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## **SB 754 Moves to the House Floor for Final Vote**

### ***Legislation to Allow Small Brewers Self Distribution Approved by the House Executive Committee***

SPRINGFIELD, IL – May 2011 – SB 754, legislation to address brewery-owned distributorships in Illinois, was moved from the House Executive Committee to the House floor for passage. This legislation is intended to address a ruling by Judge Dow in the suit, Anheuser-Busch InBev v. Schnorf.

SB 754 is sponsored in the House by Rep Frank Mautino (D-Spring Valley) with more than 50 co-sponsors. If it passes in the House, the bill will be sent to the Governor. The bill will be effective when signed by the Governor which will resolve the issue of self distribution which began in February 2010.

Anheuser-Busch InBev (ABI) filed a suit in federal court claiming discrimination because in-state and out-of-state brewers were treated differently on their ability to own distributorships. The judge ruled that there was discrimination, but to remedy the unconstitutionality, out-of-state brewers should not be given self distribution privileges because it “would be more disruptive to the existing statutory and regulatory scheme than the alternative remedy of withdrawing the self-distribution privilege from in-state brewers.”

Judge Dow’s remedy would require in-state brewers (two brewers) to surrender their licenses to self distribute.

Judge Dow then stayed his ruling to give the General Assembly a period of time to act. SB 754 creates a craft brewer license and allows craft brewers and only craft brewers to self distribute their beer. This would prevent the small in-state brewers from losing their ability to self distribute.

The Associated Beer Distributors of Illinois (ABDI) supports this legislation. “ABDI believes that the small craft brewers should continue to be allowed the ability to self distribute and should not lose that self-distribution ability because of Anheuser-Busch’s suit,” said Bill Olson, ABDI President.

“If ABI is allowed to own distributorships, the ability for craft brewers, new imported brands, and new domestic brands will have a reduced access to market. Independent distributors provide an avenue for those products that a brewery-owned distributor won’t,” continued Olson.

A national survey conducted in April 2010 confirmed that 79 percent of Americans support the right of states’ ability to set the alcohol laws and regulations that help keep them safe. The survey (conducted by Whitman Insight Strategies and Wilson Research Strategies) also revealed the same vast majority of Americans are concerned about foreign-owned companies’ influence and think that the American regulatory system and Illinois’ local control over alcohol sales are increasingly important in safeguarding our public health. The survey is available at [http://www.centerforalcoholpolicy.org/wp-content/uploads/2009/08/CAP\\_National\\_Alcohol\\_Survey\\_2011.pdf](http://www.centerforalcoholpolicy.org/wp-content/uploads/2009/08/CAP_National_Alcohol_Survey_2011.pdf).

Beer distributorships, independent businesses in the three-tier regulatory system, play a vital role in promoting public safety and the Illinois economy. These independent distributors represent fair competition; they are easier to regulate than an out-of-state brewer; and they are part of the local communities they service.

The role of an independent beer distributor and the three tier regulatory system includes the following:

- Keeping the marketplace competitive by providing a means for all brewers to obtain distribution in Illinois
- Providing the costly warehousing, transportation, and delivery of beer to store shelves, which allows smaller brewers to reach a larger consumer base
- Providing customized inventory management for retailers
- Maintaining a regulatory system that allows products shipped by a brewer and sold by a retailer to be tracked which means only authentic, fresh products make their way to the market place
- Unlocking the market for new beer brands and innovative products to be introduced
- Acting as a safeguard against underage drinking; distributors only sell beer to licensed retailers, who in turn are responsible for selling beer only to consumers of legal drinking age
- Training retailers, restaurants, and bars staff on public safety programs to ensure that alcohol is only sold to those 21 years of age and older.

The Associated Beer Distributors of Illinois, a not for profit business trade association, represents, maintains, and improves the interests of its members who distribute beer of all brewers. ABDI advocates value in the state-based regulatory system by being the unified voice for beer distributors on legislation and regulation, by promoting responsible beer consumption, and by providing educational and other services to meet its members' needs. Distributors are licensed by the State of Illinois to import and distribute beer to licensed retailers.

For more information about ABDI, visit [www.abdi.org](http://www.abdi.org).

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