

Dear Madam Chairperson:

I am writing today in support of H.B. 5036 – An Act Promoting Craft Breweries and Distilleries and Price Fairness. As a resident and business owner in the State Of Connecticut I want to thank you for the opportunity to voice my support of House Bill 5036.

As co-owner and Master Brewer for Shebeen Brewing Company our company heavily relies on sales from our Tap Room. It is the lifeblood of our business. It allows us to connect directly with our customers, ensure product is of high quality and the freshest and best representation of our business. It also generates taxes through sales and use tax, local property taxes, excise tax and employment taxes. We employ up to 20 full time and part time employees.

For the past 2+ years we used a wholesaler to distribute our product throughout the state of Connecticut. Last year our wholesaler dragged out payments and eventually stopped paying for product in the tune of tens of thousands of dollars. We are pursuing legal action but expect to collect only a fraction of the money owed to our business. It was devastating to our financial well-being and ability to grow our business.

If it wasn't for our Tap Room and ability to sell product directly to our end consumers we would be out of business. The state of Connecticut needs to support House Bill 5036 to ensure that the growing CT beer industry thrives but also allows more opportunity to protect individual breweries. Despite our ability to generate sales following the current regulations, we were severely hampered by the 9 liter restriction to end consumers. The majority of our product is in the form of 16 oz can cases.

The current law restricts sales to 19 cans per consumer which is arbitrary and clumsy. All of our packaging is configured to six 4 packs in a 24 can case flat. 19 cans results in a 3 pack and empty case slot wasting material and money. It's also unbalanced and prone to consumers dropping the off-balance case. It's unprofessional and embarrassing. We also cannot sell kegs directly to consumers which represents a major limitation as it is difficult to coordinate a sale through a wholesaler to a retailer. The end consumer incurs the markup and wasted fossil fuel to deliver an individual keg to a retailer for a consumer to pick it up.

Shebeen Brewing Company does not see HB 5036 as a negative to retailers or wholesalers. While we want to improve our sales directly out of our Tap Room to end consumers, we are looking to sign a new wholesaler to cover parts of the state we cannot self-distribute or cover out of the Tap Room. We see HB 5036 as an end consumer bill giving the choice of the consumer to purchase product either at a retailer or directly from the brewery not by a wholesaler or individual retailer making that determination. In fact we have also had experiences where our past AB InBev and Miller/Coors distributor blocked the sale of kegs to bars/restaurants despite our product being represented by them. Wholesalers do not always have the individual brewery's or end consumer's best interests in mind.

We hope that you support our business and HB 5036. Thank you

Sincerely,

Richard M. Visco

CEO Shebeen Brewing Company

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