for Flavored Malt Beverages

Gentlemen:

This letter is in reference to upcoming decisions on the manufacture of Flavored Malt Beverages, and in support of adopting the "51% Majority Standard".

As a marketing specialist working on Flavored Malt Beverages, I am well aware of the variety of issues and positions surrounding this controversy. I currently work at a mid-sized beverage alcohol organization. Flavored Malt Beverages comprise approximately 70% of our revenue.

As background, 3 individuals started this company about 6 years ago. Since then, it has grown to approximately \$150 million in revenue and employs just short of 100 people nationwide. The company has a great environment with nice, intelligent and hard working people. We all take great pride in the company we are building. I very am concerned what impact reformulation could have on our brands, our employees, our suppliers and my own position.

My personal feeling is that consumers are drinking these products because they taste good and have the predictable affect and convenience of "a beer". In research I have attended, consumers did not care about the source of alcohol. My major concern is that if the more restrictive "90/10" position is implemented, taste profiles will change significantly and could kill the category.

As support, I would point towards the Zima brand. As I understand it, this is the only product currently on the market that would pass using the "90/10" approach. When tasting this product, one can taste "beer flavor" in the background. Zima's sales have declined significantly since better tasting flavored malt beverages have come on the market in recent years. I think it is clear that consumers can taste the difference and they are voting with their wallets by purchasing other brands. If a company with the resources of Coors is unable to make a product taste good using this 90/10 standard, I don't know how smaller organizations such as mine are expected to compete.

Between the impact on taste and the reduction in available distribution points which adoption of a more restrictive guideline will drive, I believe "90/10" will mark the end of many flavored alcohol brands. This will cost distributors, retailers, suppliers, states and the Federal government revenue.

Please cast your vote for the "51% Majority Standard" and preserve competition within the category.

Thank you.

A. Peter Gyimesi