



Country Boy Brewing, LLC

436 Chair Ave.

Lexington, KY 40508

August 14, 2014

Ms. Stephanie Stumbo
Malt Beverage Administrator
Kentucky Department of Alcoholic Beverage Control
1003 Twilight Trail
Frankfort, Kentucky 40601-8400

Ms. Dana Coomes
Alcoholic Beverage Control Administrator
101 East 4th Street
P.O. Box 10003
Owensboro, Kentucky 42302-9003

Dear Administrators Stumbo and Coomes:

We write to protest the application of Anheuser-Busch for a beer distributor's license in Owensboro, Kentucky, notice of which was recently published in an Owensboro newspaper. We are a growing craft brewery with high hopes that our beer will be welcome in as many independent beer distributors as we can persuade of the value of our products. The notion that a massive multi-national brewer such as Anheuser-Busch, would be allowed to grow its distribution network in Kentucky gives Country Boy and, we think, many other similarly situated craft brewers, great concern. The loss of competition and market access could be devastating to businesses like ours.

Kentucky's independent distributors play an important role for small but growing businesses like ours by controlling the distribution of beer throughout the state in a responsible manner that allows competition and access to the market place for all beer brands. Throughout Kentucky, there are roughly 20 microbrewery licenses that have been issued out of approximately 3,000 small/craft and independent breweries throughout the country. These small brands have little resources to help get their products out in the market, and rely exclusively on the independent distributors to help promote their products. The Kentucky ABC, with our support, recently amended the laws governing microbrewers to insure that we participate in the three (3) tier system for the distribution of beer. Crucial to that premise is that we will have access to the

markets those distributors serve. We have no confidence that Anheuser-Busch will give us the time of day, let alone that it will sell or market our beer. Local independent distributors are critical to us. Local sales and marketing representatives employed by local distributors assist in promoting our brands by creating and disseminating marketing materials that small/independent brewers could not afford on their own. Local distributors also have closer relationships with and understanding of local retailers and consumers. Using this knowledge, they help support smaller brands by educating the retailers, who ultimately educate consumers, about the brands.

We fear that Anheuser-Busch will simply distribute and promote its own brands to the exclusion and detriment of others, effectively forcing smaller brands out of the marketplace. This nearly exclusive distribution of its own brands will force smaller/independent brands to abandon general distribution or seek other more costly alternatives that will drive up the price of their products, making them less appealing to consumers. According to the Boston Consulting Group, without the benefit of an open independent distribution system, the cost of distribution would triple for small/independent brewers.

We would request that the administrators require Anheuser-Busch to state whether they intend to exclude Kentucky made products from being distributed from the Owensboro facility and that they state clearly what percentage of beer sold in its company owned distributorships is Anheuser Busch owned or controlled beer.

Please deny Anheuser-Busch's application because it is inconsistent with the 3-tier system and because it's bad for the beer business. Please let me know if you anticipate scheduling a hearing on this protested application so that I may have an opportunity to appear and expand my remarks. Thank you for considering my concerns.

Sincerely

A handwritten signature in black ink, appearing to read 'Daniel Harrison', written over a horizontal line.

DANIEL HARRISON
OWNER/GENERAL MANAGER