

Date: 7/7/15

To: Madison City Council - ALRC

CC: Wisconsin Distributors, General Beverage, Frank Beer Distributors, Specialty Beverage of Wisconsin

Subject: Changes to Downtown License Conditions

In 2007, the city of Madison determined that 60 people cost the city of Madison and Dane County over \$3M in one year medical treatment, police and fire department time, detox visits etc. In an attempt to curb this growing expense, the ALRC explored restricting sales of beer to sizes smaller than a 6 pack in the Central Downtown Districts. In response to this proposal, our coalition of businesses worked together with the City of Madison and the ALRC to respond to the problem directly with the HIP Ordinance, rather than a blanket product ban that affected products / brands consumed responsibly. Brought to light recently in the media, some of these same restrictions that were attempted to adopt into ordinance in 2007, have been, in fact, imposed upon certain retailers by the ALRC. In adopting these license conditions, the same consequences we warned of in 2007 (retailers unable to sell hi-end craft / imports, retailers unable to compete on a level playing field etc.) have become a reality.

Once again our coalition of businesses attempted to work with the city on a solution to the clearly flawed restrictions being imposed as license conditions. At the meeting held by Mark Woulf and Alder Verveer on 6/16/15, it was made clear that our coalition does not agree with this (or any) product ban in any form. Our opposition was communicated to Alder Verveer and Mark Woulf and we explained how defining by price category had flaws (Premium, Sub Premium, Economy etc.) and is a wrong approach. Despite our opposition, The ALRC used this approach as a fix at the scheduled license hearing on 6/18/15.

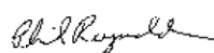
Responsible consumption of the brands we sell (regardless of the category, brand or identity of the end consumer) is a pillar of what drives our businesses. Good public policy is also in our interest as employers and members of this community. The position of our coalition of businesses is that the updated set of license restrictions does not solve the problem of "Street Abuse". The categories are industry terms and have no basis in the ordinance or in state law. State law also prevents Wholesalers from restricting a licensed account from the purchase of a specific brand or item. Instead, each individual retailer is free to buy whatever products we offer. We believe pursuing an updated HIP list will better serve the community and retail establishments in mitigating the abuses of cheap alcohol products.

Regards,



Mike Frank

Frank Beer Distributors



Phil Reynolds

General Beverage



Casey Trudgeon

Wisconsin Distributors



Tom Schreiber

Specialty Beverage