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From the Chairman

This year marks the 25th anniversary of the Beer Institute. But instead of cracking open a cold, refreshing beer and celebrating its silver anniversary, the Beer Institute has been hard at work addressing the issues facing our industry.

In January, we saw a massive freshman class sworn in to Congress, which required us to undertake a sizeable education effort. While many of these new members of Congress are familiar with our products, they were less aware of the impact our industry has on the communities they serve. From job creation to responsibility initiatives, we have worked to keep members of Congress — new and old — keenly aware of the positive role we play in their communities.

In May, we proactively responded to the 2010 Census by updating our Advertising and Marketing Code to reflect changing demographics. The Beer Institute adjusted the Code’s ad placement threshold to reflect a slight increase in the number of adults of legal drinking age in the United States, which now totals 71.6 percent of the population, up from 70 percent in 2000.

Protecting our industry is always a top priority, and we are continuing to do so on multiple fronts. We are once again working tirelessly to stop federal legislation (H.R. 1161) that would dramatically alter the existing balance in the three-tier system and allow states to enact protectionist laws that would harm out-of-state brewers and consumers and disrupt the marketplace. Backed by our wholesalers, the bill has been criticized by media and think tanks alike, including the Wall Street Journal, New York Times and CATO Institute. Additionally, we are engaged in efforts to retain beer’s position as the beverage of moderation, rejecting the notion that all drinks are equal.

In the past year, the Beer Institute also welcomed a new leader. Fresh off a 30-year career in the United States Navy, Joe McClain took the helm of the Beer Institute last August and has ably steered us through challenging waters.

In the next year, we will face challenges old and new. The four issues at the forefront of our agenda are: preventing any increase to the federal excise tax on beer; preserving the three-tier system of alcohol distribution; remaining at the forefront of responsible marketing; and protecting beer as the beverage of moderation. Our success in these areas largely will depend on our ability to act as effective advocates and present a unified voice.

Our industry has a great story to tell — from creating jobs across the country, to being active within our communities, to giving our customers a product that brings people together. It has been an honor to lead the Beer Institute and its members this year, and I wish you all a healthy and prosperous 2011-12.

Sincerely,

Dave Peacock
President
Anheuser-Busch Companies, Inc.
From the President

What a year it has been, both for the Beer Institute and me personally. It is truly an honor to lead the BI at this important time as we recognize a quarter century of service to the beer industry. While my path here has been a bit unconventional, there is great similarity between service to our nation and serving the members of the Beer Institute. In the United States Navy, you learn to build focused, proactive teams dedicated to completing the mission. As a leader, it was critical to build coalitions among groups that may be competitors, but have many mutual interests. The same holds true for any successful trade association, and I have enjoyed applying those lessons with the BI.

Another addition to our staff is Mary Jane Saunders who took on the role of Vice President and General Counsel in May 2011. She brings a wealth of experience to BI, having most recently served as general counsel for the marketing and advertising arm of Subway restaurants. Prior to her position with Subway, she served as partner at two top Washington, D.C. law firms, where she litigated intellectual property and competition issues. She hit the ground running and is already providing a significant contribution to BI, one I know will only increase as she further immerses herself in the beer industry.

It is important we maintain our unity as an industry as we face challenging economic times. Shipments across the country were down in 2010, and nearly every region saw volume declines. But there were bright spots. The high-end beer market did extremely well last year, with imports and craft-style beers leading the way. Beer continues to be the preferred alcohol beverage of Americans. According to a recent Gallup poll, beer’s popularity once again outpaced wine and liquor. Along with the National Beer Wholesalers Association, we commissioned another Beer Serves America study to highlight our industry’s incredible economic story. Once again, the study shows that the beer industry is truly an engine for our national and local economies.

While we are often allied with our wholesaler friends for the good of the industry, we do fundamentally disagree on one major issue. They are again promoting a bill in Congress that would upend the balanced system of alcohol regulation that has served our industry well for more than 75 years. The bill, H.R. 1161, would be detrimental to our producers and importers, as well as our customers. One of our top priorities remains defeating this unnecessary and unwise legislation.

We will also continue our efforts to roll back the burdensome federal excise tax, which unfairly targets brewers and importers. We are strongly supporting the Brewers Excise and Economic Relief, or BEER Act. This legislation would reduce the tax burden on all segments of the brewing industry — small brewers, large brewers and importers.

As we continue facing industry challenges head on, I want to take a moment to specifically thank the Board of Directors, the Management Committee, other member-company representatives and the BI staff for their help over the last year. I also want to say how great it has been to get to know many of you, and I look forward to continuing our work to strengthen and grow our great industry.

Cheers,

Joe McClain
Despite the global economic downturn, the beer industry continues to provide quality jobs, solid wages and a significant positive economic impact. Together with the National Beer Wholesalers Association (NBWA), the Beer Institute (BI) once again commissioned our biennial Beer Serves America study quantifying the economic impact of America's beer industry. This economic impact study showed that the industry — made up of brewers, beer importers, distributors, suppliers and retailers — directly and indirectly contributes $223.8 billion to the U.S. economy annually.

The study also found that the industry directly and indirectly generates more than 1.8 million American jobs and pays $71.2 billion in annual wages and benefits. The industry also contributes $44.7 billion dollars in the form of business, personal and consumption taxes each year.

The beer industry, through brewing, importing, distributing and retailing jobs, directly employs more than one million people in the U.S., paying those employees $32.5 billion in wages. Specifically, beer sales help support roughly 900,000 retail jobs, including those at supermarkets, convenience stores, restaurants, bars, stadiums and other outlets. Indirect supplier and induced impacts generate nearly $135.7 billion in economic activity in all industries, most specifically agriculture and manufacturing.

These numbers make clear that the beer industry remains an integral part of our local, state and national economies. In addition to providing employment, brewers and beer importers across the country continue to play a significant role in bettering their local communities by participating in local civic activities, making concerted efforts to protect
and preserve the environment and promoting responsibility initiatives, such as offering free-ride programs.

Our efforts, along with those of parents, law enforcement, federal and state alcohol beverage regulators, educators and local community groups, have helped contribute to declines in underage drinking and drunk driving for nearly three decades, according to government data.

**An Effective Tool**

The Beer Serves America study is an important advocacy tool for our members and allies at the state and federal levels. In addition to the national aggregate numbers, the study includes economic contributions broken down by each state and by every one of the 435 congressional districts. Our members use the data to show federal and state legislators the economic impact the beer industry has in their home districts, including the number of jobs, wages paid and the amount of taxes contributed. This information is extremely powerful, especially in times like these when job creation and economic impact are on everyone’s minds.

All of the data are available on our BI/NBWA interactive Web site: www.BeerServesAmerica.org. It creates a simple format for helping individual lawmakers see what our industry contributes to their hometowns and the very people they have been elected to represent. The Web site also features information about how our industry is involved in the communities where we operate to promote responsibility and civic engagement. The information we give our leaders about how hard and collaboratively we work to promote responsibility can be just as valuable as our economic footprint.

We encourage you to use the Beer Serves America Web site as an effective resource when promoting the positive impact of your business on our nation and your own community.
BI and its members work hard to ensure that responsibility is a hallmark of our industry. Brewers and beer importers are deeply committed to the legal, responsible consumption of our products. BI and its members support many public safety, education and prevention tools and campaigns to combat drunk driving, underage drinking and other abuses.

As an industry, brewers and importers have invested more than $800 million since 1982 on these efforts. We have developed and supported innovative materials, messages and solutions to help parents, teachers, community groups, police departments and many others in the fight to reduce underage drinking and promote responsible behavior.

A current, ongoing collaboration we are involved with is the federal government’s “We Don’t Serve Teens” program. For the fourth consecutive year, the BI and its members proudly supported this campaign, which provides parents and other adults with educational tools to help reduce illegal teen drinking. BI and its members placed print, radio, online and outdoor ads and promoted the same messages on brand and company Web sites and with their wholesalers.

Advertising and Marketing Code Update

Dating back to 1934, brewers and beer importers have practiced voluntary self-regulation of advertising. Our industry maintains its Advertising and Marketing Code to ensure appropriate advertising content and audience. The Code is updated to meet evolving social, commercial and technological conditions and underwent two revisions in the first half of 2011.
In February 2011, BI announced new digital media provisions and an Internet privacy policy for the Code. Building on beer companies’ existing Internet privacy policies, the Code now affirmatively commits to protect the privacy of personal information provided by consumers of legal drinking age and to avoid collecting information about people under the legal drinking age. New provisions also addressed user-generated content, interactions on social media sites and placements in unmeasured digital media. These changes established a voluntary standard to help Beer Institute members interact through digital media only with consumers of legal drinking age.

The BI closely monitors the decennial data released by the U.S. Census Bureau to determine what percentage of the nation’s population is over 21, in order to set an appropriate advertising placement threshold. Census data provides brewers, beer importers, government and the public with the best objective, verifiable basis for making and evaluating advertising placement decisions. When the U.S. Census released its updated demographic data based on the 2010 Census in May, the BI quickly adjusted the Code’s ad placement threshold to reflect a slight increase in the number of adults 21 and older in the U.S. That demographic now totals 71.6 percent of the population, up from 70 percent in 2000. This increased threshold also applies to the digital media provisions added to the Code in February.

To aid members in complying with these new standards, the Beer Institute also developed corresponding new Buying Guidelines to govern media purchases for beer advertising. The Federal Trade Commission regularly reviews the industry’s advertising practices to ensure these standards are met, and the industry has consistently shown very high levels of compliance.

Positive Trends

The BI and industry partners recognize the importance of responsibility and are encouraged by trends that indicate declines in underage drinking. The Centers for Disease Control and Prevention Youth Risk Behavior Survey found that underage drinking among high school students has decreased 16.4 percent between 1999 and 2009, to the lowest level since tracking began in 1991. Echoing these findings, University of Michigan’s 2010 Monitoring the Future study marked the lowest level of alcohol consumption among 12th graders since the study’s inception in 1975 and among 8th and 10th graders since tracking began for those grades in 1991.

Entering college freshman also have shown decreased tendency to engage in underage consumption. The 2010 American Freshman Survey conducted by UCLA’s Higher Education Research Institute found that beer drinking among college freshmen is 20 percent lower than in 2000 and down 48 percent since its peak in 1982.

In addition, the U.S. Department of Transportation released data last September showing that drunk-driving deaths fell to a record-low level in 2009. Drunk-driving fatalities declined by 7.4 percent in 2009 from 2008 and 19 percent since 2000. In 2009, the overall number of highway deaths fell to the lowest level since 1950, while the year also recorded the lowest injury rates ever. All of this occurred in a year when estimated vehicle miles traveled actually increased slightly over 2008 levels.
With the country mired in a sluggish economic recovery, this would be among the worst times to heap additional tax burdens on brewers and beer importers. Yet today there is a concern that policymakers in Washington may attempt to increase the federal excise tax on beer, even though the industry pays more than $44 billion in business, personal and consumption taxes every year — including $5.3 billion in federal and state excise taxes.

The federal excise tax already unfairly singles out beer. Beer was one of a host of so-called “luxury” products subjected to a massive tax hike in 1991. We were wrongly lumped in with yachts, private airplanes, jewels and other high-end products. For beer, the federal excise tax was doubled, from $9 per barrel to $18 per barrel. The result, of course, was that people stopped buying all of these products because they became too expensive. The government’s plan to raise more revenue through the higher tax rates failed. With virtually no one buying planes and yachts, the taxes collected were actually far less than before the tax increases. For the beer industry, the results were devastating as well. Reduced sales led to the loss of 60,000 industry jobs. Congress quickly acted to roll back nearly all of the tax hikes — but left the beer excise increase in place. The higher excise tax to this day still limits brewers’ and beer importers’ ability to invest and expand. We have worked since then to roll back the beer tax to its pre-1991 level of $9 per barrel. And we have fought at every turn any additional attempts to raise our taxes even more.

This year, as in previous sessions of Congress, we asked lawmakers to support and pass the Brewers Excise and Economic Relief (BEER) Act. It would cut in half the per barrel tax rate and offers specific relief to smaller brewers by cutting their tax burden for the first 60,000 barrels in half from the current $7.00 to $3.50. This bipartisan bill, H.R. 1675, was introduced in the U.S. House of Representatives by Congressman Tom Latham (R-IA). A companion bill, S. 1111, was introduced in the U.S. Senate by Senator Mark Udall (D-CO) and seven of his colleagues. In the last Congress, the House bill was supported by 245 House Members — an all-time high. The BI released public statements praising the introduction of both bills and their sponsors’ efforts “to provide this long overdue relief to families and businesses in communities across the country.”
Preserving the Three-Tier System

The BI has long supported the three-tier system of alcohol distribution. And this year, we again find ourselves forced to oppose legislation that would undermine and upend the system that has served us all well.

In the last session of Congress, the Comprehensive Alcohol Regulatory Effectiveness (CARE) Act, or H.R. 5034, was introduced at the request of the National Beer Wholesalers Association (NBWA) with active support from the Wine and Spirits Wholesalers of America. The CARE Act would threaten the stable balance of effective state and federal alcohol regulation that has been in place for more than 75 years. This year, the bill has been reintroduced as the Community Alcohol Regulatory Effectiveness (CARE) Act, or H.R. 1161. Despite the slight change in name, this legislation will, if passed into law, produce the same unacceptable outcome.

Under the CARE Act, state laws would no longer need to embody the values of fairness and commercial equity required for all other laws for goods and services. States would be free to enact protectionist laws, restricting interstate commerce and threaten brewer and importer access to out-of-state markets. The Wall Street Journal said in its editorial opposing the bill, the CARE Act would “reduce choices and raise prices for consumers.”

Small brewers would bear the brunt of the bill’s effects. With fewer markets open to the small brewery, sales would plummet dramatically, leading to scaled-back operations and possible lay-offs. With less revenue, a small brewery would also contribute less to its local tax base and have less to invest in growth.

The BI and its individual members have been active in efforts to educate Congress about the dangerous effects of this bill. Last September, Richard Doyle, Chairman and CEO of Harpoon Brewery and member of our Board of Directors, testified before the U.S. House Judiciary Committee about the detrimental effects the legislation would have on brewers. Shortly after the new Congress was gavelled into session in January, the BI joined with the Brewers Association, Wine Institute, Wine America, Distilled Spirits Council of the United States and National Association of Beverage Importers in writing every member of Congress and urging them to not spend valuable time wading into an intra-industry squabble or do anything that could have the effect of unraveling the successful system of regulation currently in place. In addition, the BI held a “fly-in” in March 2011 for its Board of Directors and some small brewer CEOs. These individuals collectively met with key members of the U.S. House and Senate to educate them on the CARE Act and our position.

The BI will continue to work with our wine and spirit counterparts to maintain a strong three-tier system and balance of state and federal regulation, so these can continue to provide a stable regulatory infrastructure for our industry.
Working Together to Protect the Three-Tier System

Last year, the three-tier system was challenged in Washington State when two ballot initiatives were introduced to change drastically how alcohol is regulated and distributed there. The ballot initiatives sought to privatize liquor sales in the state, allow direct sales from manufacturer to retailer and eliminate the State Liquor Control Board’s role in distributing beer through state liquor stores. The measures undermined the value and services that the state’s beer wholesalers provide to retailers and consumers, including quality control, maximum product choice and diversity, as well as basic product availability. These proposals would have dismantled the three-tier system in the Evergreen State and cost as much as $700 million in state and local revenues. Passage of such initiatives by voters would have been disastrous for Washington small businesses and local economies throughout the state. But these issues were complex, and the ballot initiative’s backers were comfortable confusing voters with deceptive television advertisements.

The BI and its members stand strongly with our wholesalers when it comes to protecting the three-tier system. In Washington, that meant putting the corporate resources of our members to work. BI members donated a total of $2.4 million to defeat these anti-consumer initiatives. Those dollars paid for TV ads, campaign workers, lobbyists, PR experts, polling and a host of other services that helped defeat the ballot initiatives.

Despite our disagreement with the NBWA leadership in DC over the CARE Act, the BI did not hesitate to join forces with them and our wholesalers in Washington State to fight this threat to the beer industry, the three-tier system and the tens of thousands of people in Washington State who work in our industry.

Trends in Three-Tier Litigation

In the last twelve months, the number of cases challenging state alcohol laws and three-tier systems continued to dwindle. No new cases were filed, and one very significant case was concluded. In March of 2011, Texas achieved complete victory when the United States Supreme Court declined to review a Fifth Circuit opinion upholding Texas laws barring out-of-state retailers from shipping alcohol beverages to Texas consumers.

There are now only five three-tier cases awaiting resolution. In two of these cases, plaintiffs challenged state laws that do not play a significant role in the three-tier system. In Indiana, a retailer has argued that laws limiting in-state deliveries to consumers are preempted by federal laws governing common carriers. The trial court’s order rejecting this argument has been appealed. In New Mexico, the appellate court found that state regulations governing airline retail alcohol beverage service on incoming flights are preempted by federal law. A trial has been ordered on New Mexico’s 21st Amendment defense of the challenged law, but no trial date has been set. Whatever the outcomes, neither case endangers the states’ three-tier systems.

In early July, the Seventh Circuit Court of Appeals held that a new Illinois statute moots an appeal of a trial court’s “level down” remedy regarding a discriminatory state law on brewer self-distribution. In New Jersey, the trial court is considering an appropriate remedy after the appellate court found that a ban on direct-to-retailer shipping by out-of-state producers and personal import limits violated the Commerce Clause. New Jersey’s legislature has crafted potential responses to the court’s rulings, preserving state control over alcohol beverages. In Oregon, plaintiffs are appealing an Oregon Liquor Control Commission ruling upholding a ban on retailer central warehousing.
Other Policy Priorities

The BI strives to have its fingers on the pulse of governmental actions that may affect our industry. By closely monitoring environmental, health and safety policies, we keep our members well informed.

**Dietary Guidelines**

Over the last year, the BI has worked to help inform the media on the hard liquor industry’s so-called “equalization” campaign to mislead consumers into believing that “all drinks are the same.”

The simplistic idea that “a drink is a drink is a drink” or that there is such a thing as “a standard drink” is deeply flawed, most notably because it ignores how beverages are served and consumed. It is not the size of the drink; it’s the content that matters. The idea that one 12-ounce beer is “equal” to a five-ounce glass of wine or a 1.5-ounce shot of 80-proof liquor holds no logic in the real world, where a single cocktail may contain four or five times as much alcohol as a can of beer. Does anyone really believe that two martinis consumed over the course of two hours produces the same effect as two light beers over the same time period?

Spirits producers have tried to exploit the nation’s federal rulemaking and regulatory processes as vehicles to advance their “equalization” argument. But through education efforts targeted at the federal government, the BI has helped pull back the curtain on “equalization.” With the January 31 release of its new Dietary Guidelines, the U.S. Departments of Agriculture and Health and Human Services refused again to participate in hard liquor’s attempts perpetuate the myth of the so-called “standard drink.” The BI commented on the decision, calling the idea of the standard drink “misleading to consumers” and reemphasized the industry’s support for supplying consumers with beverage information that is accurate and helpful.

The Dietary Guidelines rightfully state that adults who consume alcohol should do so in moderation. The Guidelines also state that some
individuals may experience beneficial effects if alcohol is consumed responsibly. The BI and its members have always advocated the responsible consumption of our products.

**Menu Labeling**

In October 2010, the BI urged the Food and Drug Administration (FDA) to prevent duplicative and even contradictory menu labeling regulations required by the new health care reform law. The newly proposed regulations were at odds with existing labeling regulations set out by the Tax and Trade Bureau (TTB) of the Department of Treasury, which the beer industry has followed for more than 75 years. In a letter to the FDA, BI President Joe McClain proposed that the agency could avoid customer confusion and burdens on the beer and restaurant industries if brewers’ Statements of Average Analysis, which include nutritional information and have been used for years to consumers of calorie, carbohydrate, protein and fat content of specific beer brands, could be used to fulfill the new menu labeling requirements. This would avoid heaping costly new requirements onto the beer industry, which is already dealing with the affects of a slow economy.

In March 2011, the FDA released a proposed rule exempting alcohol beverages from the menu labeling requirements, citing as reasons federal agency jurisdiction and Congressional intent. The public comment period on the proposed rule closed on July 5. Anti-alcohol advocates argued vociferously for the new rules to apply to alcohol beverages. BI comments supported FDA’s decision to exempt alcohol beverages from the requirements as TTB has primary authority over alcohol beverage labeling. We also filed joint comments with Brewers
Association, Distilled Spirits Council, Presidents' Forum, National Association of Beverage Importers, Wine America and Wine Institute supporting the FDA’s decision. We will continue to monitor and participate in this rulemaking as it progresses.

**International Alcohol Policy Developments**

BI and its members companies have been involved with the World Health Organization’s (WHO) effort to develop a global alcohol strategy on the harmful consumption of alcohol for a number of years now. In May 2010, as covered in last year’s Annual Report, the WHO global alcohol strategy was adopted; and the implementation phase began. Since that time, a number of WHO regional offices have developed their own plans for implementing the global alcohol strategy. Starting early in 2011, BI and its members interfaced regularly with Health and Human Services (HHS) personnel who are the U.S. representatives to the WHO regarding a Pan American Health Organization (PAHO) draft strategy on alcohol and the United Nations (UN) separate yet related track on non-communicable diseases (NCDs).

Regarding the draft PAHO strategy, BI, its member companies and other alcohol beverage companies and trade associations relayed specific concerns, consistent with historical U.S. positioning, to HHS regarding both the strategy and the development process. These educational efforts led the U.S. delegation to the PAHO Executive Committee to advocate successfully for a more balanced resolution regarding the strategy. Much work remains in the strategy development process, and we will continue to ensure that key policymakers are fully apprised of the beer industry’s stance in the hopes of achieving a workable PAHO plan akin to the WHO’s global alcohol strategy which the industry supported.

The United Nations’ focus on the impacts of NCDs affects the beer industry because harmful consumption of alcohol, poor diet, tobacco use and physical inactivity are listed as the four top risk factors for the four NCDs identified as the highest priorities — cancer, cardiovascular disease, chronic obstructive pulmonary disorder and diabetes. This international emphasis also provides a high-profile venue for alcohol critics to advocate for increased restrictions and regulations on our products. A number of regional meetings on NCDs have taken place across the globe and will culminate in September 2011 with a UN High-Level Meeting on NCDs. Delegates to the meeting are expected to sign an outcomes document that will outline action nations commit to take to address NCDs. In advance of this meeting, BI and its members are striving to raise awareness of our longstanding efforts to reduce the harmful consumption of alcohol and the importance of including all stakeholders in this important issue.
Beer by Numbers

One of the purposes of the BI is to serve as an information resource for our members. Our in-house economist, Lester Jones, gathers and analyzes data to ensure BI members are regularly updated on market trends, sales data, shipment information, global importing figures and other information integral to their businesses. The information is compiled annually into the Brewers Almanac, which offers BI members the latest data impacting the beer industry and is searchable on the BI’s Web site at www.BeerInstitute.org.

Yes We “Can”

After seeing a dip in 2004, can packaging has increased steadily over the last half of the decade and had a market share of 52 percent in 2010, up from 51 percent in 2000. At its low point in 2004, can shares were at 48 percent. The current share is down significantly from where it was in 1990 when 59 percent of beer was sold in cans. While draft shares have hovered around 10 percent since 1990, bottles spiked in 2000 when they comprised 40 percent of the package market. In 2010, they dipped slightly to 38 percent.

The use of cans has increased steadily among imports. In 2010, can share grew above 18 percent of market share, a full percentage point higher than its share in 2008 and about six percentage points higher than 2000.

Craft brewers have also been canning their product more. According to www.CraftCans.com, a Web site with news and reviews of craft beer available in cans, 358 brands from 130 breweries are now available in a can. Craft brewers like the fact that artwork can cover the entire can, unlike the bottle label. Today, 300,000 barrels from craft brewers are packaged in cans. The trend has been documented in the media such as a May 16 story in the Milwaukee Journal-Sentinel, which attributed the increase to “brewers look(ing) to cut packaging and delivery costs, while finding a place at outdoor parties and other events where cans are preferred to glass bottles.”

Beer by Numbers

<table>
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<tr>
<th>Year</th>
<th>Market Share</th>
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</thead>
<tbody>
<tr>
<td>2000</td>
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</tr>
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<td>2004</td>
<td>48%</td>
</tr>
<tr>
<td>2010</td>
<td>52%</td>
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2010|2011 BEER INSTITUTE ANNUAL REPORT
In the Media

As the unified voice of the beer industry, the BI often works with members of the media to advance our messages. Whether it is proactively promoting the incredible economic impact our members have on the local and national economies or reacting to media inquiries about legislation, responsibility initiatives or industry trends, the BI strategically engages with media on a regular basis and on a multitude of issues.

Active in Washington, D.C., we often provide the media with the industry’s perspective on pending federal legislation and regulations. With the CARE Act dominating much of the conversation, the BI devoted a lot of effort to supplying reporters within the mainstream media, as well as trade press, with important background information on the negative effects that could come along with the CARE Act. The BI also prepared media kits for its members, so they were prepared to engage directly with the media and tell their individual stories about how the CARE Act would hurt their business and their community.

The BI also made sure to garner media attention when Capitol Hill hearings were held on the bill. In conjunction with a House Judiciary Committee hearing in September 2010, the BI worked with our wine and spirit counterparts to coordinate media activities surrounding the hearing.

To further amplify our message on the CARE Act, media interest was generated around the BI’s “fly-in” in March 2011. The advocacy blitz led to coverage within the beltway and helped make the case for maintaining the three-tier system.

The BI also took our case to the hospitality industry. Our President, Joe McClain, penned an opinion piece for Food & Drink Quarterly about issues facing the industry, most notably the CARE Act. The article, which was headlined "A New Prohibition?", once again underscored the dangers of the legislation for a readership of 50,000 hospitality industry professionals. The article also focused on the need to roll back the federal excise tax which continues to single out the beer industry unfairly.

Topics on which the BI engaged with the media this year included:
• The three-tier system/CARE Act
• Advertising Code
• Nutritional labeling
• Federal excise taxes
• Marketing to demographics
Broadcasting Beer

Engaging with organizations and industries who share our goals, or whose mission affects our industry, is a critical part of advancing our own interests. Over the past year, the staff of the Beer Institute attended the conferences, meetings and other events where we fostered new relationships, strengthened existing ones and broadcasted the beer industry's message.

2010

July
- National Conference of State Liquor Administrators (NCSLA) Central/Western Regional Meeting — Portland, Ore.

September
- Great American Beer Festival - Denver, Colo.
- ABInBev Global and Corporate Affairs Conference - Sao Paolo, Brazil*

October
- National Beer Wholesalers Association Annual Convention - Chicago, Ill.
- American Beverage Institute Fall Meeting - West Palm Beach, Fla.
- Canadian Liquor Board meetings - St. Louis, Mo.*
- Worldwide Brewing Alliance Annual Meeting - Frascati, Italy*

November
- ABMRF/The Foundation for Alcohol Research Board of Trustees Meeting - Baltimore, Md.*
- Beer Industry of Florida Annual Conference - Orlando, Fla.*

December
- Alcohol Policy 15 Conference - Washington, DC
- Techniques for Effective Alcohol Management (TEAM) Coalition Meeting - Washington, DC
- CMA Winter Leadership Conference - National Public Affairs Steering Committee Meeting - Williamsburg, Va.
- Beer Industry Electronic Commerce Coalition Meeting - Fort Collins, Colo.

2011

January
- National Alcohol Beverage Control Association Board Meeting - Naples, Fla.*
- National Association of Beverage Importers Executive Committee Meeting - Washington, DC

March
- Beer Institute "Fly-In" - Washington, DC
- Craft Brewers Conference - San Francisco, Calif.+
- Crown National Sales Meeting - Huntington Beach, Calif.
- Beer Summit - Miami, Fla.
- MillerCoors Distributor Meeting - San Antonio, Texas
- Beer Distributors of Oklahoma Annual Legislative Day - Oklahoma City, Okla.*

April
- Responsible Retailing Forum Annual Meeting - Park City, Utah*

May
- Can Manufacturers Institute Annual Meeting - Laguna Beach, Calif.*
- Beer INSIGHTS Spring Seminar - Chicago, Ill.
- Beverage Forum - New York, N.Y.
- TEAM Coalition Meeting - New York, N.Y.

June
- American Beverage Licensees - Milwaukee, Wis.*
- Global Health Council Conference 2011 - Washington, DC
- US Chamber of Commerce - Committee of 100 Meeting - Colorado Springs, Colo.

July
Beer Institute Officers 2010-2011

David A. Peacock  
BI Chairman & Senior Director;  
President  
Anheuser-Busch Companies, Inc.

N. Thompson Long  
BI Vice Chairman & Senior Director;  
CEO  
MillerCoors

Dolf van den Brink  
BI Director;  
President & CEO  
Heineken USA, Inc.

Carlos Fernandez G.  
BI Director;  
Chairman & CEO  
Grupo Modelo S.A. de C.V.

Richard Doyle  
BI Director;  
Chairman & CEO  
Harpoon Brewery

Michael F. Roche  
BI Chairman of the Management Committee and Treasurer;  
Vice President, National Affairs  
Anheuser-Busch Companies, Inc.

Timothy H. Scully  
BI Vice Chairman of the Management Committee and Secretary;  
Vice President, Government Affairs  
MillerCoors

Joseph S. McClain  
President  
Beer Institute

Mary Jane Saunders  
Vice President & General Counsel  
Beer Institute
Ex-Officio Representatives to the Board of Directors

Larry J. Bell  
President  
Bell’s Brewery

Robert R. Budway  
President  
Can Manufacturers Institute

Gary Fish  
President  
Deschutes Brewery, Inc.

Steve Henn  
Group President  
ITW Hi-Cone

L.S. Gimbel III  
CEO & Chairman  
S.S. Steiner, Inc.

Ken Grossman  
President & Master Brewer  
Sierra Nevada Brewing Company, Inc.

Stephen K. Hindy  
President  
Brooklyn Brewery Corporation

Marla Jeffrey  
President  
Gusmer Enterprises, Inc.

Kim Jordan  
CEO & Co-Founder  
New Belgium Brewing Company

Brett Joyce  
President  
Rogue Ales

Jim Koch  
Founder & Brewer  
Boston Beer Company

Richard Lozyniak  
CEO  
North American Breweries

Gary V. Lee  
President & CEO  
Rahr Malting Company

Nick Matt  
President  
Matt Brewing Company

Henry von Eichel  
President  
John I Haas, Inc.