

DRAFT MINUTES

Retail Enterprise Review Committee

Meeting #4 ♦ Tuesday, September 14, 2010 ♦ 2:00 p.m. – 4:00 p.m.

Meetings will be recorded for ease of producing minutes

OLCC Mission Statement: To promote the public interest through the responsible sales and service of alcoholic beverages.

Committee Purpose: This Retail Enterprise Review Committee will evaluate new policy ideas for the OLCC's distilled spirits retail system. The liquor commissioners will consider any recommendations that the committee forwards to them.

Committee Member Present: Randy Guerra, Steve Brown, Gary Oxley, Bob Rice, Hasina Squires, Chris Girard, Brian Boe, Rebecca Peterson, Brian Flemming, Merle Lindsey, Andrea Mooney

Subject matter experts: Jennifer Huntsman and Donna Vandall

Observers: Bill Schuette

Welcome: Welcome

Agenda Review: Brief review of agenda. No additions to the agenda.

Committee Purpose and Focus: Committee reviewed the draft rule language proposal and gave their input and vote to approve/deny.

Approval of last meeting minutes: Chris Girard made a motion to accept the minutes from the May 11, 2010 meeting. Steve Brown seconded the motion. Unanimously approved. Minutes approved as written for the May 11, 2010 meeting.

Discussion of review draft rule proposal:

Non-exclusive vs exclusive

845-015-0101

- Include distilleries in the sale of packaged distilled spirits.

845-015-0105

- Adds additional type of agent (exclusive-plus) and additional related items under exclusive-plus

Store type clarification:

- Exclusive – primary sale of spirits
- Non-exclusive - privileges of a retail store (if they choose) and a liquor store (unlike exclusive-plus, non-exclusive is not necessarily the primary sale of liquor and has cap on liquor sales).

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- Exclusive plus – primary sale of spirits plus the allowance to sell other specific items such as beer and wine.

There is some confusion over what the concept of the exclusive-plus store entails. Although the grocery industry is generally okay with new locations and the idea of a new generation of stores, they are generally opposed to this specific concept because of their concern over what they consider to be a competitive imbalance (give spirits a piece of the market, but does not open it up far enough for grocers to take advantage of offering spirits in their stores). This parallels their concern of lost profits that would go to the exclusive-plus stores taking profit from them. On the other hand, the agents generally support this, as this would allow them to potentially enhance their revenue streams.

Due to a lack of agreement, this draft rule language proposal was not passed. This concept of the next generation of stores (four corners illustration) will require a detailed discussion to rework and possibly broaden the definition of exclusive-plus. There is also a request for additional time to review materials up to date.

Next Steps:

Although, the rule draft proposal was not passed, the majority agreed that these recommendations are still worth looking into. Another meeting to gather input from other members, further discuss exclusive vs exclusive-plus and the four corners illustration, and to determine where we want to go from here, is necessary.

Next meeting:

To be determined