RON WYDEN OREGON

CHAIRMAN OF COMMITTEE ON FINANCE

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COMMITTEE ON FINANCE
COMMITTEE ON THE BUDGET
COMMITTEE ON ENERGY AND NATURAL RESOURCES
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JOINT COMMITTEE ON TAXATION

COMMITTEES:

December 22, 2021

John Hayes CEO Ball Corporation 9200 West 108th Circle Westminster, Colorado 80021

Dan Fisher
President
Ball Corporation
9200 West 108th Circle
Westminster, Colorado 80021

Dear Mr. Hayes and Mr. Fisher:

I write to inquire about Ball Corporation's (Ball) recent announcement of policy changes for its non-contracted customer base. I am concerned that these changes could have a disproportionate impact on small brewers in Oregon and nationwide, and I urge you to amend the policy to accommodate small brewers' needs. At the very least, I ask that you postpone implementation of the policy changes beyond the announced effective date of January 1, 2022.

In mid-November of this year, Ball notified its existing non-contracted customer base that, effective January 1, 2022, it will institute changes for orders of printed cans. It is my understanding that Ball will quintuple the minimum number of beer cans that non-contracted brewers are required to order at one time. For small brewers, this change would increase the required minimum order for cans of a particular type and package of beer from 200,000 cans to one million cans—a volume that many small brewers simply cannot accommodate. In addition, Ball announced it will no longer warehouse inventory for small brewers.

Ball has suggested small brewers engage third-party distributors for warehousing and labeling services. Small brewers in Oregon have raised concerns that the use of third-party distributors will result in increased costs and may require the use of shrink-sleeve labels, which are less recyclable and less popular among consumers. I further understand that, in the past year, Ball refused to renew contracts with many of the small brewers that will be impacted by this policy change, and small brewers are concerned that six weeks is not nearly enough time for them to source alternative packages for products already planned and in the pipeline.

Small brewers in Oregon and every state play a critical role in creating vibrant local economies, providing over 400,000 good-paying jobs nationwide, positively impacting local economies through their downstream effects on tourism, manufacturing, and hospitality, and serving as important partners to our farmers and agricultural producers. At a time when small businesses are already struggling under the weight of ongoing economic upheaval due to COVID-19 and

related supply chain challenges, I am concerned that these new policies, and the short lead time for their implementation, will create new obstacles to the ability of America's small brewers to deliver high-quality products to store shelves.

I want to work together to formulate long-term solutions and ensure that small brewers in Oregon can continue to provide good-paying jobs to their communities and high-quality products to consumers while doing it. Abruptly implementing this proposed policy change could harm your customers and undermine small brewers' contributions to the American economy. For this reason, I urge you to immediately postpone implementation of these policies, and to instead work with small brewers and other stakeholders to craft mutually beneficial policies for Ball's non-contracted customer base.

If you have any questions, you may contact my office at (202) 224-4515. Thank you for your prompt attention to this matter.

Sincerely,

Ron Wyden

United States Senator

cc: Kathleen Pitre, President, Beverage Packing North and Central America, Ball Corporation