

110TH CONGRESS
2D SESSION

H. R. 7076

To resolve the alcohol beverage franchise dispute resolution process.

IN THE HOUSE OF REPRESENTATIVES

SEPTEMBER 25, 2008

Mr. SPACE (for himself and Mr. TURNER) introduced the following bill; which
was referred to the Committee on the Judiciary

A BILL

To resolve the alcohol beverage franchise dispute resolution
process.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Alcohol Franchise Con-
5 tract Arbitration Fairness Act of 2008”.

6 **SEC. 2. VOLUNTARY ARBITRATION OF ALCOHOLIC BEV-**
7 **ERAGE FRANCHISE DISPUTES.**

8 (a) ELECTION OF ARBITRATION.—

9 (1) DEFINITIONS.—For purposes of this sub-
10 section—

1 (A) the term “alcoholic beverage” has the
2 meaning given such term in section 203 of the
3 Federal Alcohol Administration Act (27 U.S.C.
4 214); and

5 (B) the term “alcoholic beverage franchise
6 contract” means a contract under which an al-
7 coholic beverage manufacturer, importer, or dis-
8 tributor sells alcoholic beverages to any other
9 person for resale to an ultimate purchaser.

10 (2) CONSENT REQUIRED.—Notwithstanding
11 any other provision of law, whenever an alcoholic
12 beverage franchise contract provides for the use of
13 arbitration to resolve a controversy arising out of or
14 relating to such contract, arbitration may be used to
15 settle such controversy only if after such controversy
16 arises all parties to such controversy consent in writ-
17 ing to use arbitration to settle such controversy.

18 (3) EXPLANATION REQUIRED.—Notwith-
19 standing any other provision of law, whenever arbi-
20 tration is elected to settle a dispute under an alco-
21 holic beverage franchise contract, the arbitrator shall
22 be bound to follow the applicable law and provide
23 the parties to such contract with a written expla-
24 nation of the factual and legal basis for the award.

1 (b) APPLICATION.—Subsection (a) shall apply to con-
2 tracts entered into, amended, altered, modified, renewed,
3 or extended after October 1, 2008.

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