

## Rosie Hensley

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**From:** Joe Evans <outlook\_1CB75C0800483E07@outlook.com> on behalf of Joe Evans <joe@jwevanslaw.com>  
**Sent:** Monday, January 8, 2024 6:16 AM  
**To:** Rosie Hensley  
**Cc:** Tessa Baldwin  
**Subject:** Anchorage Daily News eEdition Article - New Alaska beer rules aim to level playing field for small brewers [for LBCB/LRA]

Rosie,

Please put in next LBCB/LRA packet.

Thanks,

Joe

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**Comment:**

Monday, January 8, 2024

**BUSINESS**

**New Alaska beer rules aim to level playing field for small brewers**

Update of regulations governing trade practices would bring state in compliance with federal law.

**Sean Maguire**

Anchorage Daily News

New Alaska alcohol regulations are intended to level the playing field for local brewers competing to sell their beer against larger manufacturers and wholesalers.

The proposed regulations come from Senate Bill 9, an omnibus alcohol bill the Alaska Legislature passed in 2022. The regulations would restrict how alcohol manufacturers and wholesalers can enter into exclusive agreements with liquor stores and bars to sell their products.

Alaska is among the last states in the nation to adopt those kinds of regulations. The new regulations would bring Alaska into compliance with federal laws to sell beer that date back to Prohibition.

Alaska brewers say industry heavyweights with deep pockets currently have an unfair advantage. They can give bar owners free draft beer systems worth thousands of dollars with the caveat that

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**BEER**

only their beers are sold on tap. Liquor stores can get free prizes and inducements that require them to put certain products in refrigerators or on prominent shelves.

Lee Ellis, head of the Brewers Guild of Alaska and owner of Midnight Sun Brewing Co., said some of those practices are common in Alaska. Brewers can find it difficult to get their beers on barroom taps, he said, or in "prime real estate" in liquor stores.

"I think it's actually been one of the biggest inhibitors to the growth of our industry in the state," he said about how the lack of trade-practices laws in Alaska have affected craft beer brewing.

Ellis said that the changes proposed in the 15-page regulation package are "a big deal" to increase competition for Alaska's craft beer industry. The changes include:

- That bars could no longer receive free draft beer systems from manufacturers and wholesalers, but they could still get them cleaned for free.
- Retailers would be restricted to accepting free prizes up to \$400 for contests, and there would be similar restrictions on promotional displays. Alaska brewers say that would better allow smaller manufacturers to compete and promote themselves in stores.
- Liquor stores would be prohibited from signing exclusive agreements with one manufacturer for shelf space or presentation of products.

Federal trade-practices laws apply to wines and spirits, but states are obligated to write their own regulations for beer sales. Without state rules in place, Tom Hogue, a spokesperson for the U.S. Alcohol and Tobacco Tax and Trade Bureau, said regulators are unable to enforce federal trade-practices laws for beer in Alaska.

Joan Wilson, executive director of the Alaska Alcohol & Marijuana Control Office, said the new rules would be "pretty major" and that they were designed to ensure competition and "a proper business relationship" between retailers and manufacturers.

"Alaska had the reputation for a while of kind of being the Wild West," she said.

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Federal enforcement of trade-practices laws is rare, she said, adding that state regulators would be tasked with enforcing the new regulations and imposing fines.

Alcohol industry giants have paid substantial settlements in the past for alleged violations of federal trade-practices laws nationally. Anheuser-Busch agreed to pay \$5 million in 2020 to settle a complaint for how distributors allegedly sold beer at sporting events in Colorado. Heineken paid a similar \$2.5 million settlement in 2019 after being accused of trade-practices violations in Florida.

The proposed regulations are posted on the state of Alaska's online public notices webpage. The regulations are open for public comment until 4:30 p.m. Jan. 26. The Alcoholic Beverage Control Board is set to meet and discuss the regulations the following week.