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Department of the Treasury
Alcohol and Tobacco Tax and Trade Bureau
Timothy E. Skud
Deputy Assistant Secretary

August 18, 2021

Re: Promoting Competition in the Beer, Wine, and Spirits Markets; Docket No. TTB-2021-0007; Notice No. 204; Request for Information

Dear Mr. Skud,

On July 9, 2021, President Biden issued an Executive Order on Promoting Competition in the American Economy. E.O. 14036, 86 FR 36987 (July 14, 2021). Section 5(j) directed the Secretary of the Treasury, in consultation with the Attorney General and the Chair of the Federal Trade Commission (FTC), to submit a report within 120 days “assessing the current market structure and conditions of competition [for beer, wine, and spirits], including an assessment of any threats to competition and barriers to new entrants.” As a result, TTB is seeking comments on these topics from interested parties.

FMI appreciates the opportunity to comment on this important issue. As the food industry association, FMI works with and on behalf of the entire industry to advance a safer, healthier and more efficient consumer food supply chain. FMI brings together a wide range of members across the value chain — from retailers that sell to consumers, to producers that supply food and other products, as well as the wide variety of companies providing critical services — to amplify the collective work of the industry. More information about our organization is available at www.FMI.org.

Like the food industry, the U.S. beer industry is highly competitive, with more choices available to consumers than ever before. This is no more apparent than on the grocery store shelves with many stores carrying dozens of different kinds of national and local craft beer. Additionally, the beer industry supports more than two million American jobs



and contributes more than \$331 billion to the nation's economy.¹ FMI believes that the current market structure and conditions for competition in the beer market are prospering. When stepping into a beer aisle, you can see the innovation and creativity enabled by the thriving competitive landscape. Interestingly, this competition is not just apparent in the grocery store aisles but also in the offerings in various sections of the grocery store. A large number of FMI members increasingly see the grocery store as an opportunity to serve their customers in new ways, offering local and regional in-store tastings. Many grocery stores even allow their customers to order a beer to consume while shopping for staple items. Local stores also offer growler stations as an alternative to canned beverages. As a result of this increased competition, between 2010 and 2020, the number of breweries in the U.S. grew by nearly 400%.

It is also important to note that beer is one of the most highly regulated industries in the U.S. and operates under a complex federal and state regulatory scheme that dates back to the 1930s. FMI believes that placing additional regulatory burdens on beer manufacturers could create additional complications for the industry.

As TTB is likely aware, the COVID-19 pandemic created significant industry-wide challenges throughout the food and beverage industry, including facility closures and supply chain shortages in some cases. As a result, FMI is concerned that placing additional regulatory burdens at this time could further impact beer manufacturers of all sizes and hinder their ability to create jobs and invest in their U.S. operations – a move that could hurt our economic recovery.

FMI appreciates the opportunity to provide comments to TTB on competition in the alcoholic beverage industry. Please do not hesitate to let us know if you have any questions.

Sincerely,



Stephanie Harris

Chief Regulatory Officer and General Counsel

¹ [2020 Beer Serves America analysis by John Dunham and Associates.](#)

