



DISTILLED SPIRITS COUNCIL
OF THE UNITED STATES

Senate Bill 65 Support Testimony

March 3, 2021

Hon. Sean Quinlan, Chair
House Committee on Economic Development
Hawaii State Capitol, Room 304
Honolulu, Hawaii

Dear Chairman Quinlan:

This letter is submitted as testimony on behalf of the Distilled Spirits Council of the United States (DISCUS), a national trade association representing producers and marketers of distilled spirits and importers of wines sold in the United States, regarding SB 65. As you know, this legislation would amend the current law allowing the direct-to-consumer shipment of beverage alcohol to and from the state of Hawaii.

Modern-day consumers want enhanced convenience when it comes to purchasing their favorite products and the rapidly changing world of commerce must adapt to meet consumer demand. Direct-to-consumer shipping has, will, and should continue to serve as an additional market access channel to the traditional three-tier system of alcohol beverage distribution. In the last fifteen years, the number of distilleries has increased from 70 to over 1,500 and there are now over 6,000 distilled spirits products in the marketplace. Increasingly, consumers want to have access to the new and exciting spirits products that often may not be available in their state and direct-to-consumer can be a complement to the three-tier system. Direct-to-consumer wine shipping has been available for nearly twenty-five years.

The Distilled Spirits Council believes that SB 65 generally meets the broad recommendations that we have previously made regarding direct-to-consumer shipping, which are:

- **Treat All Alcohol Products Equally**
It is a scientific fact that “alcohol is alcohol is alcohol” regardless of the form in which it is consumed. HB 415 provides the opportunity for beer, wine and spirits producers to equally direct ship their products to consumers under comparable terms.
- **Avoid Commerce Clause Issues**
In the *Granholm v. Heald*, 544 U.S. 460 (2005) case, the United States Supreme Court found that a state must treat in- and out-of-state wine producers equally to avoid violating the dormant Constitutional Commerce Clause. To paraphrase: *Granholm*, rights granted to in-state producers must also be extended to out-of-state producers. And, in the June 2019 decision, *Tenn. Wine & Spirits Retailers Ass’n. v Thomas* (No. 18-96), the Court made clear that *Granholm* continues to be good law and that states have a high burden to justify measures that discriminate against out-of-state alcohol beverage producers or products.

- **Product Integrity Considerations**
Maintaining a regulatory framework assuring product integrity within the direct-to-consumer marketplace can be achieved by limiting direct shipment licenses to brand owners or authorized representatives.
- **Maintain State Tax Collections**
Broadly, a state should be kept whole regarding tax collections if a sale is made in that state. It must also be recognized that Court decisions have established that sales and excise taxes will be paid to the state where the product is delivered. The state of Hawaii will realize new tax revenue when a resident purchases a product via direct shipment from an out-of-state distillery but products shipped from Hawaii to out-of-state consumers should not be subjected to double or burdensome taxation.
- **Safeguard Against Underage Purchases**
To prevent the illegal access of spirits by underage residents, and direct-to-consumer shipments should be conspicuously labeled with the words “CONTAINS ALCOHOL: SIGNATURE OF PERSON AGE 21 OR OLDER REQUIRED FOR DELIVERY.”

We believe SB 65 conforms broadly to the above suggested recommendations. We do recommend removing section (f), relating to reciprocal state shipping licenses, as some have interpreted this requirement that the receiving states provide reciprocal DTC rights for shippers in that state to direct ship to consumers in the state whose law is at issue. We also would ask the committee to include the following language to Section (A) covering permitted licensees: The Commission shall issue a direct shipper license under this Section to a person who holds a valid license, permit, or other authorization in this State or any other state as a wine, beer or spirits producer or a wine, beer or spirits supplier. To qualify for a direct shipper license, a person applying as a supplier also must hold a valid permit under the Federal Alcohol Administration Act and be the brand owner or its authorized agent. DISCUS is pleased to support this legislation and urge your support for Hawaii consumers and businesses.

Should you have any questions or if you would like to discuss this in more detail, please do not hesitate to contact me by email at adam.smith@distilledspirits.org or by telephone at (916) 833-5112. Thank you for your consideration of our views.

Sincerely,

Adam Smith
Vice President
Distilled Spirits Council



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e-mail info@hfbf.org; www.hfbf.org

March 5, 2021

HEARING BEFORE THE
HOUSE COMMITTEE ON ECONOMIC DEVELOPMENT

TESTIMONY ON SB 65, SD1
RELATING TO INTOXICATING LIQUOR

Conference Room 312
10:30 AM

Aloha Chair Quinlan, Vice Chair Holt, and Members of the Committee:

I am Brian Miyamoto, Executive Director of the Hawaii Farm Bureau (HFB). Organized since 1948, the HFB is comprised of 1,800 farm family members statewide and serves as Hawaii's voice of agriculture to protect, advocate and advance the social, economic, and educational interests of our diverse agricultural community.

The Hawaii Farm Bureau supports SB 65, SD1, which allows direct shipment of all forms of liquor, rather than just wine, by certain licensees.

The strength of Hawaii's economy is dependent upon a diversity in commerce that is resilient to economic downturns and aggressive in creating new growth opportunities.

A major weakness in agriculture is our lack of value-added production. Our over-dependence on the sale of fresh goods makes us especially vulnerable to weather, pest outbreaks, and pandemics while strict quarantine measures and transportation costs of heavy goods make exports difficult. This measure creates incentives for value-added manufacturing of alcohol spirits using Hawaii grown crops.

We have seen a rise in local crops being used to create locally distilled spirits such as sugarcane by Ko Hana Rum and Koloa Rum, sweet potato by Hawaiian Shochu Company, and pineapple by Pau Vodka. Our locally produced craft brews often include Hawaii grown agricultural ingredients, creating new and unique beer styles.

These products are popular with both Hawaii residents and visitors and should have the same ability as wineries to directly ship their products to consumers. Products like these can help with agricultural expansion and supports our State's policy to increase agriculture production.

SB-65-SD-1

Submitted on: 3/3/2021 10:21:49 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Christopher Curtin	Republic National Distributing Company	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.



Katie Jacoy
Western Counsel
Wine Institute
kjacoy@wineinstitute.org
360-790-5729

THE HOUSE OF REPRESENTATIVES
THE THIRTY-FIRST LEGISLATURE
REGULAR SESSION OF 2021

COMMITTEE ON ECONOMIC DEVELOPMENT

Testimony in Opposition to SB 65, SD1

Chair Quinlan, Vice-Chair Holt and Members of the Committee:

Thank you for the opportunity to provide testimony on SB 65 RELATING TO INTOXICATING LIQUOR. Wine Institute, a public policy association representing 1,000 California wineries of all sizes and associate members, submits the following comments in opposition to SB 65.

While we appreciate the desire of manufacturers of spirits and beer to obtain a direct-to-consumer shipping privilege, we respectfully ask that any new privilege for other liquor manufacturers be placed in a separate statute, or that provisions impacting the wine industry be restored.

Wineries of all sizes and in all 50 states have greatly benefited from the passage of direct-to-consumer shipping laws. Direct-to-consumer (DTC) wine shipping is legal in 46 states and has been occurring safely for more than 30 years. It is a lifeline for wineries in the global pandemic with wine DTC sales hitting new highs in 2020.

1) **We are concerned that the case limits set in statute have been deleted from SB 65.** In 2006, we successfully worked with the Hawaii legislature and various stakeholders to negotiate and pass the current DTC statute (HRS Sec. 281-33.6). As with all legislation, there were compromises, including the case limit of “no more than six nine liter cases of wine per household.” While we are supportive of increasing the case limit for wine in the statute, we oppose removing it entirely because it would result in county-by-county adoption of case limits via regulation. Having various case limits per County would make compliance incredibly difficult for wineries.

2) **We are also concerned by the addition of the following reciprocal shipping language:**

“(f) The holder of a direct liquor shipper permit may ship to and from any county or state where properly licensed and shall ensure that all reciprocal shipping license requirements are met in the receiving county or state.”

In 2005, The US Supreme Court ruled in Granholm that states couldn’t discriminate between in-state and out-of-state wineries in direct-to consumer wine shipment, putting in question the constitutionality of the reciprocal statutes. Justice Anthony Kennedy, in crafting the majority opinion, wrote that states should not be compelled to negotiate with each other regarding favored or disfavored status. “Laws of the type at issue in the instant [Michigan and New York] cases contradict these principles. They deprive citizens of their right to have access to the markets of other States on equal terms. The perceived

necessity for reciprocal sale privileges risks generating the trade rivalries and animosities, the alliances and exclusivity, that the Constitution and, in particular, the Commerce Clause were designed to avoid. State laws that protect local wineries have led to the enactment of statutes under which some States condition the right of out-of-state wineries to make direct wine sales to in-state consumers on a reciprocal right in the shipping State. California, for example, passed a reciprocity law in 1986, retreating from the State's previous regime that allowed unfettered direct shipments from out-of-state wineries. . . .Prior to 1986, all but three States prohibited direct shipments of wine. The obvious aim of the California statute was to open the interstate direct-shipping market for the State's many wineries."

While the Granholm decision did not directly apply to reciprocity statutes, it was generally believed by legal experts that Justice Kennedy was sending a signal that reciprocal shipping laws could be challenged because they created different rules for wineries based on their location. And legislatures in the 14 reciprocal shipping states agreed, changing reciprocal shipping laws to permit systems, including Hawaii in 2006. So, to avoid litigation over this issue, we respectfully request that this reciprocal language NOT be applied to direct shipping for wine.

Thank you for the opportunity to testify.



Lanikai Brewing Company
175 Hamakua Drive, Unit C
Kailua, Hawaii 96734
www.lanikaibrewing.com

SB65_SD1 Relating to Intoxicating Liquor: Direct Shipment of Liquor
House committee on Economic Development
Friday, March 5, 2021 Conference room 321

Position Support:

Chair Rep Sean Quinlan, Vice Chair Holt and members of the House committee on ED.

I am Steve Haumschild, CEO and founder of Lanikai Brewing Company located in Kailua Hawaii, with a second location being built in Haleiwa Hawaii. We are an independent craft brewery producing 100% of our beer in Hawaii. We are united with other members of the Hawaiian Craft Brewers Guild in our pursuit to promote economic activity and growth for Hawaii's beer manufacturers and enhance opportunities in our communities.

I am a board member of the HCBG. Our brewery along with the other member breweries of the Hawaiian Craft Brewers Guild embrace the responsible consumption of alcohol.

Direct to consumer shipping is critical to breweries being able to survive the backlash of the pandemic. With greatly reduced sales on site due to Covid 19, our ability to generate revenue in a safe, socially distanced manner consistent with laws will be the key to survival for our brewery, therefore supporting local jobs. Our ability to ship within the State of Hawaii but ALSO to mainland locations allows us to explore expanded distribution and ultimately increase sales. Further, increased production equals increased sales and therefore increased total taxes.

Direct shipment of wine is already allowed. Adding language allowing export of craft beer and other liquor to other states and direct shipping between islands can be accomplished using a similar process to what is already in place for wine. Adding language to existing statute benefits our brewery and other Hawaii craft beer and alcohol manufacturers, enabling increased production.

Mahalo for considering our testimony in support of HB65.
Steven R Haumschild

Steve Haumschild, MBA
CEO & Brewmaster
Certified Cicerone®
Lanikai Brewing Company, Island Inspired™ Craft Beer
Brewery @ 175-C Hamakua Dr, Kailua, HI 96734
Tap & Barrel @ 167 Hamakua Dr, Kailua, HI 96734 everyday 11a-10p
***Coming soon Distillery and Brewpub North Shore of Oahu

Lanikai Brewing Company, Island Inspired™ Craft Beer
Brewery @ 175-C Hamakua Dr, Kailua, HI 96734
Tap & Barrel @ 167 Hamakua Dr, Kailua, HI 96734 M-F 4p-10p, S-S 11a-10p
FB: Lanikai Brewing Company, Instagram: @lanikaibrewing

Lanikai Brewing Company, Island Inspired™ Craft Beer
Brewery @ 175-C Hamakua Dr, Kailua, HI 96734
Tap & Barrel @ 167 Hamakua Dr, Kailua, HI 96734 M-F 4p-10p, S-S 11a-10p
FB: Lanikai Brewing Company, Instagram: @lanikaibrewing



March 4, 2021

House Committee on Economic Development

SB65 SD1 Relating to Intoxicating Liquor; Direct To Consumer (DTC) Shipping

Friday, March 5th, 2021 at 10:30am

Re: **IN SUPPORT OF SB65 SD1**

Aloha Chair Representative Quinlan, Vice Chair Representative Holt, and members of the Committee,

My name is Garrett W. Marrero, I live in Kihei, HI. Maui Brewing Co. has locations on Maui in Lahaina and Kihei, and on Oahu in Waikiki and Kailua. We distribute across the Hawaii, 19 other States, and 10 countries. We began in 2005 with 26 team members and have added more than 700 to our team pre-COVID of course. I was selected as the National Small Business-Person of the year in 2017 for my work at Maui Brewing Co. I am writing on behalf of myself, our local family-operated business and all of Hawaii's breweries and distilleries in support of **SB65 SD1** which will expand the current direct shipping laws to include Hawaii's breweries and distilleries.

This bill is about equal treatment with other beverages and economic development of manufacturing local beverages in Hawaii. We are simply looking to achieve fair and equitable direct shipping privileges and have equal footing, as it relates to shipping, as wine. There is no valid reason, especially now in light of COVID, to restrict one beverage over another. Our State economy needs rebuilding and while we do not have many visitors, Hawaii's breweries and distilleries should be afforded the right to export their beverages to anyone across the United States.

Hawaii already has Direct Shipping laws allowing the direct shipping of wine by wineries. A visitor to a winery in Hawaii can order said wine to their home but the same cannot be done for visitors to breweries or distilleries. Taxes must be paid, licenses issued, proper shipping rules ensuring proper age of recipient and etc. 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. The local wineries and distilleries support this amendment.

Additionally there is already a full system outlined in HRS, DOTAX and the various County Liquor Department rules for shipping wine and therefore would be simple to add the other beverages to this system. I would encourage Hawai'i to promote this system as it directly promotes real Hawaiian products and grants access to the world markets while also creating an increased revenue stream for the State. Lastly, we stand aligned with all distilleries and other breweries in the State to pass this bill.

Thank you for the opportunity to offer these comments in support of the passage of **SB65 SD1**, a commonsense bill that supports the burgeoning craft beverage industry in Hawai'i.

Sincerely,

Garrett W. Marrero
CEO/Founder

Handcrafted Ales & Lagers Brewed with Aloha
605 Lipoa Parkway, Kihei, HI 96753
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Executive Officers

Joe Carter, Coca-Cola Bottling of Hawaii, *Chair*
Charlie Gustafson, Tamura Super Market, *Vice Chair*
Eddie Asato, The Pint Size Corp., *Secretary/Treas.*
Lauren Zirbel, HFIA, *Executive Director*
John Schlif, Rainbow Sales and Marketing, *Advisor*
Stan Brown, Acosta Sales & Marketing, *Advisor*
Paul Kosasa, ABC Stores, *Advisor*
Derek Kurisu, KTA Superstores, *Advisor*
Beau Oshiro, C&S Wholesale Grocers, *Advisor*
Toby Taniguchi, KTA Superstores, *Advisor*

TO:
Committee on Economic Development
Rep. Sean Quinlan, Chair
Rep. Daniel Holt, Vice Chair

FROM: HAWAII FOOD INDUSTRY ASSOCIATION
Lauren Zirbel, Executive Director

DATE: March 5, 2021
TIME: 10:30am
PLACE: Via Videoconference

RE: SB65 SD1 Relating to Intoxicating Liquor

Position: Oppose

The Hawaii Food Industry Association is comprised of two hundred member companies representing retailers, suppliers, producers, and distributors of food and beverage related products in the State of Hawaii.

HFIA is in opposition to this measure. The current three-tier system for the distribution of alcohol has the necessary regulatory structures that support enforcement and accountability with regard to proper handling, legal consumption, and tax collection. This measure expands the allowance of direct shipment of all alcohol beyond wine and eliminates the volume limitation of shipment, which will dismantle the regulatory oversight of alcoholic beverage controls framework. Currently, there are challenges with monitoring and tracking compliance with wine, and the expansion to all forms of alcohol will only exacerbate the situation. Until we better understand and can better manage the direct shipment of wine, it is unwise to open direct shipment to other forms of alcohol.

Thank you for the opportunity to testify.



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

SB65_SD1 Relating to Intoxicating Liquor : Direct to Consumer Shipping
House Committee on Economic Development
Friday, March 5, 2021 at 10:30 a.m. Conference Rm 312 & Videoconference

Position: **Support**

Chair Representative Sean Quinlan, Vice Chair Representative Daniel Holt, and members of the committee on Economic Development,

The Hawaiian Craft Brewers Guild is a nonprofit trade organization representing the interests of small craft breweries across the State of Hawaii. Our members are independent craft breweries producing 100% of their beer in Hawaii.

The Hawaiian Craft Brewers Guild and our member breweries embrace the responsible consumption of alcohol.

Direct to Consumer Shipping

Hawaiian Craft Brewers Guild members are seeking ways to expand production and improve their financial stability. Direct to consumer shipping offers a chance to increase production and enter new markets by shipping directly to consumers over the age of 21.

The demand for craft beer and other alcohol manufactured in Hawaii already exists, with visitors and online inquiries often asking where they can find these made in Hawaii products where they live and shop.

It is necessary to allow brewpubs, small craft producer pubs, and other alcohol producers to obtain direct shipper permits because smaller producers usually do not have access to distributors that are interested in working with them. Wholesalers show little interest in expanding distribution opportunities for small craft breweries, especially for markets outside of the State of Hawaii. While wholesalers offer distribution for their large customers, smaller craft brewery brands often find it difficult to find a wholesaler that will work with them to secure shelf space in this highly competitive market. Wholesalers may not adequately represent the unique aspects of craft beer and other alcohol made in Hawaii. Enacting this legislation would have significant beneficial impact for small independent craft breweries across Hawaii.

The State of Hawaii stands to gain additional tax revenue from this legislation. Direct to consumer shipping offers opportunities for Hawaii's craft beer manufacturers to increase their production to meet the demand for increased sales. This in turn increases beer excise and gallonage taxes, adding to alcohol related tax revenue for the State of Hawaii.

Direct shipment of wine is already allowed. Allowing export of craft beer and other liquor to other states and direct shipping between islands can be accomplished using a similar process and structure to what is already in place for wine. It should not be a challenge or difficult for county liquor commissions to adopt rules and regulations set forth in this proposed legislation.

The ability of craft beer producers to access customers through direct shipping by permit helps meet current needs of Hawaii's craft beer and other liquor manufacturers struggling through the financial challenges brought about by COVID-19. Hawaii's independent craft beer manufacturers are a vibrant and innovative small business sector. This legislation would contribute to stabilization and continuation of the growth of these businesses.

We request the House Committee on Economic Development pass this bill. Mahalo for considering our Hawaiian Craft Brewers Guild testimony in support of SB65_SD1.

Kauai Beer Company
Justin Guerber
Head Brewer
4265 Rice St
Lihue, HI 96766
justin@kauaibeer.com



SB65_SD1 Relating to Intoxicating Liquor: Direct Shipment of Liquor
House Committee on Economic Development
Friday, March 5, 2021 at 10:30 a.m. Conf room 312

Position: **Support**

Chair Representative Sean Quinlan, Vice Chair Representative Daniel Holt, and members of the House committee on Economic Development,

My name is Justin Guerber and I am the Head Brewer of Kauai Beer Company. We are an independent craft brewery producing 100% of our beer in Hawaii. We are united with other members of the Hawaiian Craft Brewers Guild in our pursuit to promote economic activity and growth for Hawaii's beer manufacturers and enhance opportunities in our communities. Our brewery along with the other member breweries of the Hawaiian Craft Brewers Guild embrace the responsible consumption of alcohol.

Direct to consumer shipping

We at the Kauai Beer Company have just started to do limited bottling as an avenue to generate some of the lost revenue due to COVID-19. Thus far it has been popular, and we have generated a lot of interest online through social media and word of mouth. We are getting many requests to ship our beer both to outer islands, and out of state. As a small brewery, finding distribution off Kauai is difficult, and at least for us, does not make financial sense.

Shipping directly to customers would be immensely helpful in bringing our production levels and revenue back to sustainable levels. Expanding our market and reach also promotes Hawaii brands inside the state, as well as on the mainland. As our brewpub is limited in seating now due to COVID-19 restrictions, any additional products that we can sell off-premises helps.

I also feel confident that were we able to ship directly, we could hire at least 2 additional employees right away as packaging bottles will require more labor that we currently do not have.

We request the House Committee on Economic development pass this bill. Mahalo for considering our testimony in support of SB65_SD1.



TAMURA ENTERPRISES, INC.

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Telephone: 808.622.4117 | Facsimile: 808.621.4923
www.tamurasfinewine.com | www.tamurasmarket.com



March 3, 2021

TO:
Committee on Economic Development
Rep. Sean Quinlan, Chair
Rep. Daniel Holt, Vice Chair

DATE: March 5, 2021
TIME: 10:30am
PLACE: Via Videoconference

RE: SB65 SD1 Relating to
Intoxicating Liquor

Position: Oppose

The current three-tier system for the distribution of alcohol has the necessary regulatory structures that support enforcement and accountability with regard to proper handling, legal consumption and tax collection. This measure expands the allowance of direct shipment of all alcohol beyond wine and eliminates the volume limitation of shipment, which will dismantle the regulatory oversight of alcoholic beverage controls framework. Currently, there are challenges with monitoring and tracking compliance with wine, and the expansion to all forms of alcohol will only exacerbate the situation. Until we better understand and can better manage the direct shipment of wine, it is unwise to open direct shipment to other forms of alcohol. Thank you for the opportunity to testify.

Sincerely,

Mike Mita
Director of Operations
Tamura Enterprises, Inc.

SB-65-SD-1

Submitted on: 3/4/2021 8:46:43 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
John	Paradise Beverages, Inc.	Oppose	No

Comments:

Paradise Beverages, Incorporated opposes SB65 for the following reasons.

The direct shipment of alcoholic beverages to consumers is in direct conflict with the Federal Intent of alcohol regulation and the 3 tier system of manufacture/distribution/retail that has been in place for decades. This system creates a highly regulated industry that provides significant revenue to governments in the form of taxes, as well as consumer safety in the form of regulation and oversight of the manufacture of alcohol products. The verbiage of this bill is to allow direct shipment to consumer without limit on quantity or type. This would effectively create the opportunity for a grey market to evolve that circumvents the 3 tier system, reduces control of alcohol shipments and tax revenues generated by said shipments. As written, this bill could be devastating to the businesses operating within the highly regulated 3 tier system (manufacturers/distributors/retailers).

There is a case to be made by supporters of this bill that it encourages and supports small business. And it does to a certain extent, but without limits on quantities, they are not adequately addressing the potential impact of an unconstrained grey market effect of open competition coming into the state. Modification to limit the quantities to true personal use levels (1 or 2 equivalent cases), would make this much more palatable and prevent an onslaught of grey market purchases into the home market of these same local businesses looking to expand their businesses into far reaching markets.

Any version of this bill will undoubtedly negatively impact the thousands employees of manufacturers/distributors/retailers that currently operate under the regulation of the 3 tier system. Unlimited direct to consumer shipments from manufacturers would open the door to unlimited ecommerce and retailer inter-state shipments that would decimate the 3 tier system in Hawaii, and in turn have a similar effect on local retailers that don't have the purchasing power of large national chains. I encourage committee to revisit this bill, and if moving forward, put some limitations in place that will adequately limit the potential devastation to local retailers, distributors, and manufacturers alike.

SB-65-SD-1

Submitted on: 3/4/2021 8:53:43 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Miles Jones	Johnson Brothers of Hawaii, Inc	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.



Geoffrey Seideman
Owner/ Honolulu Beerworks

SB65_SD1 Relating to Intoxicating Liquor: Direct Shipment of Liquor
House Committee on Economic Development
Friday, March 5, 2021 at 10:30 a.m. Conf room 312

Position: **Support**

Chair Representative Sean Quinlan, Vice Chair Representative Daniel Holt, and members of the House committee on Economic Development,

Aloha my name is Geoffrey Seideman and I am the Owner and Brewer of Honolulu Beerworks. We are an independent craft brewery producing 100% of our beer in Hawaii. We are united with other members of the Hawaiian Craft Brewers Guild in our pursuit to promote economic activity and growth for Hawaii's beer manufacturers and enhance opportunities in our communities.

I am a board member of the HCBG. Our brewery along with the other member breweries of the Hawaiian Craft Brewers Guild embrace the responsible consumption of alcohol.

Direct to consumer shipping

We have suffered economic challenges throughout the COVID-19 pandemic along with other craft beer manufacturers across the State of Hawaii, with reduced sales and income. We along with other Hawaiian Craft Brewers Guild members are seeking ways to improve our financial stability and direct to consumer shipping offers a chance to increase production and enter new markets by shipping directly to consumers over the age of 21 in other states and within the State of Hawaii to neighbor islands.

We receive calls and emails on a daily basis inquiring where and how people can get some of our beer shipped to the mainland. This is a huge business opportunity to not only send our beers to the mainland but to showcase what is being produced in Hawaii.

It is necessary to allow brewpubs, small craft producer pubs, and other alcohol producers to obtain direct shipper permits because smaller producers usually do not have access to distributors that are interested in working with them. The craft beer we produce includes unique styles and tastes and wholesalers don't always take the time to learn about our products and brand. Enacting this legislation would have significant beneficial impact for our brewery and other small independent craft breweries across Hawaii.

The State of Hawaii stands to gain additional tax revenue from this legislation. Direct to consumer shipping offers opportunities for our brewery to increase production to meet the demand for increased sales. This in turn increases beer excise and gallonage taxes, adding to alcohol tax revenue for the State of Hawaii.

Direct shipment of wine is already allowed. Adding language allowing export of craft beer and other liquor to other states and direct shipping between islands can be accomplished using a similar process to what is already in place for wine. Adding language to existing statute benefits our brewery and other Hawaii craft beer and alcohol manufacturers, enabling increased production.

The ability of craft beer producers to access customers through direct shipping by permit helps meet our current needs as we struggle through the financial challenges brought about by COVID-19. Hawaii's independent craft beer manufacturers are a vibrant and innovative small business sector. This legislation would contribute to stabilization and continuation of the growth of our brewery business.

We request the House Committee on Economic Development pass this bill. Mahalo for considering our testimony today in support of SB65_SD1.
Aloha

**HAWAII LIQUOR WHOLESALERS ASSOCIATION
FIVE WATERFRONT PLAZA
500 ALA MOANA BLVD STE 400
HONOLULU, Hawaii 96813**

March 4, 2021

Representative Sean Quinlan, Chair
Representative Daniel Holt, Vice Chair
House Committee on Economic Development
Hawaii State Capitol
415 South King Street
Honolulu, Hawaii 96813

Re: SB 65 SD 1 Relating to Intoxicating Liquor
Hearing Date: March 5, 2021

Dear Chair Quinlan, Vice Chair Holt, and Committee Members:

The Hawaii Liquor Wholesalers Association respectfully submits the following written testimony in **opposition** to SB 65 SD 1 Relating to Intoxicating Liquor.

Section 2 would amend HRS Section 281-33.6 to allow direct shipment of *any* liquor from outside each county to persons within the county. Expanding direct shipment to other liquor will result in bad consequences.

Direct shipment of any liquor will increase underage access with numerous oversight issues regarding liability of the producers and shippers. Out of State shippers have no local ties to the community and would feel less responsible for sales to minors. The current three-tier liquor distribution system is intended to protect consumers and has worked to help prevent of sales to minors and ensure the integrity of the liquor distribution.

Allowing direct shipment to Hawaii residents would create marketplace disruption and the possibility of monopolies formed by the largest spirits producers. This will have a negative impact on local manufacturers, wholesalers, retailers, restaurants, bars and related businesses and will result in loss of income and jobs to Hawaii residents. Local craft distilling and brewing have been able to flourish because of the three-tier system which has prevented monopolies by large producers who can dominate online advertising space.

There has been no accounting of the current volume of directly shipped wine and whether the proper general excise and liquor taxes are being paid. The justification for directly shipped wine was to help small local wineries sell their product. There is no similar justification here. Before any consideration is given to expanding direct shipment to other liquor, an audit should be conducted to determine whether the current direct ship program is working and whether the State is receiving all the taxes that should be paid on the direct

shipments. Other states have found that direct ship programs have resulted in large amounts of illegal wine delivered to the state without payment of taxes or proper licensing. The impact to Hawaii's economy is significant where nonpayment of taxes and fees allows out of state shippers to undercut local suppliers and businesses. Hawaii risks the loss of millions of tax and license dollars and loss of jobs every year from illegal direct shipments.

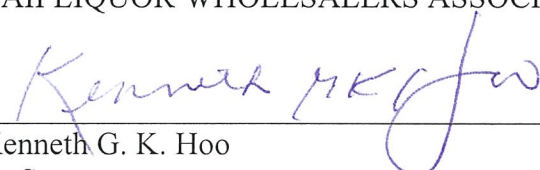
The current three-tier system has worked for many years. It would be a mistake to change it by allowing direct shipment of any liquor.

Based on the above, we respectfully oppose SB 65 SD 1. Thank you for your consideration of the foregoing.

Very truly yours,

HAWAII LIQUOR WHOLESALERS ASSOCIATION

By: _____


Kenneth G. K. Hoo
Its Secretary

SB-65-SD-1

Submitted on: 3/4/2021 10:21:53 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott De Silva	Johnson Brothers of Hawaii	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 10:25:36 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Andrew Hopkins	Johnson Brothers of Hawaii	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.



March 4, 2021

Dear Honorable Chair:

I have been very close to Koloa Rum Store from its inception story. When it went from an idea to a reality and to the creation of their Koloa Rum and Company store at Kilohana Plantation. In the beginning, at times I did not know if they were going to have the financial resources to carry this project through.

They persevered and became one of Hawaii's top success story regarding a local product. Since that time, they have won numerous national and international awards for their rum. They now ship their products to numerous states in the mainland and international countries.

Over the past year they have also used other Kauai agriculture products to add to their inventory of different types of flavors...and example would be Kauai Coffee and Lydgate Farms. This shows a commitment that Koloa Rum wants to be creative and wants to help and benefit other local entrepreneurs.

I see no reason why this bill SB 65 should not be passed since wine has been doing this for so many years.

Since the pandemic, I have heard much talk about supporting agriculture as a way to diversify our economy. It is financially just as important for individual companies to expand their ways of getting their products to consumers. Bill SB 65 is a way to move in that direction.

In closing, I wholeheartedly support Bill SB 65 which will benefit the State of Hawaii consumers and businesses.

Aloha,

A handwritten signature in black ink that reads "Fred Atkins". The signature is fluid and cursive.

Fred Atkins
General Partner
Kauai Kilohana Partners
(808) 652-0757



Testimony before the House Committee on Economic Development

Friday, March 5, 2021

10:30 a.m. HST

Via Video Conference

State Capitol Room 312

415 South Beretania Street

RE: Support for SB 65, SD 1 RELATING TO INTOXICATING LIQUOR.

Dear Chair Quinlan, Vice Chair Holt and Members of the Committee:

The Kauai Chamber strongly supports the adoption of Senate Bill No. 65, which allows for the direct shipment of all forms of liquor, rather than just wine.

Our craft distillers have taken an enormous financial hit during COVID-19 due to the lack of visitors to the Hawaiian Islands. Allowing direct to consumer shipments will help these companies rebound more quickly by opening new markets for their products.

As stated in the legislation:

“The legislature finds that the coronavirus disease 2019 (COVID—19) pandemic and the governmental responses to contain the spread of COVID—19 have disproportionately affected certain local liquor producers. With the frequent closure of bars, clubs, and in—person dining, local liquor producers have struggled to find alternative methods of serving their customers, resulting in drastic revenue losses.”

Additionally, according to national studies, Hawaii is often considered a difficult place to do business. While some of the factors contributing to this, such as our remote location, are unavoidable, others are not. Allowing direct to consumer shipments of all forms of liquor will help to promote commerce and economic diversification in the state.

Thank you for considering the position of the Kauai Chamber as you deliberate this important measure.

Mahalo nui loa,

Mark Perriello
President & CEO



March 3, 2021

Dear Honorable Chair:

Kōloa Rum Company produces rum and related products on Kauaʻi using locally grown sugarcane and other ingredients. We employ forty (40) employees, and our products are distributed and sold across the mainland U.S. and several international markets. Along with the other distilleries in Hawaiʻi, Kōloa Rum Company has been hard hit by the effects of the pandemic. Since March 18, 2020, our revenues generated in Hawaiʻi are down 81% and we currently have 12 employees on furlough status. Our Tasting Room & Company Store typically generates 27% of our Hawaiʻi revenue; however, it has been closed for most of this past year due to the pandemic and revenue is down 92%. SB 65 would amend the current law and permit direct-to-consumer sales and shipment of beverage alcohol to and from the state of Hawaiʻi. This would allow us to satisfy unmet customer demand, recapture lost revenue, and reemploy furloughed employees.

Direct-to-consumer shipping is when an alcohol beverage product is shipped directly from the producer to the consumer. Home delivery, on the other hand, can be fulfilled by retailers or third-party entities delivering from retailers to consumers. Home deliveries require transactions to flow through the three-tier system, as well as ID verifications and safety protocols.

Modern-day consumers want enhanced convenience when it comes to purchasing their favorite products, especially now during the pandemic, and the rapidly changing world of commerce must adapt to meet consumer demand. The wine industry, which includes more than 10,000 small wineries, has been at this for more than two decades. In the last fifteen years, the number of distilleries nationwide has increased from 70 to over 1,500 and there are now 12 licensed distilleries in Hawaiʻi. Increasingly, consumers want to have access to the new and exciting spirits products that often may not be available in their state and direct-to-consumer can effectively complement the three-tier system.

2-2741 Kaunuaʻi Highway, Suite C, Kalaheo, Hawaiʻi 96741
808-332-9333 Phone / 808-332-7650 Fax
WWW.KOLOARUM.COM

Kōloa Rum Company believes that SB 65 meets the needs of our local Hawai'i distilleries regarding direct-to-consumer shipping, which include:

- Treat All Alcohol Products Equally

It is a scientific fact that "alcohol is alcohol is alcohol" regardless of the form in which it is consumed. SB 65 provides the opportunity for beer, wine, and spirits producers to equally direct ship their products to consumers under comparable terms. Ironically, direct-to-consumer shipping of wines has been widely available and noncontroversial for nearly twenty-five years.

- Direct-to-Consumer Shipping enhances the three-tier system

Direct-to-consumer shipping has, will, and should continue to serve as an additional market access channel to the traditional three-tier system of beverage alcohol distribution. Expanding distillers' ability to directly ship to consumers will introduce consumers to new brands and flavor extensions that will eventually grow into brands carried by traditional wholesalers and retailers, thus strengthening the spirits business and the three-tier system. In our case, customers visiting our Tasting Room can purchase a selection of our specialty products and have it shipped safely and securely to their home. If they like it, they are likely to buy it next time at their local liquor store. Allowing distillers to ship directly builds their customer base, which in turn, leads to future purchases through the traditional three-tier system.

- Product Integrity Considerations

Maintaining a regulatory framework assuring product integrity within the direct-to-consumer marketplace can be achieved by limiting direct shipment licenses to brand owners or authorized representatives.

- Maintain State Tax Collections

Broadly, a state should be kept whole regarding tax collections if a sale is made in that state. It must also be recognized that Court decisions have established that sales and excise taxes will be paid to the state where the product is delivered. The state of Hawaii will realize new tax revenue when a resident purchases a product via direct shipment from an in or out-of-state distillery, but products shipped from Hawaii to out-of-state consumers should not be subjected to double or burdensome taxation.

- Safeguard Against Underage Purchases

To prevent the illegal access of spirits by underage residents, and direct-to-consumer shipments should be conspicuously labeled with the words "CONTAINS ALCOHOL: SIGNATURE OF PERSON AGED 21 OR OLDER REQUIRED FOR DELIVERY."

In closing, I believe SB 65 conforms broadly to the above suggested recommendations and Kōloa Rum Company supports this legislation which will be to benefit of Hawai'i consumers and businesses.

Mahalo for your consideration.

Aloha,

A handwritten signature in black ink, appearing to read "Bob Gunter". The signature is fluid and cursive, with a long horizontal stroke at the end.

Bob Gunter
President & CEO
Kōloa Rum Company
(808) 332-9333

SB-65-SD-1

Submitted on: 3/3/2021 12:06:15 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Hugh Duncan	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic. This will effect hundreds of my employees jobs and salaries.

SB-65-SD-1

Submitted on: 3/3/2021 12:10:33 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
lionel brash	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 12:26:30 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Victor Huynh	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 12:29:03 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Melody Yurth	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 12:34:46 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brittany Milton	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic. I also do not understand how the state will make up the losses in taxes that will be bypassed by these suppliers selling directly to customers.

SB-65-SD-1

Submitted on: 3/3/2021 12:41:35 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mallory Weaver	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 12:47:36 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Teri Proctor	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 12:55:01 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brent Johnston	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 1:05:47 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ann Yoshimura	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 1:26:29 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eli Nygren	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 1:34:29 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eric Fujimoto	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 2:01:31 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Yarrow Beydoun	Individual	Oppose	No

Comments:

I stongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local buisnesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 2:19:55 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Kalehuawehe	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 2:27:53 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
wayne agsalda	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 2:48:34 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mark Poynter	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 2:53:29 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Teppi Waxman	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 3:14:44 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Terry Tatsugawa	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 3:49:16 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jared Sunada	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 3:55:21 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Derek Yeung	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 4:03:24 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kevin P. Tsuji	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 4:45:10 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Rebecca Spray	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 5:02:39 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
SHANNON ANZAI	RNDC	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 5:47:38 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Mackenzie Simon	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 6:04:44 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
jennifer lucas	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 6:15:33 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Ken Honda	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 6:16:35 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Kel Poomaihealani	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 7:21:57 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Eva Grijalva	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 8:20:46 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Jarrin Bland-Lessary	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 8:26:56 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Sarah Moore	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 9:03:07 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tony Amaranto	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retailers, restaurants, bars and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 9:20:01 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Brent Tokunaga	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 9:35:16 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Colonel Toma	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 9:44:11 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Vincent Labasan	RNDC of Hawaii	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/3/2021 10:37:19 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
RANDY DUMAUAL	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 8:40:17 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Quinn Mears	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 8:50:12 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Tim Garrard	Individual	Oppose	No

Comments:

I strongly oppose SB 65SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will reduce the sales of local retail, restaurant, bar and other businesses and result in losses to income and jobs by at a time when we should be supporting these businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 9:13:10 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
KAL N NAKANISHI	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 9:22:40 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Noah Faulkner	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 9:24:00 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
David Punohu	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 9:25:37 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Scott Barthelmes	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 9:29:38 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
holly miranda	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 9:33:00 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Annie Polk	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 9:43:21 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
lisa memering	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses of income and jobs at a time when we should supporting the local business and workers hurt by the pandemic.

Mahalo

Lisa Memering-Director of On Premise

SB-65-SD-1

Submitted on: 3/4/2021 10:03:56 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Aubrey Wood	Individual	Oppose	No

Comments:

Chair Representative Sean Quinlan and the Committee on Economic Development, I write in opposition to SB65. While I understand the desire of local liquor manufacturers to expand their markets, I believe the change proposed by SB65 is premature. Currently, §281-33.6(d) states that "The sale and shipment of wine directly to a person in this State by a person that does not possess a valid direct wine shipper permit is prohibited." Unfortunately, there is very little oversight and enforcement of this provision which has resulted in a proliferation of online retailers from the mainland shipping directly to Hawaii residents. Large websites such as wine.com, jrbuckley.com and wineaccess.com, just to name a few, will all ship directly to Hawai'i residents. This practice is illegal under §281-33.6(d) and should constitute a misdemeanor. Lack of enforcement of this provision of our liquor laws results in lost sales to local business, specifically retailers. It is often possible to purchase expensive wines on these mainland websites for less than what local retailers are able to charge for the same product due to disparate pricing and overhead costs that these websites enjoy by being located on the mainland. These are sales that could be captured by Hawai'i companies including retailers, restaurants and wholesalers which would result in more jobs and more taxes for our local economy. I would recommend either a working group or a legislative study be conducted prior to making changes to §281-33.6 to determine the extent of the illegal practice outlined above and to determine what steps are necessary to enforce our Hawai'i Liquor Laws as they exist. Correcting the underenforcement of §281-33.6(d) would serve to protect the vast network of local businesses that rely on our three-tier system and prevent those dollars from escaping our economy. Thank you for your time.

SB-65-SD-1

Submitted on: 3/4/2021 10:08:13 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
russell fralick	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 10:08:56 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Alan Balocan	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SDI because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local bussinesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandrmic.

SB-65-SD-1

Submitted on: 3/4/2021 10:10:23 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Chad Stephens	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 10:19:41 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Todd Sydell	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 10:23:10 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Nicholas Cranwell	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 10:23:41 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
James Meinhardt	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

Thanks,

James Meinhardt

SB-65-SD-1

Submitted on: 3/4/2021 10:28:07 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Greg Ishikawa	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 10:28:58 AM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Piikea Ah Quin	Johnson Brothers of Hawai'i™	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.

SB-65-SD-1

Submitted on: 3/4/2021 4:26:40 PM

Testimony for ECD on 3/5/2021 10:30:00 AM

Submitted By	Organization	Testifier Position	Present at Hearing
Randy Ramos	Individual	Oppose	No

Comments:

I strongly oppose SB 65 SD1 because it will allow any liquor from the mainland to be sold directly to residents. This will hurt local businesses and reduce the sales of retail, restaurant, bar and other businesses, which will result in losses to income and jobs at a time when we should be supporting these local businesses and workers hurt by the pandemic.