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TEXAS ALCOHOLIC BEVERAGE COMMISSION  
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July 29, 2002

Mr. Brad Buckles, Director  
Bureau of Alcohol, Tobacco, & Firearms  
Department of the Treasury  
650 Massachusetts Avenue, N. W.  
Washington, D.C. 20226

Dear Director Buckles:

I want to thank you for the work performed by many of your staff, specifically, Assistant Director, Art Liberrucci, Deputy Assistant Director, John Daffion, Industiy Analyst, Charlie TullI and the countless other people who have been working on the "Flavored Malt Beverage" project.

Last Tuesday, Mr. Libertucci laid out the recommendations and justifications for the proposed new standard of identity for flavored malt beverages to a meeting of the Joint Committee of the States, which is composed of members of both license and control states. All of the committee members were unifonnly supportive of the explanation and recommendations.

Personally, as one of the states that first raised the issue with the bureau, I want to say that you have done an excellent job in defining the problem, offering a reasonable standard and in offering the opportunity for industry to provide verifiable rationale as to why the standard cannot be met.

Most states have adopted the definition of an alcoholic beverage as contained in the Federal Alcohol Administration Act as a beverage containing .05% alcohol by volume or more. That is why we do not regulate "flavored water" or "flavored soft drinks." Based on that standard, it is fair to assume that the flavoring ingredients added to alcoholic beverages also maintain that same standard, especially if the identity is other than the product being flavored, i.e. spirits being added to beer.

John T. Steen, Jr. Chairman Gail Madden. Member Kel Seliger, Member  
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I know that this change will be controversial to any company that will have to reformulate their product, but it will provide a national standard as opposed to each state having to develop a separate standard of identity. It is my opinion that the current status quo is not sufficient as a standard of identity for flavored malt beverages and the standard proposed by the BATF staff is reasonable, substantive, and one that should be adopted. If we can be of further assistance, please let me know.

Sincerely,

Randy Yarbrough  
Assistant Administrator

cc: Mr. Art Libertucci, Assistant Director BATF

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