



February 18, 2009

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Dept of Alcoholic Beverage Control
Director's Office

Matthew D. Botting, General Counsel
Department of Alcoholic Beverage Control
3927 Lennane Drive, Suite 100
Sacramento, CA 95834

RE: Proposed Amendment to Section 106 of Title 4, Article 16 of the California Code of Regulations Regarding "Advertising and Merchandising of Alcoholic Beverages"

Dear Mr. Botting:

On behalf of California Beer and Beverage Distributors (CBBB), a trade association representing California distributors of beer and non-alcoholic beverages, I want to express our support for the Department of Alcoholic Beverage Control's proposed changes to Rule 106, which are set for hearing on March 4, 2009.

The proposed changes bring Rule 106 into conformity with existing statute pursuant to the passage of Assembly Bill 1245 (Chapter 629, Statutes of 2008) and Senate Bill 1246 (Chapter 395, Statutes of 2008).

In particular, we strongly support the proposed amendments to Section 106 (c)(2) to reflect the statutory addition of Business and Professions Code Section 25611.3 pursuant to Senate Bill 1246. The existing Rule 106 states that a wholesaler may sell or rent an exterior sign at a price not less than the "current market price for such sign." Senate Bill 1246 was sponsored by CBBB in order to give some certainty to what wholesalers must charge for exterior signs since the "current market price" may be difficult to determine without exhaustive surveys of sellers in each market. This change means that wholesalers may sell signs at not less than cost, plus six percent, as defined in Business and Professions Code Section 17026. The proposed amendment to the regulation will comport with the lower statutory limit, which is a figure that is easily determined by each wholesaler.

CBBB supports swift action by the Department in adopting these proposed changes. Thank you for your consideration of our comments.

Sincerely,

VICTORIA G. HORTON
President

VGH:bks

CALIFORNIA BEER & BEVERAGE DISTRIBUTORS