Campaign for a Healthy Alcohol Marketplace

Fair Trade Practice Regulations

SHORT REPORT

By Pamela Erickson

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Why economic fair play is a public health issue for alcohol

Introduction

Have you ever ordered a Coke and the server said, "Is Pepsi okay?" Did you wonder why they only have one cola product? Do you wonder why this never happens with alcohol products? For the cola products, one company paid the retailer to carry only their products and exclude others. This is an illegal practice for alcohol.

Honesty and fair dealing are very important in the alcohol market because failure to abide by regulations can result in social harm. Unfortunately, trade practice laws are not always observed and "pay-to-play" becomes the way of doing business.

A few years back, bars in Scottsdale, Arizona were inundated with money to favor one product over another. Alcohol companies were giving free products, buying a bar's furniture, paying for entertainment and handing out gift cards. Many of the bars were in the downtown entertainment district where large crowds generated citizen complaints about noise, violence, drunkenness and public nuisance crimes. These problems greatly increased the need for law enforcement presence.

The "pay to play" practices became so widespread that retailers started demanding extensive benefits costing suppliers and distributors thousands, if not millions of dollars. As it turns out, all of this was illegal and ended up in fines and settlement agreements with the Arizona Department of Liquor Licensing. (1)

These "pay to play" schemes arise every few years in various states and, if they continue, end up with large investigations and fines. While law violations cannot be tolerated, some wonder why we have these laws in the first place. It is a common practice with other commodities. For example, suppliers usually pay for "favorable shelf space" in grocery stores.

More recently, the Massachusetts Alcoholic Beverages Control Commission issued charges from an investigation of a "pay to play" scheme. They allege that a distributer violated state regulations by offering inducements to various retailers to carry that distributor's product instead of competitors'. Regulators noted that violations of these regulations limit consumer choice and harm small brewers who can't afford to offer inducements. (2)

This short report will address these issues and connect the dots between laws which promote a fair and balanced marketplace with public health and safety issues. It is designed to explain "why we have all those crazy laws called trade practice regulations?" Often, such laws are called "antiquated, byzantine, idiosyncratic or from the Prohibition era." Critics also contend that scarce enforcement resources are wasted on investigations that involve bars accepting "freebies" from alcohol suppliers like napkins, coasters and t-shirts.

> *Brands now vie for placement on the shelves of respected bars and menus and will do whatever it takes to get there, especially if they have the money to spend. A culture of brand ambassadors devoted to entertaining and educating bartenders about their brands has sprung up to facilitate this.* ***Parties, contests, trips, dinners and kickbacks abound.*** (3)
>
> **Leslie Pariseau, PUNCH**

There are good reasons for trade practice regulations. But few people know about these reasons, understand the purpose behind the whole system and don't recognize the problems a regulation-free alcohol market would bring.

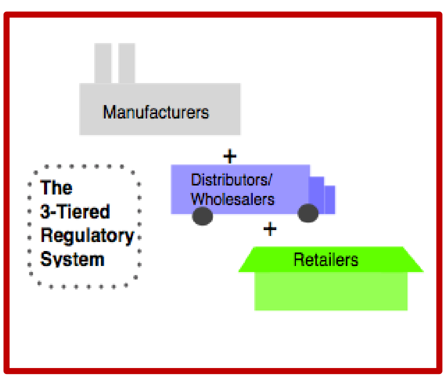
These laws operate to limit alcohol abuse and addiction by discouraging pricing and promotion practices which foster high volume consumption. When a supplier lowers their price to be in the retailer's product line, they will try to make up the loss through high volume sales. Often, the condition for lower prices is an expectation of higher sales through promotions. Especially, in “bar districts” that attract crowds of drinkers, this can lead to more intoxicated customers, drunk driving and violence.

Trade practice regulations have two different types of benefits: they provide local businesses with a fair and even playing field and they contribute to the health and safety of the local community. Let’s first look at the marketplace issues.

Myth of the "Free Market"

It is common today to hear people advocate for a "free market" as a cure-all for many problems. The fact is that the "free market" is an idealized state which does not exist in the United States today. One way or another, all food, drink, drug, and tobacco commodities are regulated for public health and safety. Food, drugs and tobacco are all regulated by the federal Food and Drug Administration. Alcohol is regulated differently because after Prohibition, the 21st Amendment to the US Constitution gave states the primary responsibility to regulate alcohol.

Safety of alcohol products is enhanced by a three-tier system of licensing and sale. All manufacturers must be licensed and sell only to a licensed wholesaler who, in turn, can only sell to a licensed retailer. The wholesaler tracks all bottles and cans which enable them to act very quickly when there is a problem with a particular product. Because each tier is independent, the tiers act as a check and balance system. When a retailer has an unknown product on their shelf, the distributor will usually notice it and report it to regulatory authorities.



So simply advocating for selling alcohol in a "free market" is not helpful to the discussion. It is inconceivable that alcohol would ever be sold with no regulation whatsoever. Instead we need to identify what benefits a free market can provide, what detriments can result, and how we attempt to achieve a balance that maximizes the benefits and reduces the detriments. For alcohol and other potentially dangerous products, the detriments need particular attention and usually greater regulation.

Let's start with some of the characteristics of a free market system and the expected benefits.

1. Prices are set by supply and demand. A free market is expected to set prices by balancing supply and demand. Thus, if the product is scarce and in high demand, the price will go up. Conversely, if the product is widely available but few people are buying it, the price will go down. In that way, products succeed in the market place through their sales performance and ability to attract buyers. Customers benefit because prices are reasonably balanced and poor products eventually fail or are pulled from the market.

2. The lack of artificial barriers for new businesses produces robust competition. Some businesses require a large amount of capital investment just to start. For example, if you want to enter the oil drilling business, you have to invest a lot of money in the equipment, the land and the labor just to start. Clearly, the start-up cost is a natural barrier to many new businesses. While free markets can't eliminate these costs of entry, they do count on few artificial barriers to entry. This means less government regulation or fewer onerous licensing provisions that set qualifications very high. The problem with these barriers is that they may reduce the benefits of competition (innovation, efficiency and low prices). Artificial barriers include government regulation and situations where the market is so heavily monopolized by one or more large companies that they can control pricing, product selection and undercut any new businesses.

3. Consumers reap benefits of competition. When prices are balanced by supply and demand and where competition is robust, consumers have a variety of products from which to select, prices are reasonable, and supply and demand rewards good products valued by the buying public.

While there are lots of theoretic benefits to a free market, it doesn't always work that way and a mechanism is needed to deal with some of the unintended consequences:

1. Markets tend to move toward monopoly or dominance by one or more large entities with the result that consumers eventually lose the benefits of a free market system. Large organizations have some advantages that help them dominate a market. They can buy in quantity at deep discount. This allows them to offer lower prices than their competitors and eventually drive them out of business. Once they have monopolized a market, they can increase company profits by reducing selection, curtailing new product research, setting higher prices and continuing to drive other businesses out of the market. Eventually, consumers fail to obtain the benefits of a market system. This is why many developed countries have anti-trust regulations with commissions dedicated to maintaining healthy competition.

2. Ironically, it is sometimes necessary for governments to intervene in markets in order to maintain the mechanisms of supply and demand and to reap the consumer benefits. Free markets generally do not have self-correcting mechanisms, so governments step in to try and right the balance. Not only can monopolistic practices reduce consumer benefits, but they can reduce a local market's contingent of small businesses and family wage jobs.

3. Government public health and safety may be adversely impacted in a free market that involves potentially dangerous products. A free market does not necessarily protect consumers against misuse, misrepresentation or sale of dangerous products. Thus, government again steps in for protection or public health and safety. For example, no one would want businesses to sell cars that are unsafe or lack safety equipment. For products that people ingest, substantial protections exist to prevent death, injury and disease from tainted or unsafe products. Just about everyone recognizes that alcohol can be very harmful if misused and care must be taken to sell it. But it's harder to understand why fair trade practices are necessary to public health and safety. A little history will help.

<u>U.S. Historical Experience with Alcohol and Free Markets</u>

The U.S. has two difference experiences with alcohol and a free market-before and during Prohibition.

Prior to Prohibition alcohol was sold in a free-market scenario with little regulation. National manufacturers controlled the industry and owned retail saloons-called "tied houses"-where almost all alcohol was purchased and consumed. To compete, national companies saturated neighborhoods with multiple outlets. These were often located near factories to attract workers. Aggressive promotions encouraged high volume consumption and money was used to dissuade politicians from crack-downs. By 1900, according to historian Bill Rorabaugh, saloons were identified with political corruption, prostitution, gambling, crime, poverty and family destruction. (4)

These extreme social problems spawned the equally extreme solution of Prohibition. Prohibition brought another kind of free market, an illegal one. Alcohol sales went underground as "speak-easies" and organized crime rings were formed to supply them. The crime syndicates had their own rules which often involved violence. Before Prohibition, Americans primarily drank beer. But, spirits was easier to transport, conceal and sell in an illegal market, so spirits became the drink of choice. Prohibition did succeed in curbing overall consumption and public nuisance issues, but had many loopholes, spawned criminal enterprises and the law was widely ignored. Thus, one of lessons of Prohibition was the realization that highly unpopular laws are very hard to enforce and tend to encourage lawlessness. (5)

From these two historical experiences, it was clear that alcohol could not be sold in an unregulated "free market", but needed to be controlled to avoid serious social problems and to keep the criminal element out of the business.

<u>Basic trade practice regulations</u>

The 21st Amendment not only repealed Prohibition, it gave the states major responsibility to regulate alcohol. There was a general understanding that the nation and its states must never return to "social and political evils" of the saloon system. As a result, there are some basic regulations that pervade both state and federal law.

Let's start with the federal law, called the Federal Alcohol Administration Act (FAA). According to Robert M Tobaissen, former TTB Counsel, these have the following public policy goals: prevent excess consumption, protect the consumer, level the playing field among industry members, prevent monopolistic control and curb undue influence over retailers. Basic regulations designed to implement these goals are :(6)

1. **<u>Tied-house</u>**. These laws are designed to prevent domination of a retailer by a manufacturer or wholesaler through financial ties or inducements. The federal law defines these things and lists seven specific situations that prohibit a supplier (manufacturer or wholesaler) from:

- having an interest in a retail license
- having an interest in real or personal property of a retailer
- giving something of value (furniture, fixtures, services, etc.) to the retailer
- paying for ads, displays or distribution for the retailer
- loan or loan guarantees to the retailer
- credit in excess of 30 days to the retailer
- quota sale

2. **<u>Exclusive outlet.</u>** Exclusive arrangements are common with other commodities and for alcohol in other parts of the world. In Europe and Mexico exclusive business arrangements mean that only one or two company's products are available in a store or restaurant. Choice is very limited. These kinds of arrangements have made it extremely difficult for craft products to enter the market. For alcohol, exclusive arrangements are prohibited by federal law and similar prohibitions are common among the states. Usually, an exclusive arrangement means an agreement where a retailer buys alcohol from a supplier to the exclusion of products from others. (7)

The flourishing craft beer industry would simply not have happened without this law. We now have over 4,000 breweries, thousands of jobs and enormous choice for the consumer. A similar thing previously happened to the wine industry and appears to be emerging in the spirits business.

3. **<u>Commercial bribery</u>**. These laws prevent payments from a supplier to a retailer to carry a supplier's product exclusively or with favorable treatment. Oftentimes a retailer will delegate product

purchases to an employee who may be induced to favor a particular supplier who comes bearing gifts – or gift cards! The prohibition includes payments to the retailer's employees and/or providing gifts or other things of value.

4. **Consignment sales.** These are essentially incomplete transactions because the retailer may return product if it doesn't sell or because the retailer only pays when the product is actually sold at retail. A completed sale between the retailer and supplier is required. Returns are allowed for normal business reasons such as error, product defects, discontinued product, etc.

How these laws play out. These laws are designed to prevent ongoing business arrangements between a supplier and retailer that interferes with market operations. Instead of products competing for customers in the marketplace, the supplier pays for favorable treatment with cash, gifts, or other things of value. But the supplier expects greater sales for the favorable treatment – and as time goes on more and more. What happened before Prohibition – in the "free" market – was that suppliers increased pressure to buy and sell more product. Often, retailers ended up with excess product and had to sell at deep discount. Alcohol is a very profitable product and these scenarios are just as likely today as companies scramble to increase profits.

In today's market, dynamics are somewhat different from our history where the supplier had the power. Today, in many cases it's the retailer that has the power and, particularly, national and international retail chains that demand favors and price discounts. But, the result is the same – selling more product cheaper which, in turn, induces consumption.

Similarity to Anti-Trust Laws. These four laws are not new ideas, nor are they unique in our body of laws. As noted earlier, markets do not necessarily self-correct and laws are needed to ensure the benefits of a market system. Thus, federal and state anti-trust laws exist to guard against anti-competitive practices, prevent monopolies, enhance fair dealing and provide greater opportunity for businesses to operate in a given market.

The landmark anti-trust law is the Sherman Anti-trust Act passed by Congress in 1890. It prohibits business activities that are considered "anti-competitive". The purpose of this act was described in the U.S. Supreme Court case, *Spectrum Sports, Inc. v. McQuillan*:[8] "The purpose of the Act is not to protect businesses from the working of the market; it is to protect the public from the failure of the market. The law directs itself not against conduct which is competitive, even severely so, but against conduct which unfairly tends to destroy competition itself."

In 1914, the Clayton Antitrust Act, added certain "impermissible activities" to the Sherman Antitrust Act. These include:

- Price discrimination between different purchasers, if such discrimination tends to create a monopoly
- Exclusive dealing agreements
- Tying arrangements
- Merger and acquisitions that substantially reduce market competition.

The Robinson-Patman Act of 1936, in turn, amended the Clayton Act to identify "anticompetitive" practices as situations where manufacturers engaged in price discrimination against equally-situated distributors.

State laws usually mirror federal law but add complexity

The FAA's four basic trade practice prohibitions noted earlier are often found in state statutes. For example, most states have laws prohibiting "tied arrangements", exclusive business deals, commercial bribery and consignment or conditional sales. For some of the federal laws to be effective in a state, that state must have a similar state statute. Most of the complexity surrounds the law prohibiting "inducements" which would tie the retailer to the supplier.

Both the federal government and the several states have developed considerable detail concerning exactly what constitutes a violation of these laws and what kinds of practices will be allowed as exceptions. Over the years, businesses have gotten creative in devising ways to gain an advantage by skirting these laws. So both federal and state regulations include detailed lists to describe what is allowed and what isn't. In some cases, a state will adopt the federal regulatory standard.

Tied House exceptions:
"…although the general rule is that furnishing things of value to a retailer constitutes a tied-house "inducement," an industry member may furnish retailers with the items and services specified in the Subpart D exceptions without violating 27 CFR 6.21(c) if the industry member follows the pertinent quantity or monetary restrictions in the specific regulation and complies with the recordkeeping requirements under 27 CFR 6.81(b)"
TTB Industry Circular 2012-01

This report is only designed to summarize basic provisions in state and federal law. Anyone who works in the alcohol industry or is involved in prevention/enforcement will need to use one or more resources to understand what is lawful in a given state.

An excellent resource should be available in the immediate future. It is a comprehensive survey of state trade practice laws and was developed by the National Alcohol Beverage Control Association (NABCA) and the National Conference of State Liquor Administrators (NCSLA). The survey report is organized by state and subject matter. Several states also provide booklets or listings of trade practice law and make them available on their websites. [9]

Promotion/advertising v. Providing "things of value"

This is a central dilemma for both federal and state regulators as advertising and promotion of products has become more and more important to the alcohol industry.

Since the mid-1980's the alcohol industry has seen dramatic changes. It began with the wine industry. Formerly, America did not produce much wine – especially high end wine. That changed and today every state has a winery and several states' products are world class. There are literally thousands of different wines available for consumers and new wineries sprout up regularly.

Then, the beer industry changed. Until recently, this industry was dominated by two large companies that primarily sold pale lager. Then the craft beer revolution erupted with local breweries in every state. These products have seen major growth and large companies have added similar products to their portfolio. Finally, the spirits business has moved from basic brown and white spirits to a mind-boggling array of flavors and types. And, there is a growing micro-distillery business that features local, hand-crafted products.

This has resulted in an industry that is highly dependent on new products for 1/3 to 1/2 of its revenue. Obviously, advertising and promotion are critical to the success of new products as customers won't likely buy a product they have never heard of. Advertising has also changed with much of it now going to "in store" ads and promotions within bars. [10] The reason is the difficulty of targeting customers through major media with its huge number of TV stations to say nothing of the expense. As a result, more commodities are turning to in-store promotions including signs, point-of-sale material, tastings and special sales to feature new products. Promotions within popular bars, special events and social media are also on the rise. The regulator's task is to determine at what point an industry member has crossed the line from legitimate advertising to an unfair trade practice of giving money, gifts, or furniture/fixtures for featuring or favoring their products.

Both the states and the federal government have attempted to allow the provision of some goods and services that would not rise to the level of a "thing of value" or constitute a tying arrangement. Usually, this is done by listing specific exceptions that are allowed and sometimes dictating a dollar limit.

Recently, Iowa reorganized some of their business practice regulation into two different categories. One lists practices which are allowed within limits such as a product displays or consumer souvenirs. A second list consists of things that are simply prohibited like furniture or business loans.

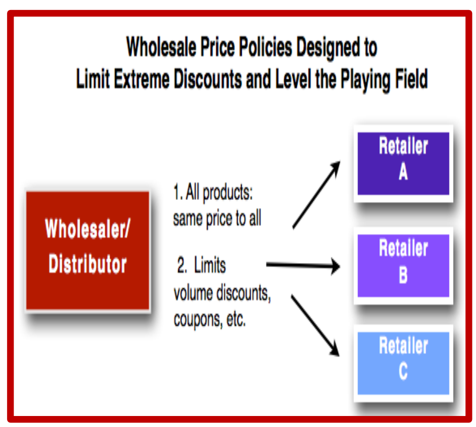
This is a good way to understand when something is a "thing of value." It is easy to see that TV sets and furniture are things of value. Likewise, business loans, business investment, ownership and extensive credit are relatively easy to understand. The complexity comes when a service or item is allowed unless it exceeds a certain limit. For example, a weeks' worth of branded cocktail napkins may not be a thing of value, but a year's worth could.

The federal regulations have a list of exceptions and some states have basically adopted these or used them as a template. Typical exceptions include: cleaning and servicing of alcohol dispensing equipment, a limited number of signs and product displays, and limited advertising items such as napkins, coasters, and cups.

The process of adding exceptions and prohibitions can become an annual legislative activity in some states. And, the laws can be confusing and complex which sometimes results in poor attempts at enforcement. Periodic review and streamlining such laws is probably a necessity.

Price Discrimination Laws

The Federal Alcohol Administration Act does not include pricing laws. However, the federal Robinson-Patman Act does require businesses to offer the same price to similarly situated businesses. Many states consider pricing requirements as part of their trade practice regulation. A number of states require wholesalers to sell all products at the same price to all. These are called uniform pricing regulations or bans on price discrimination. In some cases, such as in Arizona and Washington State, wholesalers are allowed to have different prices for on sale versus off sale licensees. This is called a two-channel pricing system.



The uniform pricing laws are designed to reduce the incentive for price wars and deep discounting which increase consumption and social problems. States with uniform price laws may also have a price posting or post and hold law. These are methods designed to ensure the uniform price law is implemented. For example if a wholesaler could change their price every hour or day, they could readily skirt the uniform price law. However, if they have to hold the price available for a period of time, then all retailers can take advantage of it.

Federal v State Regulatory Focus

The focus of federal v. state alcohol regulation is different. The federal law is more focused on manufacturers/suppliers all of whom must all have federal licenses. The federal government does not license retailers. The states or their local governments perform this function. Thus, some state trade practice regulations encompass relationships between retailers and wholesalers and some specific retail practices. Examples franchise laws governing the relationship of wholesalers and manufacturers, retail price laws such as bans on sale below cost, and happy hour laws restricting certain drink specials.

The reader should be aware that the trade practice laws described in this report are only "the basics." Anyone working in the alcohol industry needs to be familiar with all laws in a given state.

Fair trade practices foster public health and safety

A major consideration for the sale of alcohol is that it is not an ordinary product. It can and does get misused and that misuse causes great harm. The Centers for Disease Control and Prevention (CDC) estimate that 88, 000 annual deaths are related to alcohol use. In 2013, 10,076 people died and 290,000 were injured in drunk driving crashes. Excessive alcohol use cost us an estimated $249 billion in 2010; up from $223.5 billion in 2006 according to the CDC [11].

Trade regulations promote public health and safety by limiting pricing and promotional practices that induce increased consumption generally and short term sales practices which may induce risky and heavy drinking. [12] They reduce the incentive for businesses to engage in price wars and to offer alcohol at deep discounts.

When business practices using price reductions to juice up sales are regular and widespread, problems invariably occur. This is the scenario that confronted the United States before Prohibition where competition was so intense that cheap alcohol was very heavily promoted by a plethora of saloons, in almost every urban area. Today, price wars have driven the price of alcohol in the United Kingdom's large grocery stores so low that people are drinking at home more and "pre-loading" before going out for an evening. The result is an alcohol epidemic with high rates of hospitalization, disease and public disturbance issues.

It is important to curtail some business practices which impact prices because price has such a powerful impact on society. Consider this evidence: a team of researchers from the University of Florida reviewed over 100 separate studies that had over 1000 statistical estimates of price versus consumption. The showing was very consistent, demonstrating that alcohol taxes and prices impact the level of drinking.

> "When prices go down, people drink more, and when prices go up, people drink less."
> ***Alexander Wagenaar, Ph.D., Professor of epidemiology and Health Policy Research at the University of Florida***

Enforcement Issues

Enforcement of these laws can be difficult. When violations occur, a wholesaler may not want to openly lodge a complaint against a manufacturer or retailer because they are customers or potential customers. Finding the facts often involves detailed and labor-intensive paperwork reviewing invoices, sales agreements, etc. A regulatory agency needs a comprehensive set of tools to provide good enforcement:

1. Voluntary compliance: Licensees must clearly understand what is legal and what is not in order to be compliant. They don't always know this. A program designed to educate industry members with regulate updates and refreshers can be very cost-effective. By keeping the issue visible, the temptation to cheat may be minimized.

2. Audits: Most law enforcement staff are not trained in financial analysis. It may be advantageous to consider hiring auditors or to add financial analysis to enforcement training. Agencies could conduct random audits. If licensees knew they could be subject to a random financial audit at any time, they would be less tempted to cheat.

3. Communication with Licensees. Licensees that know about illegal practices are usually upset about the unfair competition. If agency staff are in regular communication with licensees, they will likely hear about these things and can gather the facts and take enforcement action when warranted. Public acknowledgement of enforcement actions can increase the deterrent effect.

4. Do it for the Good Guy: Enforcement of trade practice regulation may be difficult and time-consuming, but laws which are unenforced are often ignored. Compliant licensees can experience loss of business when a competitor can offer lower prices because they get payments or gifts from suppliers. This rewards cheaters and tempts others to cheat as well…particularly if they risk going out of business. Rewards should go do those who run good operations by abiding by the law.

5. Make the Case for More Resources. Most states have few

resources devoted to fair trade practice regulation. But strong arguments can be made for greater enforcement including protecting the public and preserving competitive local markets where local and national companies can both be successful. It may even be possible to create a small fee for dedicated resources and it may be possible to get industry support. Industry members are interested in fair play and consistent enforcement of rules. Additional resources may be needed to ensure consistent enforcement.

Conclusions:

1. Trade practice regulations are designed to ensure a fair and even playing field for local alcohol markets. The regulations are actually quite similar to some anti-trust laws and operate to prevent monopolistic practices which would curtail competition, bar new entrants to a market and restrict the ability of small, local operators to survive.

2. Arguments about selling alcohol in a "free market" are not helpful because the US does not have a "free market" where "anything goes." Instead, US markets work to foster prices set by supply and demand, and curtail monopolistic practices which reduce competition, new products and provide barriers to market entry.

3. The 3-tiered system with its trade practice regulation has produced a market with a large variety of beer, wine and spirits products available at a variety of outlets for customers. It has also meant that local markets are populated by large and small businesses including craft breweries, brew pubs, wineries, wine shops and tasting rooms, micro-distillers, as well as suppliers of product such as hops, grains, grapes, bottles, oak barrels, equipment and corks.

4. Trade practice regulations at the state and federal level usually fall into four categories of prohibitions:

- Tied House or agreements tying the retailer to the supplier
- Exclusive contracts
- Commercial bribery
- Consignment sales.

With regard to the Tied House agreements, regulations have become complex because both the federal and state governments have tried to accommodate reasonable business practices. As a result, these regulations often include long lists of exceptions many of which are only exceptions if they do not exceed a dollar limit.

5. Enforcement is very important but can be difficult and time consuming. A multi-pronged strategy is advisable that combines education, regular communication, response to complaints and possibly random audits.

Notes

(1) Presentation by Craig Miller, Senior Officer, Arizona Department of Liquor Licenses and Control, National Liquor Law Enforcement Association Annual Conference, 2013.

(2) Presentation by Frederick Mahony, Chief Investigator, Massachusetts Alcoholic Beverages Control Commission, National Liquor Law Enforcement Association Annual Conference, 2015.

(3) "Have Big Liquor Brands Become Too Influential?" a two-part series by PUNCH, Leslie Pariseau, March 12, 2014.

(4) "The Origins of the Washington State Liquor Control Board, 1934", Rorabaugh, N.J., Pacific Northwest Quarterly, Fall 2009.

(5) Toward Liquor Control, Raymond Fosdick and Albert L. Scott, originally published in 1933, republished by the Center for Alcohol Policy, 2011.

(6) See Federal Alcohol Administration Act, Title 27, United States Code and Title 27, Code of Federal Regulations

(7) In 2013, Mexico's Competition Commission ruled that both large companies had to reduce their exclusive deals over the next five years of face heavy fines. In addition, exclusive arrangements could not exclude sales of "artisanal beer" brewed by small operators. The two companies agreed to limiting exclusive arrangements to a maximum of 25% of points of sale in convenience stores and restaurants and eventually reducing this to 20%.

(8) Spectrum Sports, Inc. N. McQuillan, 506 U.S. 447 (1993).

(9) Check association website for more information: www.nabca.org and www.ncsla.org.

(10) "Slotting Allowances in the Supermarket Industry", Food Marketing Institute PDF available at www.fmi.org, pg. 2.

(11) "Excessive alcohol use continues to be a drain on American economy", CDC Newsroom, October 15, 2015, www.cdc.gov

(12) See "Alcohol, No Ordinary Commodity", Second Edition: **the strong strategies are "restrictions on affordability, availability and accessibility, as well as drink-driving deterrence measures".**