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A-B facing pushback as it tries to buy Kentucky distributor

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Anheuser-Busch's efforts to buy a distributorship in Kentucky are being met with resistance by local and national groups that want to keep the brewer from gaining too much control over beer sales in the state.

In August, Anheuser-Busch gave notice of its intent to apply for a distributor's license in the city of Owensboro, Kentucky. In its application, A-B listed an address belonging to Budweiser of Owensboro, a distribution company owned by Tennessee-based Hand Family Companies. The company confirmed that it intended to sell its distributorship to A-B, according to the Owensboro Messenger-Inquirer. That request was approved by the Owensboro Alcoholic Beverage Control administrator amid protests and has been appealed at the state level with a hearing set for November.

Groups across Kentucky and beyond have filed letters of protest asking that A-B not be allowed to gain control of beer distribution in the state. Among them is a letter by industry watchdog Alcohol Justice filed with the Kentucky Department of Alcoholic Beverage Control asking the department to deny A-B's request.

In the letter, Alcohol Justice CEO [Bruce Lee Livingston](#) said, "Encroaching ownership of the distribution tier and increased power will ultimately expand ABI's ability to oppose and defeat important public health policy regarding alcohol prices and taxes; alcohol outlet density; and alcohol advertising and promotion, among others."

Lee added that the three-tier system of alcohol sales — a system in many states where beer production, distribution and retail are kept separate and interdependent — "helps ensure that states have adequate oversight of alcohol sales, and helps prevent aggressive marketing and sales tactics." Lee said that distributors act as a "buffer between potentially overzealous

producers and retailers."

Other groups, including the Kentucky Chamber of Commerce, have logged their concern over A-B's possible acquisition. They eventually rescinded that concern. According to the Brewer's Association, the Kentucky Guild of Brewers filed formal protest over A-B's plan with Kentucky's alcohol commission and expressed concern that "market access options for small brewers would be significantly diminished should (the) deal be approved."

In a letter that A-B region vice president [Bob Kelley](#) wrote to the Messenger-Inquirer, Kelley said the transaction with Hand Family is in compliance with laws and regulations and would not affect consumer choice. The efforts to block the transaction amounts to "asking the government to block a private transaction between two businesses," Kelley said.

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