

AT-A-GLANCE

OAR 845 – Division 13 – Financial Assistance Package Point of Sale & Items of Nominal Value

Final Action

(To amend 2 rules in Division 13)

April 2009

This package contains two of the Commission's rules from our Division 13 Financial Assistance rules; this division of rules implements our statutes governing "Tied-House" prohibitions. OAR 845-013-0050 describes the point of sale (POS) materials that a supplier (manufacturer or wholesaler) is allowed to provide to a retailer, while OAR 845-013-0060 describes the items of nominal value that a supplier is allowed to provide to a retailer.

The proposed rule amendments include specific recommendations from a Business Partners Joint Steering Committee workgroup. The original industry concerns raised were that the current rules limit suppliers in their advertising possibilities and also focus the Commission's limited enforcement resources on the regulation of items like coasters and napkins. The industry goal was to amend our rules to more closely reflect the standards in the Federal regulations.

Staff believes that the fundamental principles of financial assistance are important; no manufacturer or wholesaler should gain control or unreasonable influence over a retail licensee by providing financial incentives or underwriting a retailer's business expenses. The goal of staff is to strike a balance between the ability to enforce these rules and maintaining regulation of our core financial assistance concerns.

The proposed amendments are specifically targeted to only two discrete areas of the larger set of financial assistance regulations. Staff believes that the proposed amendments to the regulation of point of sale advertising materials and consumer take-aways address both key industry concerns and public safety concerns regarding the advertising of alcoholic beverages, and does so while maintaining and clarifying the regulations that are most important in keeping industry from unduly influencing retail licensees.

SUGGESTED MOTION:

I move to amend OAR 845-013-0050 & OAR 845-013-0060, effective May 1, 2009.