

**MINISTRY OF CONSUMER AND COMMERCIAL RELATIONS/  
LIQUOR CONTROL BOARD OF ONTARIO**

**DRAUGHT BEER DISTRIBUTION**

***Policy Objective***

To fulfil outstanding obligations under the 1988 and 1992 GATT Panel Reports: 'Canada- Import, Distribution and Sale of Certain Alcoholic Drinks by Provincial Marketing Agencies' and 'Canada- Import, Distribution and Sale of Certain Alcoholic Drinks by Provincial Marketing Agencies,' respectively.

***Policy Rationale***

For efficiency reasons, the LCBO may allow agents to act on its behalf to distribute draught beer. However, the LCBO will put in place practices and procedures (i.e. inspections and audits) to maintain its first receivership functions.

***Policy***

The four existing authorized agents will continue to warehouse/distribute draught beer.

Brewers Retail Inc. will be authorized as an additional agent.

Brewers will have a choice of these five agents to distribute their draught beer.

Beer may be shipped directly to one of these five authorized agents. However, the product must be physically unloaded and come to rest at the Ontario agent's facility to allow the government to conduct periodic inspections and/or audits.

An exception will be made for the three existing draught beer agents which sell their own beer (i.e. Guinness Import Company (Canada) Limited, The Premium Beer Company, and Upper Canada Brewing Company), regarding the internal delivery policies. These brewers will continue to be allowed to deliver directly to licensees.

An authorization may be withdrawn at any time if an agent is found guilty of violating the *Liquor License Act* and its regulations pertaining to inducements.

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**DRAUGHT BEER DISTRIBUTION (Cont.)**

***Future Considerations***

The LCBO will review the market to determine whether there is sufficient demand to warrant authorization of new agents to distribute/warehouse draught beer.

The LCBO will develop a process to license new entrants and renew existing agents. The authorizations will include service standards and auditing requirements.

The LCBO may explore the option of leasing space for nominal cost at BRI to conduct its first receivership functions.