



NORTH CAROLINA GENERAL ASSEMBLY
SENATOR PHILIP E. BERGER
PRESIDENT PRO TEMPORE
NORTH CAROLINA SENATE

December 4, 2015

U.S. Senator Thom Tillis
185 Dirksen Senate Office Building
Washington, DC 20510

Dear Senator Tillis:

As state representatives for the residents of Eden, N.C., we are deeply disturbed by MillerCoors' decision to close its highly efficient and award-winning brewery there – announced just 72 hours before its parent company began engaging in public merger discussions with another major beer maker. This decision could have a devastating impact on our community and raises troubling questions that we hope you, as a member of the Senate Antitrust, Competition Policy and Consumer Rights Subcommittee, will investigate and demand answers to.

There is no question that Eden's brewery is an effective, profitable facility. Even the MillerCoors website calls it "a state-of-the-art operation" that has reached several milestones in efficiency, like becoming one of the few zero waste-to-landfill breweries and achieving the lowest water-to-beer ratio in the brewery portfolio. These successes played a role in the Eden location being named "brewery of the year" three times since 2011. So it simply doesn't pass the smell test that MillerCoors opted to close its best-performing brewery and lay off hundreds of highly trained employees just days before public merger discussions were announced.

The only conceivable explanation is that its parent company, SABMiller, was working behind the scenes with Molson Coors, its partner in the MillerCoors joint venture, to identify and eliminate assets that would have complicated the looming merger. SABMiller must have known the Department of Justice would deem the combined companies a monopoly. It surely foresaw that it would be required to divest its ownership stake in MillerCoors. And no doubt it acted in concert with Molson Coors to create a package allowing the divestiture to go smoothly – at the expense of hundreds of American jobs.

While these giant beer conglomerates are looking out for their own interests, the hardworking people of Rockingham County are legitimately concerned. More than 500 MillerCoors employees could soon be pushed into the unemployment line, and another 1,715 North Carolinians who work in related sectors may lose their jobs as well. All told, hundreds of

millions of dollars in gross domestic product could be lost, according to the state Department of Commerce.

Given the questionable timing and suspect decision, we encourage you to require answers to the following questions from representatives of MillerCoors:

- Why did you decide to close a state-of-the-art brewery just 72 hours before announcing merger discussions with Anheuser-Busch InBev? Wouldn't it have made more sense to delay such a decision until after you knew the configuration of the newly-merged company?
- Did you know that a merger between Anheuser-Busch InBev and SABMiller would likely force you to divest your interest in MillerCoors? Did you close the plant to avoid handing over a prized asset to a competitor? Or did Molson Coors, your partner in the joint venture, tell you in advance of the divestiture discussions that they did not want the Eden facility?
- In the last few years alone, you've ratified new contracts for brewery workers in Eden, signed a 25-year agreement with the town for payment in lieu of annexation, and made substantial investments in the physical plant, including a 70,000 square foot expansion. Given these major and ongoing investments, why does it make sense to shut down the Eden brewery?

This merger should not proceed until the people of Rockingham County, and all of North Carolina, receive the answers they deserve – and until reasonable steps are taken to protect these jobs. We hope the members of the Senate Antitrust, Competition Policy and Consumer Rights Subcommittee will support this effort.

Sincerely,



Sen. Phil Berger
President Pro Tempore



Rep. Bert Jones

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CC: Members of the N.C. Congressional Delegation