

General Affairs Committee amendments.

SPEAKER BARRETT: The committee amendments are adopted. To the bill as amended by the committee, Senator Ashford, please.

SENATOR ASHFORD: Thank you, Mr. President, members, this bill, LB 371 is the result of a considerable amount of work by the wholesalers in the State of Nebraska and certain brewers who worked together over a long period of time to come up with what is the Franchise Practices Act, LB 371. LB 371 is designed to regulate the termination, expiration, and renewal of distribution agreements between beer wholesalers and beer suppliers and it does several other things. The bill is quite lengthy. It is a balanced piece of legislation that deals with the rights of wholesalers and the rights of brewers in their relationships which are mainly contractual relationships that currently exist. One of the missions of the bill and one of the issues that I was most concerned with is the protection of local businesses or local wholesalers which have developed businesses in the State of Nebraska throughout the State of Nebraska over several years. What this bill does amongst other things is to provide adequate protection for those wholesalers in their relations with brewers. It provides for the criteria for termination and protects the investment of businesses which, quite frankly, play a significant role in many communities throughout the State of Nebraska. And going through a couple of the points, one of the concerns that had been mentioned was that there had been difficulty in the past with some of the wholesalers and their ability to pass on their business to family members and that...there is a provision in the bill which sets forth the criteria that a family member or relative would...must meet, but sets those criteria out plainly and succinctly so that a family which has invested a significant amount of money can see that investment passed on. It also, it does impose restrictions on breweries, but it does also impose significant restrictions on wholesalers. It has criteria that deals with the requirements that wholesalers devote their efforts, that the efforts that are required by their agreement with the brewers. It sets out criteria for sale and delivery of product within designated territories and it also talks about the obligations of wholesalers on the transfers of their business which protects the interests of the brewers as well. The other issue that was of interest to me and is set out in the bill is the protection for the consumer which is the, in my opinion, the ultimate purpose of the bill and that is to make