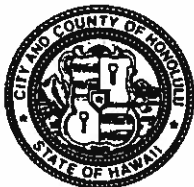


**LIQUOR COMMISSION  
CITY AND COUNTY OF HONOLULU**

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ASSISTANT ADMINISTRATOR

February 6, 2018

The Honorable Roy M. Takumi, Chair  
The Honorable Linda Ichiyama, Vice Chair  
and Members of the Committee on  
Consumer Protection & Commerce

**Hearing:** Friday, February 9, 2018  
2:00 PM; Room 329

**Position:** Comments on HB 2411 HD1, Relating to Intoxicating Liquor

Dear Chair Takumi, Vice Chair Ichiyama, and Members:

The Liquor Commission, City and County of Honolulu (Commission), appreciates the opportunity to submit testimony providing comments on House Bill 2411 HD1, Relating to Intoxicating Liquor.

The Commission fully supports legislation that both enables licensees to expand their businesses but also gives reasonable flexibility to regulators in addressing the changing nature of the liquor industry. In this regard, we have further comments on parts of Section 1 of House Bill 2411 HD1 that we believe may clarify the desired impact of the proposed measure.

**Secondary Location(s) as a Different Class of License.**

As written, a Class 14 Brewpub (Brewpub) or Class 18 Small Craft Producer Pub (SCP Pub) would be permitted a secondary location(s) in a second county if "... *licensed* ... within the county of operation." This *licensing* language properly would be interpreted to require the Brewpub or SCP Pub licensee to go through public hearing as provided in Sections 281-57 to 281-60, Hawaii Revised Statutes, as amended (Public Hearing) in order to establish a second location as any of the listed license classes.

Currently, a holder of a Brewpub or SCP Pub license is able to apply for a liquor license of whatever type independent of the Section 1 proposed language. If a concern to the licensee, "brand" identity would be furthered through use of the same trade name. Therefore, the Section 1 proposed language pertaining to *licensing* the secondary location in the county of operation would appear to be unnecessary.

Since the initial hearing before the Committee on Economic Development & Business, we have been advised of the reason why a "branded" second location of a different class would be commercially advantageous to existing Brewpubs and SCP Pubs. For example, a Brewpub operating in Honolulu County could establish a similarly branded Restaurant in another county, featuring Brewpub products, and thus expanding the brand identity in both counties. However,

requiring the Brewpub to go through a Public Hearing would be a costly and time-consuming process that could reasonably be limited by inserting language to HRS Section 281-31(v) to make the *licensing* of the Brewpub's or SCP Pub's second location comparable to licensure of a Class 8 Transient Vessel, a Class 9 Tour or Cruise Vessel, a Class 10 Special, and a Class 13 Caterer, all of which are not subject to Public Hearing requirements.

This suggested change to HRS Section 281-31(v) would have the below-listed potential benefits:

1. The Brewpub or SCP Pub could establish a second location without the cost and expense of a Public Hearing;
2. The public would still have input on the second location as the second location application would be posted on a Commission agenda for a single hearing;
3. The Commission would have unambiguous regulatory oversight over the second location, including the ability to impose annual license fees, require gross liquor sales reporting, and enforce liquor laws and rules compliance; and
4. Existing licensees in the second location would not be commercially disadvantaged as the second location licensee would be subject to the exact same license fees, gross liquor sales reporting, and liquor laws and rules compliance.

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Please note that the four counties are NOT in agreement with exempting the second location from the Public Hearing process. Accordingly, the HRS 281-31(v) alternative is provided for the sole purpose of furthering discussion on the handling of the second location licensure.

The Liquor Commission appreciates the opportunity to provide testimony on House Bill 2411 HD1, Relating to Intoxicating Liquor. The handling of the second location licensure requires further discussion, and we look forward to continuing same if the proposed measure receives your favorable action.

Respectfully submitted,



FRANKLIN DON PACARRO, JR.  
Administrator

FDP:ACH



**WAIKIKI BREWING COMPANY**

Joe P. Lorenzen, Partner/Brewmaster  
831 Queen St.  
Honolulu, HI 96813  
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[brewmaster@waikikibrewing.com](mailto:brewmaster@waikikibrewing.com)

HB 2411, HD1 Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

My name is Joe Lorenzen. I live in Honolulu, on the island of Oahu, and I am a partner in and Brewmaster of Waikiki Brewing Company with business locations in Waikiki and in Kaka'ako. I am sorry to not be able to attend this hearing in person to show my support, but business has called me away to the neighbor islands today.

We **SUPPORT HB 2411** for the following reasons:

The second location clause allows for us to increase our business (and therefore increase jobs and tax revenues) by allowing us to perform the same business operations at multiple licensed premises including other counties. This bill supports local manufacturing by allowing Hawaiian craft breweries more opportunities to get their product into the marketplace.

The clause that creates consistency in the definition of growlers allows for clarity for both retailers and consumers. Growlers are popular with consumers due to the sustainability of filling a re-usable container with beer. This law would help to add consistency to the definition of a growler while also allowing for new types of re-usable containers to be used, which further encourages sustainability by promoting re-usable containers as opposed to disposable.

The direct shipping clause allows new markets for Hawaiian craft brewers. While wine producers already enjoy the ability to ship their products direct to consumers, brewers and spirit producers do not. This bill allows for parity across all three categories of beverage alcohol, with producers able to increase revenues and manufacturing jobs in Hawaii by selling their products to fans in other states.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411.

Sincerely,

A handwritten signature in black ink that reads "Joe P. Lorenzen". The signature is stylized and includes a long horizontal flourish at the end.

Joe P. Lorenzen



**Kohola Brewery**

Christine Elumba  
910 Honoapiilani Highway #55  
Lahaina, HI 96761  
808-740-2499  
ie@koholabrewery.com

HB 2411, HD1      Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Christine Elumba, I live in Kihei, Maui and I am the Co-Founder of Kohola Brewery located in Lahaina, Maui. Our brewery began in 2015 with one employee. We now provide 7 jobs in Hawaii.

I support HB 2411, H.D.1 because this allows us small craft brewers to grow our product and create more local jobs. We are a local company and most of our finances stay local, we bank local, our kids go to local schools, we shop local. The second location clause will allow our products to be available in a neighbor island without us building another manufacturing location in Oahu or Kauai or Big Island. The Growler law will provide consistency and clarification of the current law and direct shipping allows us to expand our local products outside of Hawaii. Direct Shipping also allows us to test which market is best for distribution outside of the state without fully committing to that market.

I support HB2411, H.D.1 which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.

**Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county. Having a second location helps us grow due to the geographic distance between the islands.

### **Consistency in the Growler law**

Growlers, crowlers, and other types of reusable or recyclable containers are very popular with our customers. Most growlers were made from glass when customers first began to use them. Sales of our craft beer products in these containers continue to increase. We support environmentally friendly practices at our brewery and would like to have the term growler expanded to include recyclable or reusable container.

The definition of growler is currently inconsistent for our business and can be confusing for our craft beer customers. We support using growler to mean a container not to exceed one gallon.

### **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411, H.D.1.



## **Kohola Brewery**

Ian Elumba

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Lahaina, HI 96761

808-740-1499

ie@koholabrewery.com

HB 2411, HD1      Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Ian Elumba, I live in Kihei, Maui and I am the Co-Founder of Kohola Brewery located in Lahaina, Maui. Our brewery began in 2015 with one employee. We now provide 7 jobs in Hawaii.

I support HB 2411, H.D.1 because this allows us small craft brewers to grow our business and create more local jobs. In addition, not only we create local jobs, our industry also expands to other local industries such as farming. We brew a lot of our beers using local ingredients such as Coffee, Pineapple and Lilikoi purchased from local farmers, in turn their industry grows. In addition, our spent grains are donated to a local farmers for animal feed, in turn that part of their business is growing.

I support HB2411, H.D.1 which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.

### **Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county. Having a second location helps us grow due to the geographic distance between the islands.

### **Consistency in the Growler law**

Growlers, crowlers, and other types of reusable or recyclable containers are very popular with our customers. Most growlers were made from glass when customers first began to use them. Sales of our craft beer products in these containers continue to increase. We support environmentally friendly practices at our brewery and would like to have the term growler expanded to include recyclable or reusable container.

The definition of growler is currently inconsistent for our business and can be confusing for our craft beer customers. We support using growler to mean a container not to exceed one gallon.

### **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411, H.D.1.





**Stewbum & Stonewall Brewing Co.**

Darren Garvey  
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Honolulu, HI 96817  
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HB 2411, HD1 Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Darren Garvey, I live in Honolulu, Oahu and I am the Owner/Founder of Stewbum & Stonewall Brewing Co. located in Honolulu, Hawaii. Our brewery began in 2014 with 1 employee. By the summer of 2018, we will provide 25+ jobs in Hawaii.

Stewbum & Stonewall Brewing Co. supports HB 2411, H.D.1 because it further defines and clarifies what constitutes a "Growler".

This change will allow us to easily sell growlers and crowlers, especially to those consumers that use the wildly popular insulated containers such as Hydroflasks. This change will also allow us to sell Crowlers, which are 32oz sealable cans (and the Craft Brewing Industry's latest trend).

There will be a positive impact to our brewery because consumers were often confused on what sort of containers could be filled for offsite consumption; and this change will allow us to more easily address their concerns.

Stewbum & Stonewall Brewing Co. supports HB2411, H.D.1 which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.



### **Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

### **Consistency in the Growler law**

Growlers, crowlers, and other types of reusable or recyclable containers are very popular with our customers. Most growlers were made from glass when customers first began to use them. Sales of our craft beer products in these containers continue to increase. We support environmentally friendly practices at our brewery and would like to have the term growler expanded to include recyclable or reusable container.

The definition of growler is currently inconsistent for our business and can be confusing for our craft beer customers. We support using growler to mean a container not to exceed one gallon.

### **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411, H.D.1



February 7, 2018

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

I'm writing on behalf of our local family-owned and operated business, Kauai Island Brewing Co. in support of **HB2411 HD1** which clarifies various items in current liquor laws; namely the second location clause, and the growler law. Additionally, passage of this bill will expand the current direct shipping laws to include Hawaii's breweries and distilleries.

Why are the clarifications necessary?

### **Second Location Clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

### **Location other than primary manufacturing premises**

Hawaii's craft breweries are increasing in number with the addition of new start up brewery businesses and expansion of existing businesses. Breweries may have an initial or primary manufacturing premises and expand with a new establishment, sometimes in a second county. The "second location" clause is meant to address inconsistencies where the second location may not be a production facility, to allow activities such as retail sales under the same trade name without requiring another license. A brewery business may have no intention of manufacturing at the second location, but still have the desire to carry out retail sales of their products at their second establishment. **This would be default not require the same class of license (14, 18) but rather a restaurant or retailer class license as no production would occur on site.** We support HB2411 HD1 which seeks to address and clarify inconsistencies.

### **Growler Clarification**

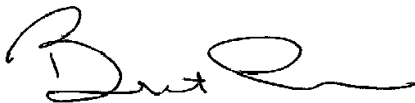
Current law is confusing as to the size that a growler can be sold in. In one place it specifies growler as up to “one-half gallon” but in next paragraph referring to recyclable containers states “one gallon”. The original law was written when only glass growlers were available. Due to the growth of craft beer across the United States vendors now offer options in aluminum, stainless, plastic, ceramic and etc. We’re proposing a simplification of 2 paragraphs into one where a growler be defined as a recyclable container up to one gallon in size.

### **Direct Shipping**

Hawaii has specific Direct Shipping laws allowing the direct shipping of wine by wineries. This means a winery can send direct to consumer in Hawaii or outside the State. The system exists to allow reciprocity; in short if Hawaii want to allow shipping to other States, Hawaii must allow those States to ship to consumers here. Taxes must be paid, licenses issued, proper shipping rules ensuring proper age of recipient and etc. We are seeking the change in these rules to allow the same rights afforded to Wineries be conferred to Hawaii’s breweries and distilleries as we manufacture locally and wish to export our products directly. The majority of smaller breweries do not have access to distribution as they are often too small to attract a wholesaler partner. We feel that it is imperative to their survival that access be given to retail to consumers around the world. This serves to increase the viability of a small craft brewery and to increase Hawaiian exports bringing attention to the growing brewing scene in Hawai’i. In order to accomplish this we feel that HRS 281-33.6 can expand upon its direct shipping rules to allow reciprocity for not just wine but beer and spirits as well. This would also achieve fairness and parity across the three categories of beverage alcohol.

Thank you for the opportunity to offer these comments.

Sincerely,



Bret Larson  
President, Kauai Island Brewing Company, LLC.  
808-755-5926  
[bret@kauaiislandbrewing.com](mailto:bret@kauaiislandbrewing.com)



February 7, 2018

HB 2411, HD1 Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

My name is Geoffrey Seideman, I live in Hawaii Kai, Oahu, and I am the Owner and Brewer of Honolulu BeerWorks brewery in Kaka'ako. Mahalo for the opportunity to submit testimony, I apologize that I could not be there in person as my growing business needs me present. I am writing on behalf of our local family-operated business, Honolulu Beerworks, in support **HB2411, H.D.1** which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.

**Second location clause**

Provides more consistency and uniformity for craft beer establishments across the state. Breweries start up with a manufacturing location and when they expand to a second location, will want to sell their retail products at the new establishment, including the ability to sell at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

**Consistency in the Growler law**

Growlers, crowlers, and other types of reusable and recyclable containers are very popular with our customers. Sales of our craft beer products in these containers continue to increase. We support the use of environmentally friendly container materials and expansion of the term growler to recyclable or reusable container.

The definition of growler is currently inconsistent for our business and our customers. We support using growler to mean a container not to exceed one gallon.

**Honolulu Beerworks**  
**328 Cooke St, Honolulu HI. 93813**  
**808-589-2337**

## **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Honolulu Beerworks is a small, independent craft brewery located in the heart of Kaka'ako. We opened in 2014 with 18 employees and have undergone 3 expansions since then. We now currently employ 36 and have our eyes on expanding again in the near future.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411, H.D.1

Sincerely,

Geoffrey Seideman

Owner/Brewer

**Honolulu Beerworks**  
**328 Cooke St, Honolulu HI. 93813**  
**808-589-2337**



506 Keawe Street  
Honolulu, Hawaii, 96813

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February 7, 2018

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

HB 2411, HD1 Relating to Intoxicating Liquor  
House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the Committee on Consumer Protection and Commerce,

Position: **Support**

REAL a gastropub was founded initially in 2012 with 18 original employees as a community gathering place serving local cuisine and hand-crafted beers. We are relocating, rebuilding our flagship and incorporating a 7BBL brewery named Bent Tail Brewing Company into our new location at Keauhou Lane in Kakaako. We will be able to grow into a team of 40 Honolulu residents that sells award winning beers throughout Oahu and with a focus on using local sources for our food as we have since our opening and now add this principal to our beer. We have done this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more. Changes like this bill can help us continue our success and help others to do the same. We appreciate the on-going support of all individuals and legislators who support issues which enable local manufacturers and businesses to thrive in Hawaii.

#### **Growler containers**

Current statute is confusing with growlers described as half gallon and as one gallon. REAL a gastropub / Bent Tail Brewing Company supports standardizing and simplifying the definition of growler to mean a container of up to one gallon. Initially growlers were made from glass. As their popularity has increased, growlers are now made from a wider range of environmentally friendly reusable or recyclable materials. We support terminology that reflects this change in container materials, defining growler as a recyclable or reusable container.

#### **Location other than primary manufacturing premises**

Hawaii's craft breweries are increasing in number with the addition of new start up brewery businesses and expansion of existing businesses. Breweries may have an initial or primary manufacturing premises and expand with a new establishment, sometimes in a second county. The "second location" clause is meant to address inconsistencies where the second location may not be a production facility, to allow activities such as dispensing and retail sales under the same trade name without requiring another production license. Often a small brewery can

produce enough beer to support two dispensing and retailing locations thus allowing the small brewer to utilize some efficiency as an economy of scale. Original investments in even small production facilities can be enormous and multiple income streams from the economy of scale can help support small local manufacturers. A brewpub or small craft producer license holder may have no intention of manufacturing at the second location, but still have the desire to carry out dispensing and retail sales of their products at their second establishment. This would, by default, not require the same class of license (14, 18) but rather a restaurant or retailer class license as no production would occur on site. We support HB 2411, HD1 which seeks to address and clarify inconsistencies and expands retail and dispense operations of local craft brewers.

### **Direct shipment of liquor by producers**

HB 2411, HD1 proposes to expand HRS 281-33.6 direct shipping rules to allow reciprocity for not just wine, but also to include beer and spirits. Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol.

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer in or out of State. HB 2411, HD1 is proactive in providing an opportunity for Hawaii's craft beer businesses to offer products through direct sales to new markets and a wider customer base. These are breweries that often cannot find wholesaler partners yet deserve access to market.

Direct shipping increases the viability of small craft breweries by allowing export of our products manufactured in Hawaii to our current brewery fans and potential new customers. We support HB 2411, HD1 that fosters expanded marketplace options for Hawaii's beverage alcohol manufacturers.

Hawaiian manufacturing and producers operate under the highest cost conditions of any State. This has served to limit the availability of true, locally produced selections and give rise to a host of "faux-Hawaiian" products. As an isolated State we must invest in local manufacturing, these are jobs with good wages and benefits that can provide careers for our residents. Further if Hawaii is to continue to compete in the world of tourism it is important for us to deliver an authentic Hawaiian experience in our products; this bill helps us to continue on our path of recent growth and success.

Mahalo for your consideration, we urge you pass this bill. Thank you for the opportunity to provide testimony in support of HB 2411, HD1.

Sincerely,

*Troy Terorotua*

Troy Terorotua

Founder & Owner

REAL a gastropub / Bent Tail Brewing Co

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[troy@realgastropub.com](mailto:troy@realgastropub.com)

Cell# 808-741-7373





**Kauai Beer Company**

James Guerber  
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Lihue, HI 96766  
808 639 7821  
[Jim@kauaibeer.com](mailto:Jim@kauaibeer.com)



HB 2411, H.D.1      Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Jim Guerber and I am the President of the Kauai Beer Company, located in downtown Lihue, Kauai on Rice Street. We have been in business here since 2006 and began formally serving beer in September 2013. We have been instrumental in the effort to revitalize our downtown and are widely recognized for our contribution in that regard. We are in the process of renovating an adjacent space, which will dramatically enhance our ability to serve a larger customer base, increase production and increase our personnel, which is presently 34 full and part-time employees.

The Kauai Beer Company supports HB 2411, H.D.1 because it addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales, relating to the second location clause and the growler law. Additionally, passage of this bill will expand the current direct shipping laws to include Hawaii's breweries and distillers.

The following offers more details from Kauai Beer Co. on the aforementioned three items:

**Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries like ours start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

### **Consistency in the Growler law**

Kauai Beer Company offers growlers to our customers and sales have been increasing. Growlers, crowlers, and other types of reusable or recyclable containers are very popular with craft beer consumers. Most growlers were made from glass when customers first began to use them. We support environmentally friendly practices at our Kauai Beer Company brewery and would like to have the term growler expanded to include recyclable or reusable container.

The definition of growler is currently inconsistent for our business and can be confusing for our customers. We support using growler to mean a container not to exceed one gallon.

### **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries like ours don't have access to distributors that will export our beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries like ours and would allow export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB2411, H.D.1.

Sincerely,

Jim Guerber  
President  
Kauai Beer Company

.

**Aloha Beer Co.**  
Dave Campbell  
700 Queen Street  
808-544-1605  
dave@alohabeer.com



HB 2411, HD1 Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Dave Campbell, I live in Waimanalo. Oahu and I am the Brewmaster and Director of Operations at Aloha Beer Co. located in Honolulu. Our brewery began in 2016 with 2 employees. We now provide over 20 jobs in Hawaii.

I support HB 2411, H.D.1 because it will continue to allow breweries to develop and expand in Hawaii, creating good wage jobs and promoting the manufacturing of Hawaiian-made products.

I support HB2411, H.D.1 which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.

**Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

**Consistency in the Growler law**

Growlers, crowlers, and other types of reusable or recyclable containers are very popular with craft beer consumers. Sales of craft beer in these containers continue to increase.

We support the use of environmentally friendly practices at our business and encourage expanding the term growler to mean a recyclable or reusable container.

The definition of growler is currently inconsistent and as a customer it is not always clear what size growler can be filled. We support using growler to mean a container not to exceed one gallon.

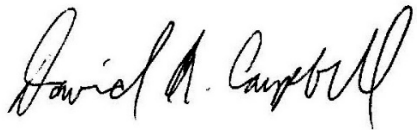
### **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of products to current fans of a brewery and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Mahalo for your consideration. We urge you to pass this bill.  
Thank you for the opportunity to provide testimony in support of HB 2411, H.D.1.

A handwritten signature in black ink that reads "David A. Campbell". The signature is written in a cursive, flowing style.

David A. Campbell  
Brewmaster/Director of Operations  
Aloha Beer Co.



64-1066 Mamalahoa Highway  
Kamuela, Hawaii, 96743

T 808-887-1717  
F 808-885-0653  
BigIslandBrewHaus@Yahoo.Com

[BigIslandBrewHaus.Com](http://BigIslandBrewHaus.Com)

February 8, 2018

HB 2411, HD1 Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce.

Position: **Strong Support**

Big Island Brewhaus was founded initially in 2008 with 9 original employees as a community gathering place serving local cuisine and hand-crafted beers. We have grown into a team of 40 Big Island residents that sells award winning beers throughout Hawaii and is focused on using local sources for our food and beer. We have done this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more. Changes like this bill can help us continue our success and help others to do the same. We appreciate the ongoing support of all individuals and legislators who support issues which enable local manufacturers and businesses to thrive in Hawaii.

I wish I could be present at this hearing in Honolulu, but I need to be present at my business during this hearing. Thank-you for reading my testimony, I look

**Consistency in the Growler law**

Growlers, crowlers, and other types of reusable or recyclable containers are very popular with our customers. Most growlers were made from glass when customers first began to use them. Sales of our craft beer products in these containers continue to increase. We support environmentally friendly practices at our brewery and would like to have the term growler expanded to include recyclable or reusable container.

The definition of growler is currently inconsistent for our business and can be confusing for our craft beer customers. We support using growler to mean a container not to exceed one gallon.

## **Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing, allowing even a small manufacturer in Hawaii to make use of their own economy of scale. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

## **Direct shipment of liquor by producers**

HB2411 proposes to expand HRS 281-33.6 direct shipping rules to allow reciprocity for not just wine, but also to include beer and spirits. Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol. Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer in or out of State. HB 2411 is proactive in providing an opportunity for Hawaii's craft beer businesses to offer products through direct sales to new markets and a wider customer base. These are breweries that often cannot find wholesaler partners yet deserve access to market.

Direct shipping increases the viability of small craft breweries by allowing export of our products manufactured in Hawaii to our current brewery fans and potential new customers. We support HB 2411 that fosters expanded marketplace options for Hawaii's beverage alcohol manufacturers.

Hawaiian manufacturing and producers operate under the highest cost conditions of any State. This has served to limit the availability of true, locally produced selections and give rise to a host of "faux-Hawaiian" products. As an isolated State we must invest in local manufacturing, these are jobs with good wages and benefits that can provide careers for our residents. Further if Hawaii is to continue to compete in the world of tourism it is important for us to deliver an authentic Hawaiian experience in our products; this bill helps us to continue on our path of recent growth and success.

Mahalo for your consideration, We urge you pass this bill. Thank-you for the opportunity to provide testimony in support of HB 2411.

Sincerely,

**Thomas D. Kerns**

Thomas Kerns

Founder & Brewer

Big Island Brewhaus

64-1066 Mamalahoa Highway

Kamuela, HI, 96743

[BigIslandBrewhaus@yahoo.com](mailto:BigIslandBrewhaus@yahoo.com)



**Taps & Apps LLC.**

Christopher Overton  
95-1830 Meheula Pkwy., Suite C-6  
808-626-8277  
tapsandappshawaii@gmail.com

HB 2411, HD1      Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Christopher Overton, I live in Mililani, Oahu and I am the General Manager/Owner of Taps and Apps Brewpub located in Mililani, Oahu, Hawaii. Our brewery began in 2015 with 20 employees. We now provide 35 jobs in Hawaii.

We are in the planning stages, of creating a new business venture.

Taps and Apps LLC. supports HB 2411, H.D.1 because it provides great opportunities for exposure for exclusive Hawaii-made products by small local businesses like ours.

This change will allow customers to obtain product that is unique to our businesses

There will be a positive impact to our brewery because it creates a customer base that becomes dedicated to our brewery because we sell exclusive merchandise.

Taps & Apps LLC. supports HB2411, H.D.1 which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.

**Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

**Consistency in the Growler law**

Growlers, crowlers, and other types of reusable or recyclable containers are very popular with our customers. Most growlers were made from glass when customers first began to use them. Sales of our craft beer products in these containers continue to increase. We support environmentally friendly practices at our brewery and would like to have the term growler expanded to include recyclable or reusable container.

The definition of growler is currently inconsistent for our business and can be confusing for our craft beer customers. We support using growler to mean a container not to exceed one gallon.

### **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411, H.D.1.



Cindy Goldstein  
Executive Director  
Hawaiian Craft Brewers Guild  
98-814 C Kaonohi Street  
Aiea, HI 96701

HB 2411, HD1      Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m.    Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

The Hawaiian Craft Brewers Guild is a non-profit Hawaii trade organization that seeks to promote production of independent craft beer in Hawaii. The number of independent craft breweries in Hawaii continues to grow, and several breweries have recently, or are in the process of expanding. The Hawaiian Craft Brewers Guild is united in our pursuit to promote economic activity for Hawaii's beer manufacturers and enhance opportunities in our communities. Our members represent the majority of the craft beer producers in Hawaii, with members producing 100% of their beer in Hawaii.

HB2411, H.D.1 includes three subject areas under HRS Section 281 addressing inconsistencies and increasing uniformity in laws regarding liquor manufacturing and sales.

### **Growler containers**

Current statute is confusing for small craft brewery customers and businesses, with growlers described as half gallon and as one gallon. The Hawaiian Craft Brewers Guild supports standardizing and simplifying the definition of growler to mean a container of up to one gallon.

Initially growlers were made from glass. The popularity and availability of growlers, crowlers, and other types of recyclable or reusable containers continues to increase. Craft breweries support environmentally friendly practices and would like to have the term growler expanded to include recyclable or reusable containers. .

HB2411 H.D.1., SECTION 1. (4) refers to recyclable and reusable containers and should be standardized to recyclable or reusable containers, the same as is stated in the last sentence of Section 1. (4).

## **Location other than primary manufacturing premises**

The Hawaiian Craft Brewers Guild supports HB2411, H.D. 1 because it provides more consistency and uniformity for the craft beer producers across the state.

Hawaii's craft breweries are increasing in number with the addition of new start up brewery businesses and expansion of existing businesses. Small craft breweries often start with a manufacturing location to begin production of their craft beer and then expand to a second location. As the brewery establishes a second location in the same or in another county, they may want to sell their retail canned and bottled products at the new establishment.

The "second location" clause is meant to address inconsistencies where the second location may not be a production facility, to allow activities such as retail sales under the same trade name without requiring another production license. A brewpub or small craft producer license holder may have no intention of manufacturing at the second location, but still have the desire to carry out retail sales of their products at their second establishment. This would, by default, not require the same class of license (14, 18) but rather a restaurant or retailer class license, as no production would occur on site. The second location would be permitted in the county of operation and a second location should not need a license to manufacture if there is in fact no production at the second location. A requirement for the same license as the primary location would be costly and time consuming, given that no manufacturing is part of the second satellite location.

This bill promotes local manufacturing, enabling the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

## **Direct shipment of liquor by producers**

HB2411, H.D.1 proposes to expand HRS 281-33.6 direct shipping rules to allow reciprocity for not just wine, but also to include beer and spirits. Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol.

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer in or out of State. HB2411, H.D.1 is proactive in providing an opportunity for Hawaii's craft beer businesses to offer products through direct sales to new markets and a wider customer base. Again these are breweries that often cannot find wholesaler partners yet deserve access to market.

Direct shipping increases the viability of small craft breweries by allowing export of our products manufactured in Hawaii to current brewery fans and potential new customers.

We support HB2411, H.D.1 that fosters expanded marketplace options for Hawaii's beverage alcohol manufacturers. T

The Hawaiian Craft Brewers Guild appreciates consideration of HB2411 H.D.1 and we urge you to pass this bill. Thank you for the opportunity to provide testimony in support.



**Beer Lab HI**

Nicolas Wong  
1010 University Avenue, Honolulu, HI 96826  
808 542-7015  
Nicolas@beerlabhi.com

HB 2411, HD1 Relating to Intoxicating Liquor

House Committee on Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2:00 p.m. Conference Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Nicolas Wong, I live in Honolulu and I am the CEO of Beer Lab HI brewery doing business in Honolulu. Our brewery began in 2016 with 3 employees. We now provide 12 jobs in Hawaii.

**We are in the process of expanding our brewing operations to Waipio in the next few months.**

We at Beer Lab HI support support HB 2411, H.D.1 it will allow a small business from Hawaii to have a better chance at succeeding in expansion.

This change will allow and easier and far better transition to a second location and allow us to sell our beer brewed in one location at another location.

We at Beer Lab HI support HB2411, H.D.1 which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.

**Second location clause**

Bill HB2411, H.D. 1 provides more consistency and uniformity for craft beer producers across the state. We have seen small craft breweries in Hawaii start up in a first manufacturing location to begin producing their craft beer and then expand to a second location. As the brewery establishes a second location they often want to sell their retail canned and bottled products at the new establishment. This includes wanting to sell retail products at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

**Consistency in the Growler law**

Growlers, crowlers, and other types of reusable or recyclable containers are very popular with our customers. Most growlers were made from glass when customers first began to use them. Sales of our craft beer products in these containers continue to increase. We support environmentally friendly practices at our brewery and would like to have the term growler expanded to include recyclable or reusable container.

The definition of growler is currently inconsistent for our business and can be confusing for our craft beer customers. We support using growler to mean a container not to exceed one gallon.

**Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411, H.D.1.



February 8, 2018

House Committee on Consumer Protection & Commerce  
Friday, February 9<sup>th</sup>, 2018, 2pm  
State Capitol, Conference Room 329

Re: **HB2411 HD1**, RELATING TO INTOXICATING LIQUOR, SUPPORTING TESTIMONY

Aloha Chair Takumi, Vice Chair Ichiyama, and Members of the Committee on Economic Development and Business.

My name is Garrett W. Marrero, I live in Kula, HI. We have locations on Maui in Lahaina and Kihei, and on Oahu in Waikiki and Kailua. We distribute across the Hawaii, 23 States, and 13 countries. We began in 2005 with 26 team members and have added more than 500 to our team. My wife and I were selected as the National Small Business Persons of the year in 2017 for our work at Maui Brewing Co. I'm writing on behalf of myself and our local family-operated business in support of **HB2411** which clarifies various items in current liquor laws; namely the second location clause, and the growler law. Additionally, passage of this bill will expand the current direct shipping laws to include Hawaii's breweries and distilleries.

I briefly cover the Growler and Direct shipping issues below and it seems those are widely supported. I focus more intently on the second location clause as it seems there are some inaccurate conclusions from testimony I have read.

#### **Growler Clarification**

This section is universally supported as it simplifies and clarifies rules. Current law is confusing and states a growler as up to "one-half gallon" but elsewhere states recyclable containers of "one gallon". Due to the growth of craft beer across the United States vendors now offer options in aluminum, stainless, plastic, ceramic and more in a multitude of sizes. We support the clarifying language where a growler be defined as "a recyclable and/or reusable container up to one gallon in size".

#### **Direct Shipping**

This seems to be universally supported by testimony submitted prior. Hawaii has specific Direct Shipping laws allowing the direct shipping of wine by wineries. The system exists to allow reciprocity; eg allow wine in, allow wine out. Taxes must be paid, licenses issued, proper shipping rules ensuring proper age of recipient and etc. We are seeking the change in these rules to allow the same rights afforded to Wineries be conferred to Hawaii's breweries and distilleries as we manufacture locally and wish to export our products directly. The majority of smaller breweries do not have access to distribution as they are often too small to attract a wholesaler partner. We feel that it is imperative to their survival that access be given to retail to consumers around the world. This serves to increase the viability of a small craft brewery and to increase Hawaiian exports bringing attention to the growing brewing scene in Hawai'i. In order to accomplish this, we feel that HRS 281-33.6 can expand upon its direct shipping rules to allow reciprocity for not just wine but beer

**Handcrafted Ales & Lagers Brewed with Aloha**  
605 Lipoa Parkway, Kihei, HI 96753  
808.213.3002



and spirits as well. This would also achieve fairness and parity across the three categories of beverage alcohol. The local wineries and distilleries support this amendment.

### **Second Location Clause**

Currently as you see HRS 281 allows for Class 14 and 18 licensees to operate another location within the State so long as its properly licensed. This is to encourage and allow a producer to manufacture at one central plant and sell their products through other owned establishments. It does not make sense to have multiple manufacturing sites due to the extreme cost and complicated licensing at the Federal, State and Local levels. This clause was added in order to promote local manufacturing. Investing in one larger production facility yet allowing the retail rights to be conferred to additional locations in the State for retail but not manufacturing purposes. The current County system presents a challenge as the language in 281 is being misconstrued or just ignored. A clarification is necessary to ensure that a business manufacturing on one island, can sell its products on another island under the proper license.

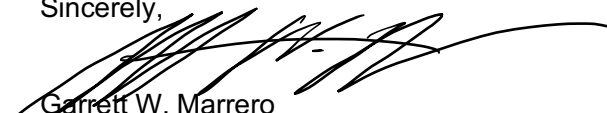
Case in point, Maui Brewing Co. Waikiki cannot currently sell Maui Brewing Co. (MBC) products at retail as the current rules are being interpreted by the departments across two counties require a signoff of the "home" county. Unfortunately, the home county maintains they have no jurisdiction and therefore cannot give a ruling. As such, our cans of locally brewed beer that are sold at retail to visitors to our Kihei location and Kahana location cannot be sold to visitors of our Waikiki and I assume our soon to open Kailua location. This is contrary to the intent of State law meant to encourage not discourage local production and sale. To clarify further, we are not stating that a brewpub or SCP be allowed to brew or manufacture under second location, however they must be allowed to sell at retail. The rule needs clarification in order to direct Liquor Commissions to allow businesses to thrive across the State. The current State law is in place to do so and the directive needs to be made.

We concur with a majority of the comments of LC and would support with a discussion as to how they work into the overall goal. Reading testimony from other counties I see the concerns over "licensed" vs "permitted", we are happy to meet and discuss how this effects the goal. Public hearings do not worry us as it would be required under any circumstance for a retail liquor license as I understand it.

I am however concerned that in one case LC has stated that the location would need the same class of license. This would make no sense whatsoever. A Class 2 Restaurant or Class 4 Retailer license should be required. A Class 14 or 18 is specific to brewing beer on site and is a hybrid retail/manufacturing license. The 14 and 18 classes require proper zoning, Federal Brewers Notices, Wine Permits and Distillers Permits that are extremely cumbersome and expensive to secure. Further, the second location clause would be completely unnecessary because as a 14 or 18 you already have the rights that the second location clause allows, thereby negating the need for this clause at all. Again, we have been and will continue to work with the various liquor commissions to find the right language so long as we can accomplish the goal and support Hawaii manufacturing jobs and authentic local production and sale. Again this relates to selling at retail not brewing in the Second Location.

Thank you for the opportunity to offer these comments.

Sincerely,



Garrett W. Marrero  
CEO/Founder

**Handcrafted Ales & Lagers Brewed with Aloha**  
605 Lipoa Parkway, Kihei, HI 96753  
808.213.3002

HB 2411 HD1 Relating to Intoxicating Liquor

House Committee Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2pm Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Chris Thibaut, I live in Kailua and I work at Maui Brewing Co. with business locations in Lahaina, Kihei, Waikiki and Kailua on Maui and Oahu.

I support HB 2411 because it will help our team and other craft breweries to grow and create jobs in Hawaii.

The second location clause and direct shipping laws affect us the most and will be instrumental in the success of craft breweries as they grow.

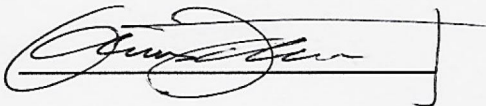
We are currently being hurt by not being able to sell our pre-packaged beers although this right is established under law. Maui Brewing Co. Waikiki cannot currently sell Maui Brewing Co. (MBC) products at retail as the current law is being muddled by various county liquor commissions. The rule needs clarification in order to direct Liquor Commissions to allow businesses to thrive across the State.

Maui Brewing Co. is a small, independent craft brewery that began with just 23 on our team in 2005. We are now over 500 strong and Hawaii's largest craft brewery. We did this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411.

Aloha,

A handwritten signature in black ink, appearing to read "Chris Thibaut", written over a horizontal line. The signature is stylized and cursive.

HB 2411 HD1 Relating to Intoxicating Liquor

House Committee Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2pm Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Andrew Nelson, I live in Honolulu and I work at Maui Brewing Co. with business locations in Lahaina, Kihei, Waikiki and Kailua on Maui and Oahu.

I support HB 2411 because it will help our team and other craft breweries to grow and create jobs in Hawaii.

The second location clause and direct shipping laws affect us the most and will be instrumental in the success of craft breweries as they grow.

We are currently being hurt by not being able to sell our pre-packaged beers although this right is established under law. Maui Brewing Co. Waikiki cannot currently sell Maui Brewing Co. (MBC) products at retail as the current law is being muddied by various county liquor commissions. The rule needs clarification in order to direct Liquor Commissions to allow businesses to thrive across the State.

Maui Brewing Co. is a small, independent craft brewery that began with just 23 on our team in 2005. We are now over 500 strong and Hawaii's largest craft brewery. We did this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411.

Aloha,



A handwritten signature in black ink, appearing to read 'Andrew Nelson', is written over a horizontal line.



HB 2411, HD1

Various Testimonies in Support

- |                       |                       |
|-----------------------|-----------------------|
| 1. James Furnish      | 24. Benno             |
| 2. Anson J.K. Silva   | 25. Russell Jorgensen |
| 3. Katherine Belanger | 26. Massimo Tronbche  |
| 4. Joshua Guidi       | 27. Jessica Saienni   |
| 5. Marsha Hansen      | 28. Avery Snyder      |
| 6. Gregory Knox       | 29. Don Bettel        |
| 7. Chris Hayer        | 30. Sandy Mariano     |
| 8. M. Porentera       | 31. Jhariah Traxlen   |
| 9. Jessica Serafini   | 32. Matthew Macdonald |
| 10. Pete Scheider     | 33. Don Marceanx      |
| 11. Russell Adkins    | 34. Jackie            |
| 12 Kim Lutz           | 35. Seth Wilson       |
| 13. Jon Dupont        | 36. Ash Wiscovitch    |
| 14. Tyler Madson      | 37. Amber Rinker      |
| 15. Lilah Inaba       | 38. Jessica Pellonar  |
| 16. Mariah Frye-Keele |                       |
| 17. Daniel Mori       |                       |
| 18. Nathan Rihm       |                       |
| 19. Cheryl Schlosser  |                       |
| 20. Kanoë Clark       |                       |
| 21. Scott Lilly       |                       |
| 22. Maxwell Frersi    |                       |
| 23. MacKinley Rapp    |                       |



HB 2411 HD1 Relating to Intoxicating Liquor

House Committee Consumer Protection & Commerce  
Friday, Feb 9, 2018 at 2pm Room 329

Chair Roy Takumi, Vice Chair Linda Ichiyama, and members of the House Committee on Consumer Protection and Commerce,

Position: **Support**

My name is Samuel Mori, I live in Waikapu and I work at Maui Brewing Co. with business locations in Lahaina, Kihei, Waikiki and Kailua on Maui and Oahu.

I support HB 2411 because it will help our team and other craft breweries to grow and create jobs in Hawaii.

The second location clause and direct shipping laws affect us the most and will be instrumental in the success of craft breweries as they grow.

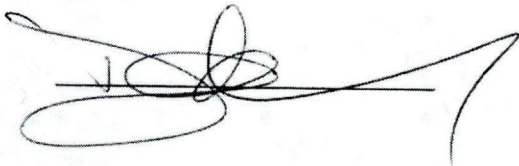
We are currently being hurt by not being able to sell our pre-packaged beers although this right is established under law. Maui Brewing Co. Waikiki cannot currently sell Maui Brewing Co. (MBC) products at retail as the current law is being muddled by various county liquor commissions. The rule needs clarification in order to direct Liquor Commissions to allow businesses to thrive across the State.

Maui Brewing Co. is a small, independent craft brewery that began with just 23 on our team in 2005. We are now over 500 strong and Hawaii's largest craft brewery. We did this in the face of significant challenges to growth at all levels; financial, shipping, taxation, legislative and more.

Mahalo for your consideration. We urge you to pass this bill.

Thank you for the opportunity to provide testimony in support of HB 2411.

Aloha,



## Testimony Messages – HB2411

I, Blair Anderson, support HB2411 which addresses inconsistencies and increases uniformity in laws regarding liquor manufacturing and sales.

### **Second location clause**

Provides more consistency and uniformity for craft beer establishments across the state. Breweries start up with a manufacturing location and when they expand to a second location, will want to sell their retail products at the new establishment, including the ability to sell at a second location under the same trade name in another county.

This bill promotes local manufacturing. Hawaii's craft breweries have more opportunities to get their products in the marketplace with this bill because it enables the retail sale of craft brewing products at a second properly licensed location, including when the primary manufacturing and second location are not in the same county.

### **Consistency in the Growler law**

Growlers, crowlers, and other types of reusable and recyclable containers are very popular with our customers. Sales of our craft beer products in these containers continue to increase. We support the use of environmentally friendly container materials and expansion of the term growler to recyclable or reusable container.

The definition of growler is currently inconsistent for our business and our customers. We support using growler to mean a container not to exceed one gallon.

### **Direct Shipping**

Breweries that are just starting out and smaller sized craft breweries don't usually have access to distributors that will export their beer out of state. This bill is proactive in providing an opportunity for direct shipping to new markets and a wider customer base.

Direct shipping increases the viability of small craft breweries by allowing export of our products to our current brewery fans and potential new customers.

Direct shipment of wine is already allowed. Expanding the statute to allow defined amounts of beer, spirits and wine under the term liquor achieves parity across all three categories of beverage alcohol, expanding marketplace options for Hawaii's beverage alcohol manufacturers.