

April 3, 2024

**VIA US MAIL & EMAIL**

Ms. Renee Metz, Esq.  
Legal Counsel  
North Carolina ABC Commission  
400 East Tryon Road  
Raleigh, North Carolina 27610  
Email: [rules@abc.nc.gov](mailto:rules@abc.nc.gov)

Re: NCBWWA Comments to Subchapter 15C Rules

Dear Renee,

As you know, the ABC Commission has requested public comment through April 22, 2024, regarding the 10-year periodic review of ABC Commission rules located in Title 14B, Chapter 15, Subchapter C. On behalf of the North Carolina Beer & Wine Wholesalers Association, I write to inform you and the Commission that NCBWWA fully supports the Commission's initial agency determination that all of the subchapter 15C rules are necessary.

Thank you very much for your efforts and for considering our public comments.

Very best regards,

THARRINGTON SMITH, L.L.P.



Kris Gardner

cc:	Mike DeSilva, NCABCC	(via email only)
	Stacey Carter-Coley, NCABCC	(via email only)
	Walker Reagan, NCABCC	(via email only)
	Tim Kent, NCBWWA	(via email only)
	Mary Catherine Green, NCBWWA	(via email only)

4886-4494-8916, v. 1



April 26, 2024

Ms. Renee Metz, Esq.  
Assistant General Counsel  
North Carolina Alcoholic Beverage Control Commission  
4307 Mail Service Center  
Raleigh, North Carolina 27699-4307

**Re: North Carolina Alcohol Beverage Control Commission/Mandatory 10-Year Review of Agency Rules/14B NCAC Subchapter 15C – Industry Members: Retail/Industry Member Relationships et al.**

Dear Assistant General Counsel Metz:

On behalf of the Distilled Spirits Council of the United States, Inc. (DISCUS), a national trade association representing producers and marketers of distilled spirits sold in the United States, we welcome the opportunity to comment upon the Commission's mandatory periodic review of 14B NCAC Subchapter 15C.

The primary focus of our comments is on the regulations in this subchapter regarding trade practices, consumer tastings and other promotional activities. These rules have a significant impact upon the industry's ability to market its products in North Carolina. During the last decade, there have been many changes in the alcohol beverage marketplace including, among others, the nature and composition of industry entities, significant expansion in the types of products and proliferation of brands, and the increasing importance and reliance upon electronic technologies and e-commerce. We urge the Commission to modernize the regulations in Subchapter 15C, bring them into greater conformity with practices allowed in other states, and adopt revisions which eliminate unnecessary restrictions and burdens and enhance clarity and certainty for both regulators and industry.

Consistent with these objectives, we request the Commission eliminate various rules that discriminate against spirituous liquor vis-à-vis wine and malt beverages. Adopting these changes would provide a more level playing field that would enhance the ability of all alcohol beverage products to compete fairly and equally. No justification exists for this disparate treatment of different types of alcohol beverages.

Similarly, all industry members (including manufacturers, importers and wholesalers) should be allowed to engage in the same trade practice activities on an equal basis. This approach reflects the historical marketplace reality that all members of the upper tiers engage in legitimate brand promotion, marketing and support activities with retailers that enhance competition.

Ms. Renee Metz

April 26, 2024

Page 2

We also urge the Commission to utilize as guidance the federal regulations concerning expressly permitted trade practices (Section D of 27 C.F.R Part 6). Although they are a subject of a long-term rulemaking proceeding by the U.S. Department of Treasury's Alcohol and Tobacco Tax and Trade Bureau (TTB), these federal rules continue to serve as a benchmark for current trade practice schemes and reform initiatives in many states.

### **Specific Comments**

#### **14B NCAC 15C .0701 DEFINITIONS**

The definition of "[e]quipment" references "draft beer boxes," "wine dispensing machines" and other items, including but not limited to those used in the preparation, serving, and dispensing of "beverages." We recommend clarifying expressly that this definition applies to all types of alcohol beverages and providing additional examples of the types of equipment utilized by industry.

Based on the federal equipment and supplies rule (27 C.F.R. § 6.88), we recommend adding the following statement in this rule: "Equipment includes dispensing accessories utilized for beer, wine and spirituous liquor, such as standards, faucets, cold plates, rods, vents, taps, tap standards, hoses, washers, couplings, gas gauges, vent tongues, shanks, and check valves." This also closely tracks the list of beer tapping accessories in 14B NCAC 15C .0711(a)(5), which (as discussed further herein) also should be revised to apply to all types of alcohol beverages.

#### **14B NCAC 15C .0703 REMOVAL OR DISTURBANCE OF OTHER BRANDS PROHIBITED**

This rule prohibits wholesalers from moving other brands at retail premises and provides several limited exceptions from this prohibition. We request revising this rule to apply to all industry members. This change would ensure that the rule applies equally to the activities of beer, wine and spirituous liquor industry members in on-premises retail establishments where alcohol beverage products are stored on shelves for display and/or for serving customers for on-premises consumption.

#### **14B NCAC 15C .0707 COMMERCIAL BRIBERY**

##### **Subsection (c)**

We urge the Commission to revise the terms of this rule that substantially and unnecessarily restrict the ability of industry members to provide "routine business entertainment" to retailers, as currently allowed in other states. These restrictions include limiting the permitted activity to meals, prohibiting meals at an entertainment venue or in conjunction with entertainment, allowing no more than two retail employees

per event, imposing a calendar year limit of two meals per retail permittee, and permitting the furnishing of transportation to and from the meal only by personal vehicle.

Based upon the practices expressly permitted in the neighboring states of Virginia (3 VAC5-30-70) and Tennessee (TABC Rule § 0100-06-.03(6) & (7)) (which also are allowed in other states), we urge the Commission to permit industry members to pay not only for meals (and beverages) with retailers, but also for tickets or admission fees for concerts, theatre and artistic performances, athletic or sports events or participation, entertainment at charitable events, private parties, and similar events. Local transportation to and from these events (such as a local ride in an Uber or taxi, a taxi boat, or an industry member's company car or personal vehicle) also should be allowed.

We also propose an actual dollar limit on these activities in lieu of the current dollar limit (viz., "the cost of the business meal shall not exceed the cost of a business meal in the food and nonalcoholic beverage industry provided in the ordinary course of business") on the cost of a business meal. Unlike the current limit, a specific dollar limit will provide clarity and certainty for both industry and regulators regarding the maximum amount that may be spent on this activity. We request adopting the Virginia limit of \$400 per 24-hour period on routine business entertainment for any employee or representative of a retailer. This dollar limit also should be subject to an annual cost adjustment, based on the change in the Bureau of Labor Statistics' consumer price index (CPI), to account for the loss of value of this dollar limit due to inflation.

Further, we would revise the provision allowing an industry member to pay for no more than two business meals per retail permittee per calendar year, to allow an industry member to furnish routine business entertainment to a retail employee or representative up to six times per calendar year, as also allowed in Virginia. Moreover, the limit of two employees or representatives of a retailer per event should be changed to six per day, as allowed in Tennessee (Virginia has no limit).

Finally, we would retain the current rule provisions requiring routine business entertainment to take place only in North Carolina and the industry member to accompany the retail employees or representatives during the event (except for transportation to and from), and prohibiting any corresponding obligation by the retailer to purchase product, provide any other benefit to the industry member or exclude from sale the products of any other industry member.

## **14B NCAC 15C .0709 PROHIBITED TRADE PRACTICES**

### Subsection (c)(5)

Based on the federal rule (27 C.F.R. § 6.102) and rules in other states, we propose eliminating the prohibition against industry members furnishing outside signs to retailers, and allowing this activity if the signs bear conspicuous and substantial

Ms. Renee Metz

April 26, 2024

Page 4

advertising about the product or the industry member which is permanently inscribed or securely affixed, the retailer is not compensated for displaying the signs, and the cost of the signs does not exceed \$800.

Our proposed dollar limit is based on the change in the CPI during the years since the \$400 limit on outside signs was adopted in 1995 by the TTB's predecessor, the Bureau of Alcohol, Tobacco and Firearms (hereinafter referred to as TTB). This dollar limit also should be adjusted in the future on an annual basis.

## **14B NCAC 15C .0710 ACCEPTED TRADE PRACTICES; SERVICES**

### Subsection (1)(b) & (c)

We urge the Commission to extend the provisions allowing shelving activities by malt beverage and wine wholesalers to also apply to manufacturers and importers of all types of alcohol beverages. This would permit spirituous liquor industry members to engage in these activities in establishments holding mixed beverages permits where products are stored on shelves for display and/or for serving customers for on-premises consumption.

### Subsection (3)(b)

The Commission should eliminate the requirement that an industry member providing a retail permittee with a suggested shelf-management plan also must provide such a plan to any other retail permittee upon request. This requirement is not included in the federal shelf schematic rule (27 C.F.R. § 6.99(b)) or in virtually any state allowing this practice. We do not believe that there is any reason to retain this requirement.

### Subsection (4)

This rule generally tracks the terms of the federal rule (27 C.F.R. § 6.100) allowing industry members to participate in retailer association activities. In subsection (4)(e), we propose eliminating the provision stating that "[c]ost adjustment increases authorized by 27 C.F.R. § 6.83 are also incorporated herein by reference...." because that federal rule (which actually was 27 C.F.R. § 6.82) was repealed in 1995.

However, as reflected throughout our comment, we support the substance of that repealed federal rule, which was to require an annual cost adjustment to dollar limitations in the trade practice rules that is calculated in accord with the change in the CPI. We similarly support including a statement in subsection (4)(e) applying this annual cost adjustment to the activity allowed by that rule, which is industry members making payments for advertisements in programs or brochures at retailer association shows. Based on the \$300 limit adopted in 27 C.F.R. § 6.100 in 1995 and applying the change in the CPI for the years since 1995, we calculate a current dollar limit of \$600 on these

industry member payments. This amount also should be subject to annual adjustments in the future based on the change in the CPI.

Subsection (5)

We support the Commission's rule allowing industry members to provide or sponsor educational seminars for retailers, subject to adding the provisions in 27 C.F.R. § 6.94 allowing industry members to provide to retailers and their employees (i) nominal hospitality and (ii) tours of the industry member's plant premises. We also request clarifying in the Commission's rule that nominal hospitality includes meals and local transportation.

Subsection (6)

This rule permits beer and wine tastings in accordance with 14B NCAC 15B .0901 and 15B .0902. These rules allow these tastings to be conducted by retail wine or malt beverage permittees on their premises and with the assistance of industry members. In contrast, the ABC law does not permit spirituous liquor tastings on the premises of mixed beverage permittees. See N.C. Gen. Stat. § 18B-1114.7.

Consumer tastings are a customary and longstanding means to encourage responsible adult consumers to try new alcohol beverage products as well as other alcohol beverage products that they may not be familiar with. A large majority of states allow consumer tastings of spirits at on-premises retail establishments.

We urge the Commission to support legislative efforts to amend the state ABC law and extend to mixed beverage permit premises an equal opportunity with beer and wine to showcase spirituous liquor products through consumer tastings and provide this important means of educating consumers about the spirituous liquor products available for purchase.

Subsection (7)

This rule permits industry members to furnish personnel to construct a product display at a retail premise, as well as to move other products from the display area in accordance with 14B NCAC 15C .0703. As previously discussed, the latter rule should be revised to apply to all industry members and not only to wholesalers. Spirituous liquor industry members should have the same opportunity as beer and wine industry members to engage in this activity at on-premises retail establishments where their products may be stored on shelves for display and/or are used for serving customers for on-premises consumption.

We also recommend clarifying expressly that labor furnished to construct a promotional product display may be provided at no charge to a retailer. This would be consistent

with the practices in other states and under the federal rule (27 C.F.R. § 6.83), as well as with 14B NCAC 15C .0710(8) (permitting installation of point of sale advertising materials and tapping accessories at no charge to a retailer).

#### Subsection (9)

We request two changes to the bar spending rule. First, the requirement that the visit is “unannounced” should be revised to allow an industry member to provide a retailer with the courtesy of an advance notice of the industry member’s planned visit.

Second, we recommend eliminating the requirement to furnish a “comparable” alcohol or non-alcohol beverage to a consumer that refuses the industry member’s offer to consume a product. We are unaware of any basis or purpose for, or any other state that imposes, such a requirement. It also is unclear what qualifies as a “comparable” alcohol or non-alcohol beverage.

#### Subsection (10) and the Commission’s “Note”

Subsection (10) allows malt beverage wholesalers that are in the business of selling non-alcoholic beverage products to engage in the accepted trade practices of the soft drink and snack food industries; and the Commission’s “Note” following this subsection states that wine wholesalers selling non-alcohol merchandise are governed by the provisions of the federal nonalcohol merchandise rule (27 C.F.R. § 6.101).

We urge the Commission to replace subsection (10) and the “Note” with a rule based on 27 C.F.R. § 6.101, which applies equally to all industry members (not only wholesalers) of all alcohol beverage products (not only beer and wine) who also are bona fide producers or sellers of other merchandise, and allows them to engage in the practices of their nonalcohol business (not only the practices of the soft drink and snack food industries).

### **14B NCAC 15C .0711 ACCEPTED TRADE PRACTICES; THINGS OF VALUE; RETAIL PERMITTEES**

#### Subsection (a)(5)

We urge the Commission to allow industry members to sell tapping accessories for all alcohol beverages and not only for beer. This change would be consistent with the federal rule (27 C.F.R. § 6.88) and the rules in other states and would provide a level playing field for all types of alcohol beverages. (See our first request in this comment which proposes a similar change to the definition of “equipment” in 14B NCAC 15C .0701.)

Additionally, subsection (a)(5) should be clarified to provide that the list of permitted tapping accessories is non-exclusive and illustrative. Similar to the Commission’s

definition of equipment (14B NCAC 15C .0701(1) includes “any other item useful or suitable for....”) and its lists of novelties and consumer specialties (14B NCAC 15C .0711(a)(1) and (b)(5) include items “such as....”), the tapping accessories rule should be revised to state that it includes items “such as” those listed therein. This also is the approach taken in the federal rule (27 C.F.R. § 6.88 defines dispensing accessories to include items “such as....”) and in other states.

#### Subsection (b)(1)

The current quantity limits for malt beverage and wine samples (respectively, 3 gallons per brand for malt beverages and 3 liters per brand for wine) furnished to retailer permittees by industry members are the same as those in the federal sampling rule (27 C.F.R. § 6.91). In contrast, the Commission’s quantity limit for a spirits sample (50 ml) is a small fraction of the 3-liter spirits sample limit in the federal rule.

We urge the Commission to eliminate this inequitable treatment of spirits and increase the quantity limit for a spirits sample that can be furnished to a retailer from 50 ml to 3 liters per brand. (Note that there is a 50 ml sample limit in N.C. Gen. Stat. § 1114.7(b2), but it applies to samples furnished to customers at a consumer tasting event and not to samples furnished to retailers.)

We also recommend adding the provision in the federal rule that allows the next larger size for a sample furnished to a retailer if a particular product is not available within the sample limit applicable under this rule.

#### Subsection (b)(5)

We urge the Commission to add the following examples of consumer specialty items that are expressly included in the illustrative list of consumer advertising specialties in the federal rule (27 C.F.R. § 6.84) and in other states: nonalcoholic mixers, pouring racks, printed recipes, pamphlets, cards, leaflets, blotters, post cards, and pencils. Adopting this revision would enhance clarity and certainty for both compliance and enforcement purposes.

#### Subsection (b)(6)

We request the Commission to adopt provisions that are in the federal product display rule (27 C.F.R. § 6.83) and other states (i) allowing industry members to condition the furnishing of product displays upon the purchase of the distilled spirits, wine, or malt beverages advertised on those displays in a quantity necessary for the initial completion of the display, and (ii) prohibiting industry members from imposing any other condition on the retailer in order for it to receive or obtain the product display.



Ms. Renee Metz

April 26, 2024

Page 8

We also propose to update the dollar limit on product displays. Applying the CPI to the \$300 limit adopted by TTB in 1995, we calculate a dollar limit of equal value would be \$600. This cost adjustment would continue to be made annually. (Note that we do not use the Commission's current \$160 product display limit as a basis for our calculation because it is so low that updating it would only bring it up roughly to the outdated federal dollar limit adopted in 1995.)

We also would add the federal provisions prohibiting industry members from pooling or combining their dollar limits to exceed the dollar limit and excluding transportation and installation costs from the dollar limit.

#### Subsection (b)(8)

We urge the Commission to eliminate the dollar limit on retail permittee advertising specialty items furnished to retailers by industry members. This limit is unnecessary considering the nature and value of these items, the compliance burdens that they impose on industry, and the absence of any such limit in the federal rule (27 C.F.R. § 6.84) or in many other states.

If the Commission determines to retain a dollar limit on advertising specialty items, it also should be updated using the CPI to account for inflation during the years that it has remained unchanged and, in the future, similarly adjusted on an annual basis.

#### Subsections (a) to (c)

14B NCAC 15C .0711 allows industry members to furnish various types of items to retailers, including product displays, point-of-sale advertising materials, retail permittee advertising specialty items, novelties, menus, and beverage lists. The descriptions of these items (including the cross-referenced provisions in 14B NCAC 15B .1006) vary regarding whether they must include advertising and/or describing the type of required advertising.

To enhance clarity and reduce any potential confusion for compliance and enforcement purposes, we recommend a uniform approach requiring industry members that furnish any of these items to retailers to include advertising about the industry member or the product. This is consistent with the treatment of these items in the federal rules (27 C.F.R. §§ 6.83 and 6.84) and in other states. As also required in these federal rules and other states, we recommend adding that the required brand or industry member advertising must be "conspicuous and substantial advertising" which is "permanently inscribed or securely affixed."

As permitted in the federal rules (27 C.F.R. §§ 6.83(b)(2) and 6.84(c)(1)) and in other states, industry members should be allowed to identify the retailer on these types of advertising items that they furnish to retailers.

Subsection (d)

We urge the Commission to update the combination packaging rule by incorporating the current federal rule, rather than the pre-1995 rule which it replaced.

**14B NCAC 15C .0712 TRANSACTIONS WITH GOVERNMENT AND SPECIAL ONE-TIME PERMITTEES**

Subsection (a) expressly states that the activities allowed by this rule may be conducted by “alcoholic beverage (which includes malt beverages, wines and spirituous liquors) industry members.” We suggest clarifying this point regarding one of the activities allowed by this rule. Specifically, the term “alcoholic beverages” should be added in subsection (a)(4) as follows: “providing labor or employees to assist in setting up or changing “draft beer kegs and alcoholic beverages equipment.”

**14B NCAC 15C .0713 TOURNAMENTS**

Subsection (a)(2) of this rule prohibits an industry member that is sponsoring a sports tournament on a retail permittee’s premises or property from furnishing the retailer with “money, novelty items or other prohibited services or things of value.” The reference to “novelty items” should be eliminated. Other rules allow industry members to furnish novelties to retail permittees, and there is no reason to prohibit them here. (See 14B NCAC 15C .0502, .0709, .0711, .0712, and .0715 regarding the parameters of the permitted use of novelties.)

**14B NCAC 15C .0714 CONSUMER CONTESTS; SWEEPSTAKES**

In subsection (a) of this rule, we request the Commission to add that entry forms may be made available via electronic mobile devices as well as by internet. This would bring the rule into sync with the widespread and increasing use of personal devices by consumers in the marketplace.

In subsection (b), we recommend eliminating the prohibition against drawing or awarding of prizes on the premise of a retailer. This activity should be treated no differently than consumers being allowed to obtain entry forms at a retail premise. The federal rule (27 C.F.R. § 6.96(b)) does not prohibit holding a drawing or awarding of prizes on the premise of a retailer, and there are other states that allow this. In some circumstances, it also may be a matter of convenience to allow consumers to learn whether they have won a prize and, if so, to take possession of it, while they are at the premises.

## **14B NCAC 15C .0715 CONDITIONS WHEN COMMISSION APPROVAL REQUIRED FOR PROMOTIONS**

We oppose prior approval requirements for trade practices and other promotional activities. The delays inherent in applying for and obtaining approvals are incompatible with the need to implement promotions in a timely manner. They serve only as an unnecessary burden upon the resources of the regulator and industry.

The parameters of permitted types of promotions (e.g., furnishing permitted items and services, conducting contests/sweepstakes and consumer tastings, and offering coupons) are set forth in sufficient detail in the Commission's rules. If concerns are raised regarding industry members involvement in one or more of these activities, the Commission then can decide whether to dedicate its time and resources to examining it. This is the approach taken in the federal rules (e.g., 27 C.F.R. § 6.96(a) and (b)), as well as by the trade practice schemes of other states.

The delays inherent in a prior approval process are exacerbated by the requirement in subsection (g) of the Commission's rule to submit a request for prior approval "at least two months in advance of the promotion." We are not aware of any state that imposes a similar advance notification requirement. Moreover, the rationale set forth in subsections (d) and (g) for this lengthy advance notification requirement is, in large part, that beer and wine industry members are required to notify wholesalers, who are or will be participating in the promotion, about the prior approval. This reasoning has no applicability to spirits promotions. Thus, even if a 60-day advance notice is appropriate for beer and wine, there is no justification to impose it on spirituous liquor promotions.

The Commission's rule also generally requires prior approval of any "promotion, as that term is defined in 14B NCAC 15C .0701(3)." Included in this definition are "sweepstakes or contests" because they are "outside the scope of routine sales and marketing." To the contrary, these are ordinary and regular means of marketing that have been utilized in our industry and allowed for many decades under the trade practice schemes of other states (as well as North Carolina) and under the TTB rules. These and other types of historically utilized marketing practices in the alcohol beverage industry should not be subject to any prior approval requirement.

We also object to this same definition of promotion including "operations" and "observances" (which are outside the scope of routine sales and marketing and thus require prior approval); these two overly vague terms provide no guidance as to their meaning or application.

Finally, if the Commission determines to retain any of these advance notification or prior approval requirements, they should be required no longer in advance than a special event application under 14B NCAC 15C .1302, which must be filed at least seven business days prior to the event.

## **14B NCAC 15C .1301 DEFINITIONS**

This rule sets forth the definitions of several terms, including but not limited to “point-of-sale advertising materials” and “advertising specialties,” for purposes of consumer tastings and other special events allowed pursuant to N.C. Gen. Stat. § 1114.7. These two definitions are not consistent with the definitions of these types of advertising items allowed in other trade practice rules. In particular, 14B NCAC 15C .1301(6) expressly excludes point-of-sale advertising materials permitted under 14B NCAC 15C .0711(c), and provides an exclusive list of advertising specialties in contrast to the nonexclusive, illustrative list of retail permittee advertising specialty items in 14B NCAC 15B .1006(a)(4) (which is adopted in 14B NCAC 15C .0711(b)(8)).

We urge the Commission to revise the definitions of “point-of-sale advertising materials” and “advertising specialties” in 14B NCAC 15C .1301 to ensure that they are at least as broad as these items are defined in other rules. There is no reason that only some and not all of these items may be furnished by permittees to consumers at consumer tastings at ABC stores.

These rule changes also would ensure that these regulatory definitions are not inconsistent with N.C. Gen. Stat. § 1114.7. Specifically, subsection (b)(9) of this statute states that the permit holder “may provide point-of-sale advertising materials and advertising specialties” to consumers at the consumer tasting. The statute does not give the Commission the discretion to allow the furnishing of some but not all of these types of items to consumers at these events. With our suggested changes, these definitions will be fully in sync with this statute.

## **14B NCAC 15C .1302 OTHER SIMILAR EVENTS APPROVAL**

We urge the Commission to eliminate the term “or an ABC store” at the end of this rule because it appears to prohibit spirituous liquor tastings at ABC stores, which is contrary to N.C. Gen. Stat. § 1114.7(a) and (c) and the implementing rules (14B NCAC 15C .1301(3) and .1307).

## **14B NCAC 15C .1303 TASTINGS HELD FOR CONSUMERS**

We recommend eliminating the prohibition in subsection (e) of this rule against mixing a spirituous liquor with another beverage at a tasting held for consumers. By allowing the furnishing of a mixed drink at a consumer tasting event, consumers are given the opportunity to taste an alcohol beverage prepared in a manner that they may be more familiar with. This practice is allowed in other states.

Ms. Renee Metz

April 26, 2024

Page 12

## **ADDITIONAL PROPOSALS – INDUSTRY MEMBER ADVERTISING**

We urge the ABC to allow industry member advertising to reference retail permittees in two circumstances described below.

First, as permitted under the federal advertising service rule (27 C.F.R. § 6.98), we recommend allowing industry members' advertisements to list two or more licensed retailers if the advertisement does not contain the retail price of the product, the listing is the only reference to the retailers and is relatively inconspicuous in relation to the entire advertisement and, except for ABC stores, the advertisement does not refer only to one licensed retailer or only to retail establishments controlled by the same licensed retailer. Other states have adopted this rule or a similar rule.

Second, we urge the ABC to allow an industry member to advertise an event, such as a consumer tasting, that it holds or conducts at an ABC store or another permitted location. Industry members sponsor and/or participate in these events to provide consumers an opportunity to taste and/or learn about new products or other products that they may not be familiar with. The ability of an industry member to advertise its own promotional event is integral to the success of the event itself. Prohibiting this type of advertising also may deprive consumers of the opportunity to attend these events and learn about products. A growing number of states allow this practice subject to various conditions (e.g., no reference to prices, no industry member payments to retailers, limits on references to the retailer, and/or limited to free social media).

### **14B NCAC 15C .0301, .0710, & .0805**

The references in the rules to the "Bureau of Alcohol, Tobacco and Firearms" should be replaced with "TTB," "Tax and Trade Bureau," or "Alcohol and Tobacco Tax and Trade Bureau."

### **Conclusion**

Thank you for the opportunity to share our views regarding the Commission's rules in Subchapter 15C. If you have any questions about our comments and/or otherwise, please do not hesitate to call.

Sincerely,

Andy Deloney  
Vice President, State Public Policy  
Distilled Spirits Council