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Main Street Business Coalition.

September 8, 2003

Chief, Regulations and Procedures Division
Alcohol and Tobacco Tax and Trade Bureau
P.O. Box 50221
Washington, D.C. 20091-0221

As Executive Director of a coalition of business groups, associations and individual companies and business owners throughout Rhode Island and Southeastern Massachusetts, I am writing to express my support for the U.S. Treasury's Alcohol and Tobacco Tax Trade Bureau proposed rulemaking for flavored malt beverages (2001R-136P).

Since colonial times there has been a clear distinction between malt beverages and distilled spirits. That distinction is acknowledged in both federal and state tax law. Under federal tax law a malt beverage may only contain alcohol that is the result of fermentation at the brewery. However, when flavored malt beverages first appeared on the market the federal government temporarily allowed them to be marketed as malt beverages as long as the total alcohol content - from any source - was no more than 6%. They waited to study the issue and proposed the above rule in March of 2003, when it became apparent that 76% - 99% of the alcohol in flavored malt beverages is derived from distilled spirits and not from a brewing process.

Existing definitions of malt beverages under current federal tax law are consistent with the proposed rule. However, the proposal still makes an accommodation for flavored malt beverages, allowing up to .5% of a flavored malt beverage's alcohol to be derived from flavorings containing alcohol.

Thank you for this opportunity to express my support for the current TTB rulemaking for flavored malt beverages.

Very truly yours,

Brian Aday
Executive Director

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