



THE BEER ALLIANCE

★ OF TEXAS, LLC ★

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BEER TO GO OR MARKET FAVORITISM? BEER-TO-GO.

highly regulated on the federal, state, and local level

The Beer Alliance of Texas is opposed to allowing craft brewers the ability to operate ~~unregulated~~ ~~bars and convenience stores~~ out of their production breweries. SB 312/HB 672 create an ~~unlimited~~ ~~5,000 BBLs/year~~ ~~right-exclusive carveout~~ for craft brewers that ~~no~~ ^{all} other retailers in Texas enjoy. Craft brewers can already operate across all three tiers, unlike any other malt beverage participants.

The misleading term "other malt beverage participants" encompasses a handful of multinational, multi million barrel manufacturers with Texas plants, and out-of-state breweries

To say that Texas is the only state to not allow beer to go sales for small craft brewers is ~~simply not~~ true. Regulations vary state by state on the production, distribution and retail of malt beverages. For instance, some states (like Texas) allow craft brewers to sell beer to go at brewpubs while ~~all 49~~ others allow these sales at breweries. Texas has passed legislation exclusively carving out limited self-distribution and taproom retail sales for craft brewers at their production facilities (brewery bars). The ~~carveouts~~ ^{rights} allow these manufacturers to also operate on a limited basis as distributors and retailers.

whose products are sold in Texas but who do not have any facilities in Texas.

"Bars" that can only carry a brewery's own beer and can't sell liquor or guest taps.

The Beer Alliance of Texas supports the ~~exclusive legislative carveouts~~ ^{rights} craft brewers currently enjoy. However, further ~~carveouts~~ ^{rights} sought for off-premise consumption (to go beer sales) are unnecessary and serve only to benefit craft brewers at the expense of the traditional retail tier. These restaurants, bars, grocers, and convenience stores are some of our communities most longstanding and cherished employers and economic drivers. While The Beer Alliance of Texas has been supportive of assisting small Texas craft brewers in getting better access to market, we must be mindful not to raise ~~just one boat~~ ^{the boats of the state of Texas, Texas consumers, and Texas craft brewers} ~~the craft brewers~~ at the expense of the other market participants. ^(wholesalers)

Except that studies show taproom sales lead consumers to be more likely to continue to purchase a brewery's product in the future at retail.

Unlike other consumer purchase products, alcoholic beverages are and have long been regulated, not only in Texas but across the nation. These regulations ensure malt beverages meet proper health and safety requirements, are responsibly consumed and all state and local taxes are collected and remitted in a timely manner. ^{All of these regulations would apply to Beer-To-Go sales from breweries, just as they do with currently legal to-go sales from Texas wineries, distilleries, brewpubs, and other retailers!}

It is surprising to hear free market champions calling for even more exclusive limited carveouts for craft brewers. ^{It is surprising to hear a right that's currently enjoyed by Texas wineries, distilleries, and brewpubs, as well as manufacturing breweries in all 49 other states, referred to as a "carve out."}