

mckelvey3

From: Garrett W. Marrero [g@mauibrewingco.com]
Sent: Tuesday, February 19, 2008 2:19 PM
To: CPCtestimony
Subject: Testimony

Aloha,

Please enter in my comments below regarding our support, personally and as a small business manufacturer in the State of Hawaii, of HB 2960.

I am in full support of the bill however I believe that it needs some "massaging" in order to fully accomplish the intent of the bill. The list of words prohibited for use in marketing in products other than truly local products wholly made in Hawaii including "Hawaii", "Hawaiian", "Aloha State", "50th State", "Kauai", "Maui", "Oahu", or "Honolulu" is flawed in that it does not provide relief from some of the largest culprits of false marketing and labeling including "Kona", "Keeki", "Waimea" and etc.

We need to include labeling requirements for "Truth of Origin" for example, currently TTB requires only that the "Principle business address City and State" be listed on the label. So "Kona Brewing Co." Kailua-Kona, HI is acceptable to TTB yet 100% of Kona bottled product is produced at Widmer in Portland Oregon. We need to either expand the prohibited words or create a requirement of labeling the true origin of the product.

As an owner and employer, we cope every day with costs of manufacturing in excess of 50% more than our mainland counterparts. We are proud to produce a world-class product which wins awards around the globe and at all levels of competition and do so 100% locally. With labor, benefits, insurance, fuel and material costs rising it is a constant struggle. It is unfair to allow a company to manufacture and market a product that deceives the consumer by allowing them to think the product which they are enjoying came from Hawaii. Visitors from the mainland often ask me why the Kona and Keeki beers are cheaper in CA or OR than here if they are local. My response is simple, they are made on the west coast and shipped here; they're NOT local.

Our company motto is "Handcrafted Ales & Lagers Brewed with Aloha". We strive to meet this challenge every day by:

- Producing 100% of our product locally,
- Using other local products such as honey from Manoa, Maui Gold Pineapple, Raw Cane, Lilikoi, Coconut and more
- Cooperating with other local businesses to create unique products (Black Pearl is our rum barrel aged CoCoNut PorTer, the rum barrel is from our friends at Braddah Kimos Rums)
- Investing in education of local labor rather than importing the skills
- Investing in hard assets within the community
- Investing in our people by providing family wages and benefits to all our staff (over 45 people at present)
- Environmental Responsibility

These efforts are for naught if companies are allowed to use a hawaiian sounding name and market a knock-off local product to confuse the consumer.

Again I support the passage of this bill and will be closely tracking its progress so that we may continue to support its evolution to benefit all true local manufacturers.

I can be reached via this email or any of the number below.

Garrett W. Marrero
MAUI BREWING CO.
www.MauiBrewingCo.com
g@mauibrewingco.com
Skype: mauibrewing
808.280.4687 cell

Brewpub: 4405 Honoapiilani Hwy #217 Kahana, Maui, HI 96761 808.669.FISH pub 808.669.0191 fax	Brewery: 910 Honoapiilani Hwy. #55 Lahaina, Maui, HI 96761 Order Line: 1.877.MAUI.BREW
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From: Thomas Kerns [mauiraven@yahoo.com]
Sent: Wednesday, February 20, 2008 3:06 PM
To: alohajaynek@yahoo.com; bigalohabrewery@aol.com; Mark Kerns; Thomas Kerns; Greg Koch; Garrett Marrero; mauiraven@yahoo.com; Jim Mills; Rep. Blake Oshiro; Rep. Cindy Evans; Rep. Josh Green; Rep. Robert Herkes; Rep. Ken Ito; Rep. Sylvia Luke; Rep. Barbara Marumoto; Rep. Angus McKelvey; Rep. Hermina Morita; Rep. Alex Sonson; Rep. Joseph Souki; Rep. Cynthia Thielen; Rep. Clifton K. Tsuji; Rep. Thomas Waters; Rep. Ryan Yamane; Rep. Kyle Yamashita; Paul Sadilek; Sen. Roz Baker; Sen. David Ige; Sen. J. Kalani English; Sen. Russell Kokubun; Robert Volkwein; greg yount
Cc: CPCtestimony; JUDtestimony
Subject: Testimony for HB 2960.

Aloha Honorable Representatives,

I am writing testimony in support of HB 2960.

We simply want to see label and Origin of Manufacture integrity to help maintain the special appellation of "*Made in Hawaii*".

I feel a label requiring the **Actual Origin Of Manufacture** will help create an awareness of the origin of products in Hawaii -- this requirement could be blended in with the existing language of the bill to help insure integrity and open truth of origin of products available to consumers in Hawaii.

In order to seek protection from companies manufacturing or creating products outside the State of Hawaii and then deceptively selling their product as a locally made item is deceptive to the consumer and does not exhibit truthful labeling and Actual Origin of Manufacture.

To brew beer in the Hawaiian Islands can be economically challenging. Our company creates truly locally brewed beer and it costs us 30 to 35% more than brewing & manufacturing on the mainland U.S. Brewing a fresh locally made product is our passion; we and our growing consumers find fresh and locally produced beer is superior to something made and packaged 2,500 miles away. Our business to manufacture and sell locally supports many other local businesses including but not limited to: farmers, gas companies, transportation, distribution, and the many retailers, restaurants, bars, & hotels throughout the State of Hawaii which sell and support our Hawaiian brewed beer.

There are brewers and distillers within the State of Hawaii and outside the State which have sold and continue to sell alcoholic beverages which pose deceptively as Hawaiian made -- but are manufactured elsewhere. Liberal Federal labeling laws allow companies to not have to put the Actual Origin of Manufacture on the label of alcoholic beverages. This allows a company to pass off the product as local product meanwhile enjoying big savings in manufacturing by having the product manufactured and packaged outside Hawaii.

Our company is part of a growing resurgence in local companies crafting & manufacturing locally; supporting local businesses and many local employees and families throughout related businesses helping the economy of Hawaii grow and diversify.

My suggestion is to create legislation that helps protect local companies in this endeavor by requiring the

Actual Origin of Manufacture, brewing, or distilling to be added to the label of Alcoholic beverages. I would take it a step further to help support other companies not in the alcoholic beverage industry which are suffering the same fate and require the Origin of Manufacture label. This could help protect innumerable local artists & craftsmen who create locally but are bombarded by "fake Hawaiian" wares from outside the state.

Currently at this time, Kona Brewing Company, which is headquartered in Kailua-Kona, Hawaii brews a considerable amount of local draft beer in the state of Hawaii; but all of their bottled beer is brewed and packaged in Oregon. The Federal label regulations for bottles and draft beer allow them to include only the address of their business home which is Kailua-Kona, Hawaii. Thus omitting the Actual Origin of Manufacture which is Oregon. I find this to be misleading to the general public consumer in Hawaii and the many other states where this beer is sold. Requiring a simple Origin of manufacture would force companies to show true label and Origin of Manufacture integrity. Breweries like Mehana in Hilo and Maui Brewing Company in Lahaina manufacture and package their packaged beers 100% in Hawaii and they both say as much on their labels; yet they suffer competition from a company posing to make local beer who is using deceptive tactics in their labeling. We simply want to see label and Origin of Manufacture integrity.

Thank you for the opportunity to testify,
Sincerely,

Thomas Kerns
Maui Brewing Co.
4405 Honoapiilani Hwy. Suite #217
Maui, Hawaii, USA, 96761
TK@MauiBrewingCo.com
Cell# 808-276-3301

We simply want to see label and Origin of Manufacture integrity to help maintain the special appellation of "*Made in Hawaii*"

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mckelvey3

From: Jim Sargent [hjsargent@hawaii.rr.com]
Sent: Wednesday, February 20, 2008 8:05 AM
To: CPCtestimony
Subject: Testimony is support of HB2960, hearing date 2/21

Aloha,

Ladies and Gentlemen of the Committee, Aloha from Makawao, Maui!

My name is Harrison James Sargent. My wife Leslie and I co-founded Haleakala Distillers almost five years ago in two abandoned buildings at what used to be Haleakala Dairy. We have since built a small but well-recognized local rum brand family, including Maui Dark Rum, Maui Gold Rum, Maui Platinum Rum and Braddah Kimo's Extreme 155 Rum, which is sold throughout the great State of Hawai'i.

We would urge you to approve HB2960 for two reasons:

1. Fake "Hawai'ian" rum products are flooding the local market with cheap imported rum which is not made in the State, nor in the USA. These products do not pay US excise tax and generate no local employment in the islands. They masquerade as local products and fool many visitors, but the poor quality of the products then turns the visitors away from other, legitimate local products. If the minor changes to the language of HRS 281-3 requested in this bill can be made, such products would become illegal. Real, legitimate locally-made products, from our distillery and at least 2 others nearing completion, would fill the needs of our visitors, who would enjoy a more authentic Maui vacation experience and hopefully tell their friends on the mainland and elsewhere about the excellent, medal-winning rums now made on Maui, further developing our small industry.

2. Right now all wineries and brew pubs can welcome visitors, show them how these important local products are made, provide samples and sell the locally made products directly to the visitors. Due to an oversight last time HRS 282-31 was amended, distilleries were left out of this important trade, which is understandable since there were none in Hawai'i at that time. There is now one operating and two under construction in the state. With seven million visitors annually, the state has the ability to show many of these visitors new and award-winning local distilled products, but the wording of the existing statute limits tasting and sales to other venues, making tours impractical and unlikely to justify their cost. With these changes distillers could offer profitable distillery tours, for which we are now receiving daily requests. In line with the admirable and responsible management practices followed by the state's wineries and breweries, we anticipate limiting samples to a few milliliters, eliminating any risk of increased traffic problems.

We have created four full time and many part-time jobs. With this bill we can go much further, creating a new, clean export-oriented industry which uses local agricultural products. We appreciate the Committee's support.

We request that you make one minor wording change to HB2960:

In the section which describes Hawai'ian names, we request that the list be expanded to include all Hawai'ian words and place names.

In closing, let me say that when my family and I first came to Maui, we could enjoy fresh, local Haleakala Dairy milk and related products, feast on eggs from the local poultry farm in Makawao, eat canned pineapple from Kahului's Maui Pineapple Co., and enjoy many other local food products. None of the listed products are available from local sources today, and this month another island dairy will shut down. I do not like to feed my family stale products imported from the mainland, nor do my neighbors. By passing this bill, the Legislature will take a step towards local self-sufficiency and sustainability after decades of decline in local production. Hawai'i does not need to become a cargo cult. Let us take back our own markets and become self sufficient once again. Mahalo.