

**Testimony of Robert Schulten of Bridgeport
against of HB 5036**

**General Law Committee Public Hearing
Tuesday, March 6, 2018
10:00am - Room 1E**

Representative D'Agostino, Senator Leone, Senator Witkos, and distinguished members of the General Law Committee, for the record my name is Robert Schulten, I am distiller and owner of Asylum Distillery located in Bridgeport and I am here to testify in AGAINST HB 5036 An Act Promoting Craft Breweries and Distilleries And Price Fairness.

We are the first distillery in Bridgeport, and all of Fairfield County, since the start of Prohibition which was 98 years ago. We have grown dramatically in the last 2 years, tapping into the public's interest in new and local products made in CT. We support CT farmers, utilizing CT grown corn in all our spirits.

Governor Malloy's bill, House Bill 5036 eliminates minimum bottle pricing. This change will dramatically reduce the number of small liquor stores in CT in favor of promoting large liquor stores who can buy in bulk quantities. CT distilleries need small liquor stores who can "hand sell", i.e., promote to the consumer in their stores, our locally produced spirits. Our spirits are truly LOCAL, our spirits are made from corn grown in Somers, CT and are mashed, fermented, distilled and bottled in Bridgeport. Big liquor stores are volume oriented and tend not to support small brands, like Asylum, therefore I feel it critical that that minimum bottle pricing remain in place so that the small but growing number of distiller can invest and grow our CT base.

A second issue I would like you to consider is supporting legislation that would allow Asylum Distillery and all CT distilleries the right to sell what we produce by the glass. This change would give distilleries parity with what laws that already allowed CT breweries and wineries to sell what they produce by the glass. This request is all about business growth in CT. In the US, distilleries selling by the glass is already a reality in 30 of the 50 US States.

Two quick stories of business growth to support my request for legislative change:

1. In New York State, in 2011 governor Cuomo signed the first of many new law reducing restrictions & regulation on distilleries. Farm Distilleries have increased from 10 in 2011 to 116 today. In addition, the number of Class A and B distilleries, or the bigger commercial distilleries, has risen 379 percent, from 14 in 2011 to 67 today. The distillery industry is growing and healthy, contributing both state and local tax revenues, boosting local farming and other related industries, and creating sustainable jobs.
2. In 2012 a new CT law allowed breweries to sell their products through onsite tap rooms, which greatly enhanced the customer experience and has made craft breweries a destination experience in CT. Previously, brewers were considered manufacturers and could only give tastings, or they had to get a liquor license as a brewpub and sell beer along with food. These new taprooms allow breweries to sell their beer with less overhead and higher margins because they don't have to pay for distribution, transportation, or even bottling, making it financially easier to get off the ground as a startup. Additionally, craft brewers tended to be young, creative

entrepreneurs who add a level of excitement to the community and often choose to move into older, abandoned facilities, bringing those properties back to productive use, which is exactly what I want to do. As a result of these changes, the number of craft breweries in CT has grown from 16 in 2011 to over 60 today (+275%). In beer, Connecticut has become known nationally as a destination for the growing number of tourists searching for the home-made, fresh taste of locally crafted beer. A note of interest, in the same time frame, 2011 to 2017, the number of restaurant & bar locations in CT has increased 7.6%, employment up 6.9% and revenue is up 23%. Since the start of selling beer by the glass, both restaurants and breweries have grown dramatically. If Asylum Distillery is allowed to sell what we produce by the glass, our plans are to open a downtown Bridgeport tasting room, adding to the downtown vibe.

These examples show that there is a desire by the public for small batch, craft local products and the experience of seeing how locally produced products are made. I think everyone would support keeping what you spend local, because it supports local employment and the local tax base.

Allowing distilleries to sell by the glass will increase tourism and help make CT a destination for out-of-staters. Selling by the glass will be additive to the restaurants, people who come out for our experience will want to continue their evening at a restaurant for food.

So please support growth in CT, please support investment and job growth in CT, do not support House Bill 5036 that would give unfair advantage to large liquor stores and please give distilleries the right to sell by the glass thereby giving us parity with breweries and wineries. So please support growth and support local....and come for a tour.

Robert Schulten
Owner, Asylum Distillery