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From: Theodore Kloba [heyud@yahoo.com]

Sent: Friday, October 17, 2003 9:09 AM

To: nprm@ttb.gov

Subject: 'TTB Notice No. 4'

I would like to present my opinions regarding "flavored malt beverages" as relates TTB Notice No. 4:

1. Regarding regulation the manufacture and final composition of flavored malt beverages: I feel that if the product can be deemed safe for consumers, there is no reason to restrict the means by which the manufacturer creates alcoholic content.
2. Regarding taxation of these products: I believe these products should be taxed similarly to other products with similar alcohol content.
3. Regarding labeling: To me, this is the most important aspect of the proposed regulations. It makes little sense to continue labeling a product as a "malt beverage" when its manufacturers go to great efforts to remove the malt character of the product. The presence of distilled alcohol in the final product should be noted and quantified on the product's label.

Therefore, to respond to the question at hand, "Should certain products currently marketed as flavored malt beverages be classified as malt beverages or distilled spirits under the FAA Act and the Internal Revenue Code?" I would say that they should be classified as neither. It appears that Federal laws must be changed to define a new class of alcohol beverages before the TTB can address the related issues of labeling and taxation.

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