



November 22, 2010

TO: Members of the Florida Senate

FROM: R. Eric Criss, President, Beer Industry of Florida  
Mitchell J. Rubin, Executive Director, Florida Beer Wholesalers Association

RE: Caffeinated Malt Beverages--*Four Loko* and *Joose*

Our two trade associations represent the major distributors of the caffeinated malt beverage products which have recently been the subject of intense government scrutiny-- *Four Loko* and *Joose*. The products in controversy are manufactured by Phusion Products, LLC and United Brands Company, Inc. respectively. Last Wednesday afternoon, November 18<sup>th</sup>, The U.S. Food and Drug Administration (FDA) warned that, in the Agency's opinion, these products are unsuitable for sale to the public due to the manner in which caffeine was added.

When the FDA made its announcement on Wednesday afternoon, Florida's distributors immediately developed individual company plans to support federal food safety efforts in compliance with all Florida laws and regulations. Although federal regulators provided a 15-day corrective window to *Phusion Products, LLC* and *United Brands Company, Inc.*, within 48 hours Florida distributors voluntarily halted distribution of these products.

Alcohol beverages are different than other consumer products. Alcoholic beverages require responsible marketing and sales by industry members, responsible consumption by consumers and vigilant attention by government regulators. Scenarios like this one demonstrate why alcohol is highly regulated. The three-tier regulatory system is important not just because state and federal governments rely on the significant tax revenues collected by distributors, but also because of the efficiency and accountability the system provides in tracking alcoholic beverages.

Many nations do not enjoy the strong alcohol regulatory structure we possess in the United States. In 2006, Russia declared a state of emergency in regions where hospitals were struggling with rising alcohol poisonings. More than 1,000 people had been treated in hospitals during a two month period. Unfortunately, this is not the exception in Russia, but rather the rule. 42,000 people die annually in Russia from alcohol poisoning by counterfeit vodka made with perfume, aftershave and other products.

Fortunately, in Florida and across the U.S. we enjoy a more sophisticated regulatory structure. Anchored by the middle distributor-tier, America's system of state and federal regulation permits rapid response to government actions like those taken by the FDA last week. Florida's beer distributors take their role in this regulatory system seriously and are proud to have quickly acted to ensure the safety of Florida's consumers.

Please do not hesitate to contact the Beer Industry of Florida (850) 222-8960 or the Florida Beer Wholesalers Association (850) 224-2337 should you have any questions or require additional information.