



**Beer Industry Electronic Commerce Coalition  
Operations Guide**

**As of April, 2010**

# **BIECC MISSION**

The mission of the Beer Industry Electronic Commerce Coalition (BIECC) is to maximize the beer industry's role and common interest pertaining to the implementation and utilization of electronic commerce within the three-tier system.

In carrying out its mission, the BIECC objectives include the following:

- encourage the utilization of state-of-the-art applications;
- enhance the value of the three-tier system;
- educate the brewer and the wholesaler tier on Electronic Data Interchange (EDI);
- represent the beer industry's interests to selected electronic commerce committees; and
- monitor electronic commerce developments that impact the beer industry.

Additionally, there are four areas in which the coalition is concentrating to advance the issue of electronic commerce:

1. **Education** — inform suppliers, wholesalers and retailers about relevant electronic commerce related issues;
2. **Standards** — work to enhance existing standards and promote standard transactions;
3. **Regulatory** — ensure that state and federal laws are upheld and that the playing field is level; and
4. **Research** — investigate and review emerging technology for use in the beverage industry and to formulate common approaches to implementation.

# MEMBERSHIP

Annual membership fees and service charges for each level of brewer, importer or beer-related association shall be determined by BIECC Executive Level members.

Membership fees will be billed annually and all such fees shall be payable thirty (30) days after date of billing.

## Membership Dues and Benefits

BIECC Executive Level membership is open to any brewer, importer or beer-related association. Beer industry associations must assign a primary member to serve on the BIECC and an alternate to serve as the primary member when the primary is unable to attend BIECC activities. The primary and alternate members of an association must represent the interests of association members and not their individual companies. Subscription Level membership is available to solution providers who would like to keep up with BIECC activities. Annual membership dues are outlined below:

### *Executive Level Brewer / Importer Dues*

Over 10,000,000 sales barrels .....	\$9,999
500,000 - 9,999,999 sales barrels .....	\$5,000
200,000 - 499,999 sales barrels .....	\$3,000
60,000 - 199,999 sales barrels .....	\$1,000
10,000 - 59,999 sales barrels .....	\$500
9,999 sales barrels and below .....	\$250

### *Executive Level Association Dues*

Beer industry association (non-profit).....	\$2,500
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<i>BIECC Associate Member</i> .....	\$499
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**[NOTE: *BIECC membership dues may be deducted as ordinary and necessary business expenses.*]**

BIECC Membership benefits are as follows:

## **Executive Level**

A BIECC Executive Level member is entitled to the following:

- A seat on the BIECC to advance the issue of electronic commerce within the supply chain of the three-tier system in the beer industry
- Voting privileges to set policies, procedures, budgets and priorities for any standing committees and the coalition as a whole
- An opportunity to chair the BIECC and all standing committees
- Participate in the process of selecting a brewer representative for the position of BIECC co-chair who will serve a two-year term
- A voice in determining coalition's position on standards and/or other electronic commerce related issues and assisting in the development of standards affecting wholesalers and their trading partners
- Input and participation on BIECC-sponsored educational programs and industry initiatives
- Free attendance at the BIECC-sponsored seminar at NBWA's Annual Convention
- Receive coalition minutes, conference call minutes, meeting summaries, action items and all other committee related information
- Obtain free copies of coalition approved marketing materials, publications and documents upon request
- Acknowledgement on BIECC membership marketing and related materials
- Recognition on the NBWA Web site
- Convention registration fees are waived only for each Executive Level representative whose company pays annual BIECC membership dues

## **BIECC Associate Membership**

### **Eligibility:**

- To be eligible for BIECC Associate membership a company must be a current NBWA Associate member.
- Eligible companies must offer a product or service related to technology or e-commerce in the beer industry
- The BIECC Executive Committee holds the right to refuse membership to any company

### **A BIECC Associate Member is entitled to the following:**

- Members receive meeting summaries, action items and notification of technical issues that the coalition has identified as key to the BIECC mission
- Members receive free attendance to the BIECC-sponsored Seminar at NBWA's Annual Convention (2 tickets maximum per member company)
- Members may obtain free copies of coalition approved marketing materials, publications and documents upon request
- Acknowledgement on BIECC membership marketing and related materials
- Associate members will have the opportunity to participate in one annual BIECC event.
- Recognition on the NBWA Web site
- Members will receive special recognition as BIECC Associate members at the NBWA Bi-Annual Trade Show.
- BIECC Associate members may use the BIECC Associate member logo on marketing materials and web pages geared towards beer distributors (Any use of the BIECC or BIECC Associate member logo must be reviewed by the BIECC Executive Secretary prior to publishing.)

- Collectively, the BIECC Associate Membership will be able to select one representative annually to sit on the BIECC Executive Committee and hold all of the voting rights and privileges of an Executive Level Member.
  - In the case that more than one BIECC Associate Member wishes to hold the Executive Committee seat, the Associate Member with the most seniority in the group who has not already served as an Executive Committee Member will be chosen as the Executive Committee Member.
- The BIECC Executive Committee holds the right to terminate the Associate Membership of any company for reasons they deem appropriate

## **BIECC STRUCTURE**

The BIECC shall be comprised of an Executive Secretary, Co-chairs, wholesalers, brewers, importers, beer associations, a State Association Executive and ad hoc groups as deemed necessary by members with voting rights. The BIECC shall sponsor meetings as necessary for Executive Level members during the calendar year.

The following NBWA staff positions are non-voting members of the BIECC:

### **Executive Secretary/Secretariat**

National Beer Wholesaler Association (NBWA), as manager and administrator of the coalition, shall serve as Executive Secretariat of the coalition. A member of the NBWA staff will serve as the day-to-day Executive Secretary of the BIECC. Additionally, staff officers of NBWA shall provide oversight and participate as necessary in the management, administration and support of the coalition.

The Secretary shall support BIECC Co-chairpersons and members. The Secretary shall have responsibility for all aspects of coalition activities including reviewing, publishing, distributing and maintaining industry information. The Secretary shall also be responsible for facilitating and coordinating intergroup communications as well as act as a liaison on the group's behalf with the NBWA Technology Committee and Board of

Directors. The Secretary shall serve as a non-voting member of the BIECC and ad-hoc groups.

The BIECC shall consist of:

### **Executive Level Co-Chairs**

BIECC Co-chairs shall be charged with reviewing the administration of the coalition. The Chair of NBWA's Technology Committee will serve as the wholesaler Co-chair of the coalition while the supplier Co-chair shall be elected by Executive level members. Both will serve appropriate terms.

Ideally, each shall represent different product lines. Duties of BIECC Co-chairs include the following:

- review and monitor the BIECC budget
- monitor the membership development activities of the BIECC
- facilitate communication between coalition members
- plan the curriculum and activities surrounding BIECC educational programs
- support forums for the industry to discuss common issues and opportunities
- oversee activities associated with developing, maintaining and supporting standards for the alcohol beverage industry
- coordinate all subcommittees and/or working groups for the purpose of developing industry standards

### **Executive Level Members**

BIECC Executive Level members consist of co-chairs, wholesalers, a State Association Executive, one representative from each brewer, importer or beer-related association in good standing and the following non-voting members: an executive secretary, alternate State Association Executive, alternate Beer Association representative and legal counsel. The BIECC shall be responsible for setting policy, procedures, budgets and membership criteria for the BIECC.

Only one representative from an Executive Level brewer, importer or beer-related association shall be designated as a BIECC Executive Level contact. This individual will be listed on BIECC-related materials although other Executive Level supplier representatives may participate in meetings, assist in the development of BIECC White Papers, contribute to educational programs and the like.

Executive Level members are permitted only one vote. However, the Executive Secretary may be notified of a temporary replacement who will vote in his/her absence.

An Executive Level brewer, importer or beer-related association member may recommend a wholesaler to serve on the BIECC. An NBWA Technology Committee member in good standing is preferred.

Each wholesaler candidate must be:

- recommended by an Executive Level primary supplier contact
- an advocate of eCommerce as it relates to the beer industry
- nominated by members of the BIECC
- appointed by NBWA's Chair

The BIECC also includes a State Association Executive appointed by NBWA's Chairman. Each year, the NBWA Technology Committee Chair after consultation with Executive Level members will recommend a primary State Association Executive from the Technology Committee to serve a one-year term. The candidate shall have voting rights. If two State Association Executives serve on NBWA's Technology Committee, the other executive member will serve as a non-voting member and he/she will be the alternate liaison should the primary liaison be unable to attend a meeting. If only one State Association Executive is scheduled to serve a term on the Technology Committee, the previous year's liaison will serve as a non-voting member and he/she will be the alternate liaison should the primary liaison be unable to attend a meeting.

The NBWA Chair shall appoint the NBWA Technology Committee Chair to serve as the wholesaler co-chair of the BIECC.

BIECC Executive Level members must reach a majority vote to nominate a wholesaler to serve on the coalition. The Chairman of the National Beer Wholesalers Association (NBWA) approves the appointments of all wholesalers and State Association Executives serving as members on the BIECC.

Legal counsel serves as a non-voting member and participates in BIECC activities to uphold the antitrust laws of the United States and document coalition dialogue and decisions.

### **Ad-Hoc Groups**

Specific groups will be established as needed, to address special issues or issues of concern. BIECC Executive Level members **must** authorize the formulation or disbandment of any group.

## Covered Expenses

The table below shows what expenses are covered for all of the various membership levels and invited guests to BIECC events.

### **BIECC Travel & Expense Allowances**

<b>Event</b>	<b>Non-Board Distributors</b>	<b>Board Member Distributors</b>	<b>Brewer/Importer Members</b>	<b>State Association Executive</b>	<b>Legal Counsel</b>
<b>Stand-alone BIECC Meetings</b>	Travel/Hotel/Expenses covered by BIECC	Travel/Hotel/Expenses Covered by NBWA	No Expenses Covered	Travel/Hotel/Expenses covered by BIECC	Travel/Hotel/Expenses covered by BIECC
<b>NBWA Annual Convention</b>	BIECC Education Seminar Ticket (Exceptions on individual basis, must be approved by dues paying BIECC members)	BIECC Education Seminar Ticket	Full Convention Registration for one rep. from BIECC member company. BIECC Seminar Education Ticket For All Members	BIECC Education Seminar Ticket	Not Required to Attend
<b>Joint NBWA/BIECC Meetings</b>	Travel/Hotel/Expenses covered by BIECC	No Expenses Covered	No Expenses Covered	No Expenses Covered	Travel/Hotel/Expenses covered by BIECC
<b>Specially Called Meetings/Issue Specific Meetings</b>	Travel/Hotel/Expenses covered by BIECC	Travel/Hotel/Expenses covered by BIECC	No Expenses Covered	Travel/Hotel/Expenses covered by BIECC	Travel/Hotel/Expenses covered by BIECC
	<b>BIECC Speakers (outside person asked to speak)</b>	<b>BIECC Speakers (BIECC members asked to speak)</b>	<b>BIECC Panelists (Case Study/ Testimonial Givers)</b>		
<b>Stand-alone BIECC Meetings</b>	Travel/Hotel/Expenses covered by BIECC	Same allowance as membership level dictates	N/A		
<b>NBWA Annual Convention</b>	Travel/Hotel/Expenses/ Full Convention Registration covered by BIECC*	Full Convention Registration/Travel/Hotel/Expenses covered by BIECC	Full Convention Registration covered by BIECC		
<b>Joint NBWA/BIECC Meetings</b>	Travel/Hotel/Expenses covered by BIECC	Same allowance as membership level dictates	N/A		
<b>Specially Called Meetings/Issue Specific Meetings</b>	Travel/Hotel/Expenses covered by BIECC	Same allowance as membership level dictates	N/A		

\*Negotiated speaking fee may also be paid by the coalition.

## **ANTITRUST GUIDELINES**

Although trade associations are recognized as valuable tools of American business, one of the potential dangers which members of any trade association face is running afoul of the antitrust laws, which generally forbid any combination, contract or conspiracy that restrains trade. Since a trade association is by its nature a combination of competitors, its members must ensure that their activities within the Association do not comprise a trade restraint.

The following activities are among those that have been held to be per se illegal under the antitrust laws:

- Agreements to fix prices – regardless of whether prices are increased, decreased, stabilized or set according to an agreed formula or subject to uniform discounts or allowances;
- Agreements to restrict volume or production;
- Agreements to divide or allocate territories or customers;
- Agreements not to deal with a particular customer or supplier or group of customers or suppliers, i.e. a boycott.

BIECC members should, therefore, refrain from any discussion that could be interpreted as an agreement to take common action on prices or production or allocation of customers or markets. This is especially true in the setting of an informal gathering, either before or after a regular meeting.

In order to avoid potential problems in this area NBWA and the BIECC, along with the advice of counsel, adheres strictly to the following guidelines:

- BIECC meetings are held only when there is appropriate business to discuss.
- New members to the group will receive an antitrust pamphlet that explains the antitrust laws and outlines their responsibilities as members of the BIECC under the antitrust laws.
- Agendas and meeting minutes are reviewed by NBWA's legal counsel and circulated to members by the executive secretary.
- An antitrust statement and acknowledgement by the members will precede all regularly scheduled meetings.

If members at any time have questions regarding the propriety of any activities of the BIECC, or questions in general regarding the antitrust laws, they are encouraged to contact legal counsel. Members are encouraged to contact such counsel should they feel the need arise.

# **MEMBERSHIP REMOVAL**

Upon a signed petition from four members of the BIECC, listing the Cause for removal of a BIECC member, the Executive Secretary of the BIECC may call for a vote (at the next scheduled meeting, or by a conference call) to suspend the membership privileges of a member business / participant by an affirmative two-thirds (2/3) vote. The suspended member will then receive notice of the action and have fourteen (14) days, after receipt of the notice, to petition NBWA's Chairman to demonstrate cause as to why their membership should not be terminated. NBWA's Chairman will then confer with competent counsel and make an appropriate decision as to that Member's removal.

Should the suspended Member fail to present a defense, or to refute the Petition for Removal, the suspension shall turn into a termination from membership fourteen days after the vote.

The suspended member may, prior to the fourteen days period for refuting the termination, submit their resignation to the BIECC. This resignation will become effective immediately upon receipt.

Proper Causes shall include, but not be limited to the following reasons:

- Activities by the Member, which are deemed inconsistent with the objectives of the BIECC.
- Lack of active participation by the member, by failure to participate in designated assignments.
- Lack of attendance at required meetings of the BIECC.
- Disruption of the BIECC by inappropriate behaviors.

## **Resignation**

A tender of resignation, in writing, to the Chairman of the NBWA shall automatically terminate a membership. Any Member terminated, for whatever reason, shall have no claim on any property or assets of the BIECC or the NBWA.

## **THIRD-PARTY PARTICIPATION**

The BIECC recognizes the necessity for listening to and incorporating the experiences of Third-Party participants into the Coalition’s meetings, seminars and “work products.” These outside views are intended to assist the BIECC in understanding the market and to become aware of future industry trends. **However, Third-Party participants agree in advance not to use their participation to market their services to members of the National Beer Wholesalers Association (NBWA) and they agree that their participation at BIECC functions does not represent an endorsement of the Third-Party participant’s company or product.** These Third-Party participants will participate solely for the benefit of assisting the BIECC and NBWA members in understanding industry trends and technical advancements.

NOTICE: The BIECC reserves the right to change or update this policy at any time by posting a notice to that effect on the NBWA web site, or by sending notice of the change to the coalition members either by first class mail or by e-mail. The updated *Operations Guide* will become effective upon such notice.