



## BEER INSTITUTE UPDATE

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**Beer Institute President Addresses National Association of Attorneys General Youth Access to Alcohol Task Force** - President Jeff Becker represented industry members in the initial meeting of a task force established by state attorneys general to address underage drinking held in Chicago on January 24<sup>th</sup>. Becker reviewed brewers' collective commitment to preventing and further reducing underage drinking as well as compliance with the Beer Institute Advertising and Marketing Code. He stressed the fact that attorneys general are natural allies with brewers in backing up industry compliance efforts with strong state leadership in enforcing underage drinking laws designed to prevent both social and commercial access to alcohol by those under the legal drinking age.

**Beer Institute Senior Staff Meet with State Wholesaler Executives** - Beer Institute's President, General Counsel, and Senior Director of External Affairs participated in a two-day meeting with representatives of most state wholesaler organizations and the National Beer Wholesalers Association to review numerous tax and three-tier system and other legislative and regulatory issues pending throughout the nation. Representatives of Anheuser-Busch, Miller, Coors, and Heineken USA also participated. Excise tax threats in a number of states along with state responses to the federal standard for malt beverages established on January 3<sup>rd</sup> were among the topics covered.

**TTB Rules on Flavored Malt Beverages** - On January 3, the Tax and Trade bureau issued its long-awaited rule on the alcohol content of flavored malt beverages (FMBs). The new regulations require the majority (51 percent) of the alcohol in FMBs to be derived from a malt base if the beverages are to be taxed and treated as beer. The new regulations will go into effect in January 2006. While this standard is not the position that the Beer Institute and its members and industry allies favored, the new standard is an improvement over the current situation in which various products being sold as beer obtain most of their alcohol content from distilled alcohol in flavors. Under the new TTB rule, most products now in the marketplace will have to be reformulated so that a majority of the alcohol is produced in the brewing process. Beer Institute members will certainly be able to meet the new requirements before the 2006 effective date in the TTB rule. Questions on this rule may be directed to Art DeCelle.

**ICCPUD Update** - Also long-awaited, the interim report of the Interagency Coordinating Committee on the Prevention of Underage Drinking (ICCPUD) was released to Congress on January 5. The substantive portion of the report was a draft plan for various federal agencies to better coordinate activities and grant programs to reduce underage drinking. A lengthy compendium of all existing programs related to underage drinking prevention or treatment was also included. Beer Institute staff has met with the Associate Administrator for Alcohol Policy at the Substance Abuse and Mental Health Service Administration, which is the lead agency for the Committee, to express our views on the interim report. A meeting of the ICCPUD principles originally scheduled for January 25 has been postponed; staff now hopes to hold the meeting in mid-February. We will inform members of any new developments. If you have any questions or would like a copy of the interim report, please contact Liz Tobin.

**Bush Administration's Second Term and Beginning of 109<sup>th</sup> Congress** - Beer Institute staff has begun implementing its 2005 government affairs strategy during the Presidential Inaugural events and organizational activities in the House and Senate. The fact that no transition was necessary in the White House and Cabinet provides a level of continuity in agency activities, such as the government-wide underage drinking prevention effort discussed above and various highway safety initiatives.