



## 2016 NH Beverage Alcohol Summit

### **BALANCING REVENUE, RESPONSIBILITY, AND GROWTH:**

*What priorities will support a safe, competitive, and high quality industry?*

#### *Purpose*

- To discuss priorities for our industry across a variety of viewpoints;
- To identify actions for mutual benefit among industry players;
- To set the stage for future decisions and growth for positive impact the NH beverage industry.

#### *Group Agreements*

- Share “air time”
- If you disagree, consider asking a question rather than arguing to prove your point
- It’s OK to disagree, but don’t personalize it. Stick to the issue, not the person who is disagreeing with you
- Speak up if the process doesn’t seem fair
- Speak for yourself, not for others and not for an entire group (use “I” statements)
- Ask permission to share someone else’s personal story
- We all share responsibility for making the group productive
- Be respectful and use respectful language
- Respect the facilitator’s role
- Listen first...

NH Listens is a civic engagement initiative of the Carsey School of Public Policy at the University of New Hampshire. Since 2010, we have worked to support civil, public deliberation of complex issues affecting New Hampshire residents’ everyday lives.

Our core operating principles are to:

- Bring people together from all walks of life
- Provide time for in-depth, engaged conversations
- Respect differences as well as seek common ground
- Achieve outcomes that lead to informed community solutions

#### **At-A-Glance**



9:00	Doors open and refreshments
9:30	Welcome and background
10:00	Dialogue and deliberation on key questions
11:40	Priorities for action
12:00	Lunch
12:45	Action forum
2:15	Gallery and large group discussion
3:00	Spark Panel
3:30	Closing remarks

*Please join us for a  
reception on the South  
Veranda from 5-7 PM*



## Detailed Outline

- 9:30**      **A North Country Welcome -**  
Jeff Woodburn, NH State Senate
- Background –**  
Dan Bromberg, UNH Political Science, Coordinator, Master in Public Administration
- Process Overview and Group Agreements –**  
Michele Holt-Shannon, NH Listens, Carsey School of Public Policy
- 10:00**      **Small Group Dialogue and Deliberation on Key Issues –**
- **Introductions.** Share your name, hometown, and a few of the “hats” you wear in the alcohol beverage industry and related fields. Briefly share what interested you about being here today.
  - **Start the discussion by reviewing the survey summary.** The following key areas were identified as being of greatest interest from the survey. We will take each in turn and focus on these primary questions:
    - **What is currently in place and working well?**
    - **What conditions get in the way of your work?**
  - **Categories for discussion:** We recognize many issues will be overlapping. These categories will get us started in covering key issues and our afternoon work focused on action will connect the dots.
    - *Regulation and Legislation*
      - Production
      - Distribution
    - *Business Development and Tourism*
      - Launching
      - Growing and sustaining
    - *Prevention and Safety*
      - Liability reduction
      - Partnering for prevention
  - **Identify top issues for action, including shared and unique perspectives.** Review all topics and input and select 2 or 3 top areas where action would be beneficial in the above categories. Please select one person in your group to share these priority areas with the larger group.
- 11:40**      **Large Group Reports – Very Brief!**  
Bruce Mallory, NH Listens  
Each group will have up to two minutes to share key priorities for action.  
Please be brief and speak for your group.
- 12:00**      **Lunch**



- 12:45**      **Action Forum –**  
Michele Holt-Shannon, NH Listens  
Participants will rotate among priority issues to identify action steps and key partners in taking action.
- 2:15**      **Gallery and Large Group Discussion –**  
Bruce Mallory, NH Listens  
Each participant will receive 3 dot stickers to mark the most important ideas, actions, or insights from the action forum.
- 3:00**      **Spark Panel –**  
Michele Holt-Shannon, NH Listens  
The following people have been asked to share a few brief reactions.
- Joe Bellavance, Bellavance Beverages
  - Kate Frey, New Futures
  - Joe Mollica, NH State Liquor Commission
  - John Thompson, Smuttynose
  - Jeff Woodburn, NH State Senate
  - Jeffrey Rose, NH Department of Resources and Economic Development
- 3:30**      **Next Steps and Closing Remarks –**  
Bruce Mallory, NH Listens  
Michele Holt-Shannon, NH Listens

**Thank you for completing the evaluation! We appreciate your feedback!**

## *Media Request*

**Please note:** We are delighted to have this event covered by press, local bloggers, and others who wish to record community affairs. To balance your interests with our participants' ability to express themselves, we respectfully request that all media (formal and informal) who wish to film do so from our designated film area. Filming may not be done of or by participants from within the small discussion group. This is so we can promote an open exchange of ideas. We are happy to work with media who want to film and photograph large group activities.

## Appendix B: Alcoholic Beverage Industry Survey

Good Evening,

As part of a collective industry and NH Department of Resources and Economic Development initiative in New Hampshire, the University of New Hampshire's Master of Public Administration Program has been tasked with fielding research and facilitating discussions in order to prioritize opportunities for stakeholders in the beverage alcohol industry. This research will take place in two stages. Our first step, is asking all stakeholders to complete the following survey in order to prioritize topic areas for further analysis and discussion. Our second step, with support from New Hampshire Listens, is to facilitate a broad stakeholder forum at the 2016 NH Beverage Alcohol Summit at Bretton Woods July 6-8th. Responses to this survey will help us guide discussion with industry stakeholders from NH suppliers (beer, wine, spirits), out of state suppliers, distributors and brokers, NH retailers, NH state legislators and the NH State Liquor Commission. Whether you attend the meeting or not, your opinion is very valuable to us and will help shape procedure and policy priorities in the coming years. We will also send a copy of the survey report, the summit summary and alert you of next steps should you complete this short 5-10 minute survey. We cannot stress enough the value of your opinion.

Q1.1 How would you best describe your role in the beverage alcohol industry? (Please only select "consumer" if you do not fit any of the other identified roles)

- Manufacturer
- Distributor, Broker, or Importer
- Legislator
- Retailer
- Government Agency (Specify Agency) \_\_\_\_\_
- Consumer
- Other \_\_\_\_\_

Q1.2 In which state is your headquarters located?

- New Hampshire
- A different state (please specify) \_\_\_\_\_

Q1.3 Which of the following best describes what you produce? (Check all that apply)

- Wine
- Beer
- Spirits
- Other \_\_\_\_\_

Q1.4 Which of the following best describes the beverage in which you specialize? (Check all that apply)

- Wine
- Beer
- Spirits
- Other \_\_\_\_\_

Q1.5 What type of license do you hold? (Check all that apply)

- On-premise
- Off-premise
- Don't know
- Other \_\_\_\_\_

Q1.6 About how many people does your company employ?

- 0-10
- 11-20
- 21-30
- 31-40
- 41-50
- More than 50
- Not sure

Q1.7 On a scale from extremely positive to extremely negative how would you rate your experience as a consumer of alcoholic beverages in New Hampshire?

- Extremely Positive
- Positive
- Neither positive nor negative
- Negative
- Extremely Negative
- Not Sure / Depends

Q1.8 Please specify what would make your experience more positive?



Q1.10 On a scale from extremely important to extremely unimportant how would you rank the importance of the following existing regulatory issues?

	Extremely Important	Important	Neutral	Not Important	Extremely Unimportant	Not sure / depends
Keeping the alcohol beverage industry regulated for safety.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Promoting fairness in competition and consumer choice.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Punishment or penalties for operating a motor vehicle under the influence of alcohol.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Keeping the alcohol beverage industry regulated for quality.	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q1.11 Which of the following statements best represents your view about NH state alcohol Excise Tax:

- The NH state alcohol Excise Tax should be lowered
- The NH state alcohol Excise Tax should be increased
- The NH state alcohol Excise Tax should stay the same
- Don't know / not sure

Q1.12 On a scale from strongly agree to strongly disagree how would you rate your opinion on the following licensing / regulatory issues:

	Strongly Agree	Agree	Neither Agree nor Disagree	Disagree	Strongly Disagree	Not sure / depends
Licensing offers a good value to businesses	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Licensing is user friendly	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Licensing is reasonably priced	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
The State Liquor Commission offers good customer service	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I understand the purpose of licensing fees	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
I know how the funds accumulated from the licensing fees are spent	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>

Q1.13 Please briefly describe any changes to state regulations that would have a positive impact on your business.

Q1.14 Compared to other states in the northeast, how do you believe the state of NH is regarded relative to our beverage alcohol business reputation?

Q1.15 Please describe any major regulatory challenges you face in the New Hampshire beverage alcohol industry.



Q1.16 In your opinion, are there any opportunities for improving the interaction and communication between the New Hampshire Liquor Commission and the beverage alcohol industry? Please briefly describe below.

Q1 What is your age?

- 18-24 years old
- 25-34 years old
- 35-44 years old
- 45-54 years old
- 55-64 years old
- 65-74 years old
- 75 years or older

Q1.17 The following question pertains to the NH Summer Summit on July 6-8th at the Mount Washington Hotel. Please select an answer to complete this survey.

Q1.18 Are you planning on attending any segment of the NH Summer Summit? (By selecting "yes" or "Not Sure" you will receive an email detailing the Summit and additional registration verification.)

- Yes
- No
- Not sure, but would like to receive registration information.

Q52 Please provide your email below (Email will only be used for purposes of providing information about the NH Summer Summit:

Q53 Would you like to receive a report of the survey results? (If you select "Yes" please enter your email address below.)

- Yes \_\_\_\_\_
- No

## **Appendix C: NH Beverage Alcohol Summit Notes**

### **MORNING SESSION**

#### **GROUP A**

##### Legislation & Regulation

###### What is Positive?

- Self distribute
- Pour at farmers markets
- Nano0license
- Charge for tastings as a distributor
- 3 tier distribution
- quality
- NH products in state stores
- Good relationship with auditors

###### What is negative?

- Better way to distribute wine
- 3 tier distribution
- the way taxation occurs
  - Streamline
- Too may licenses
- Pressure to complete with the state who also regulate
- Smaller volume operators vs big
- Hard for new producers
- Big vs little
- Pay to play (Mass)

##### Business Development & Tourism

###### Positive

- UNH/Comm. Colleges adding education for brewers
- NH Brew map
- Brewery passport
- Nano
- Self distribution
- Alcohol industry is huge for tourism
- Liquor commission easy to work with

###### Negative

- Excise tax + meal tax for tasting
- Not up to date
- Taxes on employees not same as on business (payroll tax – encourages hiring employees)
- State could make more clear communication
- Skilled & ready workforce – younger generations leaving

- Concern that businesses are creeping towards restaurant style business
- Can't operate winery/brewery under same roof (issue for growth and tourism)
- Transportation

### Prevention & Safety

#### Positive

- Hazard Analysis Critical Control (HACCP)
- Unofficial partnering
- Liquor commission training program
- Has to be community team effort (prevention)
- Suggestion: training for parents as well as kids
- Suggestion: State promote taxi/third party system to get people home

#### Negative

- HACCP/OSHA increase cost
- Drinking age lowered?
- Enforcement presence good but lacking
- Health inspectors lacking
- Liability of the restaurant
  - Responsibility leaves consumer
  - Federal law
  - Could have drank before

#### TOP PRIORITIES

- Streamline taxation
- Pressure to compete with State
- Big vs Little
- Synergy of State b/w alcohol and tourism
- "Same roof scenario" – winery/brewery
- Clarity/communication w/ liquor laws
- Restaurant liability
- Consumer responsibility
- Promote transportation

## **GROUP B**

#### Barriers

- Bring product in from other states which distributors don't carry "direct ship"
- Direct ship expensive way to get new product
- Legislature often doesn't see big picture on production issues – need to be more strategic
- Laws + regulations are numerous and daunting for small producers – FAQs need to be added on website
- Labeling and brand regulation changes, requirements, etc. not easily accessible
- Alternating distributor – ship regulations are unclear
- Enforcement can be overbearing

- Binge drinking huge problem
- Launch of treatment centers and trained staff for demand
- State revenue allocation to treatment is not at levels <5% mandated of 5%
- Lobbyists successful in discouraging sampling by smaller producers
- Out of state “big box” retail outlets under cut NH prices
- No business process in determining of commission budget – business environment + strategic issues are not considered
- Appealing to young viva advertising + products that look like non snacks + treats etc
- 18 is legal age for military, voting, etc

#### Enablers

- Structure clear works well
- Having industry people in the room rather than having legislature making most decisions
- NH is among the most profitable regulated states in the US
- Good value for customers
- Commission well organized and efficient
- Web site has labeling guidelines and other resources
- New research on brain development have supported not lowering legal age for alc consumption
- Hooksett Restaurant is very welcoming and meets multiple needs of tourists (public/private ownership)
- Universal growlers are a good idea if “our beer” is sold in them – more discussion needed
- Current laws encourage adult themes in advertising and packaging
- Offset photo ID for underage drivers helps retailers w/ age compliance

#### KEY ISSUES

- Annually re-establish the industry working group communication w/ legislature
- Labeling registration Process – automate
- Budget development process of commission needs to include more stakeholder input & must be reflective of real economic market conditions
- Streamlining regulatory process repeal unnecessary laws
- Fully supporting alcohol fund at 5%
- Simplify + streamline registration process for new brewers

## GROUP C

### Regulation & Legislation

#### Positive

- Wine & beer self distributes
- Retail license fees relatively low
- Strong partnerships w/ prevention & LC regarding marketing/advertising
- Good communication with legislature
- NHLC promotes NH made products
- Small breweries are able to launch in a good environment

#### Negative

- Different taxes for different types of alcohol + scale
- Varying standards, complex statute
- Licensees buy from bigs more than smalls – lack of understanding
- Alcohol fund not fully funded
- Out of state competition, not reciprocal
- More profitable to sell out of state for in state producers
- Process for importers, out of state producers to do business in NH
- High license fees
- Double taxes on sales + samples
- Simplification
- Balance of revenue and safety and health
- Legislative limit on # of FT employees in state stores

### Bus. Development/Tourism

#### Positive

- Trails – beer + wine + food
  - Dept of tourism
- \$ multiplier effect on other businesses
- strong growth of breweries + wineries
- lower pricing in NH compared to region – related to volume purchasing by NHLC
- Future focus for NHLC stores, renovations, tech, etc

#### Negative

- Too many people over-served on the trails
- No offsite tasting rooms allowed
- Lack of clarity for frozen lakes – ?
- Small signage for small distributors
- Workforce development for this industry

### Prevention and safety

#### Positive

- Training for licensees required
- New futures
- Public health networks work @ community level
- Effective DWI enforcement since 1991
- Ignition air lock devices

#### Negative

- Parents giving kids alcohol in restaurants
- Occasional over enforcement
- % of alcohol in products
- keeping powdered alcohol out, no prohibition against possession
- few funds for prevention & education

- Nip bottles – trash and abuse

#### KEY ISSUES

- Complexity and inconsistencies in laws regarding scale of operations & types of product
- Process for approval and launch of business
- Out of state competition not reciprocal
- Inadequate signage and DOT barriers (Business dev. & tourism)
- Funding for prevention & education
- Powdered alcohol possession (is legal)

## GROUP D

### Reg. Legislation

#### Positive

- Ease of starting new business
- Great people
- Legislation has broadened the industry
- Low cost to start
- Pretty ordered & smooth market
- Strong regulation system
- Strong revenue
- Producers like NH

#### Negative

- Paperwork
- Complex liquor laws confusing for all
- Tech support to go online
- Restrictions/re: licensing compare to surrounding states
- Fee to get started in state need more tourism promotion & marketing

### Bus dev tourism

#### Positive

- Good support for beer
- Initial contact & info from NHLC was helpful
- NH Beer trail
- Selection & price
- Awesome national resource and great place to visit
- Welcome area and liq stores together

#### Negative

- Relationships between producers and NHLC marketing arm mandated revenue & shelf space
- NH Vodka bottle

- We are behind on reg distilleries
- Some of the top tourist locations are not supporting NH beers

### Safety & prevention

#### Positive

- Police drive by
- Safety and quality
- Businesses knowing their communities
- Can't fill other producer's growlers

#### Negative

- Kitchen law unnecessary
- Uneven enforcement relationships w/NHLC
- How we handle DWI taking license away & found innocent

### KEY ISSUES

- Consumer access – growler access and variety issues
- Technology – update, streamline
- Updated & simplified liquor laws
- Marketing within industry, NHLC & DRED

## GROUP E

### Regulation & Legislation

#### Positive

- Fair playing field
- Taxes collected positive for state
- Consistent message in NH compared to other states
- Enforcement balanced
- Accessibility to commission

#### Negative

- Old laws
- Commission maximize revenues revenue for all stakeholders, or just commissioners?
- Little to no quality control in production
- Restrictive state for bringing in product
- Many license fees
- Interpretation around labeling
- Too finite in some legislation

### Bus. Development & Tourism

## Positive

- Easy to get retail license compared to other states
- Mom & pop grocery stores have access
- Small town country stores
- Many stores can sell discount depot
- Farmers market – big for NH

## Barriers

- How do you enforce farmers markets?
- Lottery system automated per business ,none for alcohol – why can't it be automated?
- Retailer concern – can't compete, i.e. winery has to buy back their wine to sell
- Define NH Product
- Challenge with licensing process

## Prevention & Safety

### Barriers and enablers mixed into discussion

- Safety prevention, liability
- Youth in on sticker campaigns – “don't matter to me”
- Challenge – not fair b/c/ isn't at liquor stores. How to work with New Futures?
- It's in everyone's interest to prevent underage drinking
- Need to change culture – ‘drinking as right of passage’
- Distributors give \$ per case sold to spend on prevention
- Potential for partnerships with distributors & youth risk prevention – access to resources

### Key Issues

- Need to look at licensing, specifically consolidating license categories
  - Product License – a need to streamline process. Also in and out of state
- Pricing and need for more cooperation and consistency
  - Liquor stores on the HWY
  - Challenge for small main street stores
- More opportunity to collaborate with distributors & prevention specialists for ways to have common ground
- Beyond the sticker campaign challenge for distributors w/ youth led sticker campaign

## **GROUP F**

### Regulation & Legislation

#### Positive

- Access to plethora of options
- Easy to business to launch & get license
- Carrier laws are there to support safety – this can conflict with consumer need for convenience



## Negative

- In-state retailers have more difficult regulations than out of state distribution
- State violates 3 tier system law
  - Hurts retailer
  - Can help consumer
- State is perceived as having difficult paperwork/license
  - Paper invoices not allowed
- Laws are so intertwined, makes it difficult for specific interest groups to see full picture + ripple effect RE. 3 tier system

## Business Development & Tourism

- Re winery – little support for developing vinyards & supporting agri-touris. Craft breweries & distilleries could also benefit from state support in this direction
- Examine how NH laws impact modernization
- Title 13 – what would adjusting direct ship tax do?
- Made structural changes to Commission
- Agri-tourism left to discretion of locality

## Prevention & Safety

- Uber increases access to transportation
- State should support these efforts – partnering for prevention
- DWI – education & awareness needed
- Transportation difficult in north country
- Alcohol fund is never fully funded
- How many drinks is too much? Even if get safe transportation home, still risks
- Alcohol content is convoluted, ABV is required on label

## Key Issues

- Examine Title 13 (alc + bev laws) and the accompanying rules
- Technology changes/modernization has not evolved in NH @ same pace as other states
- More info/awareness/education needed regarding licensing, fee, etc. to debunk perception of different access
- Ongoing reevaluation of laws and regulations within the changing environment, with awareness on ripple effect
- NHLC has ability to support in-state NH base industries
- Continue to develop and support agri-tourism, while ensuring local municipalities maintain control
- Education regarding drinking patterns, laws, regulation, transportation, impact, effects liability
- Funding/investment priorities – amount toward advertisement vs prevention and education

## **GROUP G**

### Regulation & Legislation

#### Positive

- Consumer thirsts

- On the whole, state is easy to work with
- Small state
- No rules @ where materials come from
- 3 tier system
  - allows us to have a dialogue

#### Negative

- State not determined who is responsible for production safety
- Confusion on what is allowed in growler
- Wine is a disaster
- Distributor
  - Pricing
  - Promotion
  - Order
  - Beer
  - Discount based on large volume purchasing – disadvantage for small business
- 3 tier system
  - suppliers, distributors, retailers – licenseing relaxed to need to sell other goods to sell alcohol

#### Business Development & tourism

#### Positive

- state retail system is a plus
- growing brewery sector is feeding tourism
- retailers recognize that state needs revenue
  - changes should be support that need but serve other retailers as well

#### Negative

- Retailers
  - Growth of state retail system in affecting their retailers
  - Do we want to be a control state or not?
- Breweries
  - Cannot sell on site & give visitors same experience they have in other states

#### Prevention & safety

#### Positive

- Industry should embrace share ride services
- Laws are supportive & regulate compliance
- State offers training
- Licenses are vulnerable to violation of the law – encourage compliance
- 5% of all alcohol revenue go to education & prevention

#### Negative

- state does not do enough compliance testing
- state does not tell us when we need compliance testing

## Key Issues

- Production – what are the rules of the road – need clarification and way to communicate issues/changes needed
- Distribution – For both wine/beer there are regulations that are disadvantageous to the retailer
- Need to balance state need for revenue with needs of retailers
- 3 tier system – has benefits and disadvantages
- need ongoing discussion to support changes that will modernize and support growing industry
- Bus development – producer perspective – challenged to meet customer expectations – different experience in other states
- Prevention/safety – state needs to enhance compliance testing
- Access to high volume/low cost alcohol is increasing abuse/access

## Group H

- Pricing structure works well with spirits competitive prices compared to other states
- Distributor good relationship with liquor commission
- Regulations on premise is good for tourism on premise tasting, etc
- Guiding rather than enforcing works well
- All NH state liquor stores run profit
- Retailers can single pick from NH state
- Restaurants can order/direct ship from a winery if production isn't available from liquor commission
- NH licensees can direct ship last year \$11 million
- LC to facilitate the orders for NH retailers to make it work
- NH liquor commission will direct ship out of state w/ fedex
- Producer/supplier can service samples but can't serve full drinks – need license
- Consumers are limited b/c can't get glass in tasting room
- Area states can serve full glass NH not competition
- Tasting room has to apply to be full on premise
- Need to be competitive w/ vt/NH
- NH is difficult to get product into small town stores
- Model in VT works better than NH
- Is it effective for State liquor stores to be in small towns vs small retail?
- Enforcement & licensing
  - Streamlined with online tools
- Helping in state is good for tourism
- NH business model is unique & really is different
- Small retail are economic engines
- Out of state distributor liquor working well in NH
- Can't promote in state (small) to the disadvantages of out of state (bigger)
- Fairness needed & balance w/ larger out of state distributors
- Why do different alcohol sit together and some don't?
- What would it look like to have a local NH section in liquor stores?
  - Limited # of state stores
  - Impact the small retail & distributors
- Trade practices – making & keeping things fair getting smaller products out there
- 3 tier – regulatory structure – works well in NH distributors self regulate – it's working

## Key issues

- Reg./Legislation top priorities
  - Reducing the different types of licensing to respond to needs of suppliers and consumer expectations
  - Single bottle – working with LC to make it happen
  - Communication – adding new voices of retail/restaurant to meet and help LC continue to respond and evolve
- Bus Development Priorities
  - Facilitation of legislative change when its needed by industry, such as NH State/local branding. i.e. growlers
  - Promoting NH throughout the industry
- Prevention /Safety priorities
  - Promote third part transportation
  - Safety – promoting safe practices for manufacturers, learning best practices, liability reduction
  - Keeping consumer safety in mind across the industry
  - Sharing knowledge of alcohol safety and problems

## Consolidated top priorities for each group

### A

#### TOP PRIORITIES

- Streamline taxation (Automation)
- Pressure to compete with State (Economic Development)
- Big vs Little (Economic Development)
- Synergy of State b/w alcohol and tourism (Econ Development)
- “Same roof scenario” – winery/brewery (Economic Development)
- Clarity/communication w/ liquor laws (Communication)
- Restaurant liability (Regulation)
- Consumer responsibility (Safety/Education)
- Promote transportation (Saftey/Education)

### B

#### KEY ISSUES

- Annually re-establish the industry working group communication w/ legislature (Communication)
- Labeling registration Process – automate (Automation)
- Budget development process of commission needs to include more stakeholder input & must be reflective of real economic market conditions (Communication)
- Streamlining regulatory process repeal unnecessary laws (Regulations)

- Fully supporting alcohol fund at 5% (safety/prevention)
- Simplify + streamline registration process for new brewers (communication/automation)

## C

### KEY ISSUES

- Complexity and inconsistencies in laws regarding scale of operations & types of product (Communication/Regulation)
- Process for approval and launch of business (Automation/regulation)
- Out of state competition not reciprocal (Economic development/regulation)
- Inadequate signage and DOT barriers (Business dev. & tourism)
- Funding for prevention & education (safety/prevention)
- Powdered alcohol possession (is legal) (safety/Prevention)

## D

### ISSUES

- Consumer access – growler access and variety issues (business development)
- Technology – update, streamline (automation)
- Updated & simplified liquor laws (Communication...)
- Marketing within industry, NHLC & DRED (Economic Development)

## GROUP E

### Key Issues

- Need to look at licensing, specifically consolidating license categories (regulation/automation)
  - Product License – a need to streamline process. Also in and out of state
- Pricing and need for more cooperation and consistency (Cooperation)
  - Liquor stores on the HWY
  - Challenge for small main street stores
- More opportunity to collaborate with distributors & prevention specialists for ways to have common ground(collaboration)
- Beyond the sticker campaign challenge for distributors w/ youth led sticker campaign (Educaiton/Prevention)

## GROUP F

### Key Issues

- Examine Title 13 (alc + bev laws) and the accompanying rules (regulation)
- Technology changes/modernization has not evolved in NH @ same pace as other states (automation)

- More info/awareness/education needed regarding licensing, fee, etc. to debunk perception of different access (communication)
- Ongoing reevaluation of laws and regulations within the changing environment, with awareness on ripple effect (Collaboration)
- NHLC has ability to support in-state NH base industries (Economic Development/Business development)
- Continue to develop and support agri-tourism, while ensuring local municipalities maintain control (Economic development)
- Education regarding drinking patterns, laws, regulation, transportation, impact, effects liability (Education/safety/prevention)
- Funding/investment priorities – amount toward advertisement vs prevention and education (Education/safety/prevention)

## GROUP G

### Key Issues

- Production – what are the rules of the road – need clarification and way to communicate issues/changes needed (Communication)
- Distribution – For both wine/beer there are regulations that are disadvantageous to the retailer (Regulation)
  - Need to balance state need for revenue with needs of retailers
- 3 tier system – has benefits and disadvantages (Communication – regulation)
  - need ongoing discussion to support changes that will modernize and support growing industry
- Bus development – producer perspective – challenged to meet customer expectations – different experience in other states (Economic development)
- Prevention/safety – state needs to enhance compliance testing (prev/safety)
- Access to high volume/low cost alcohol is increasing abuse/access (safety/prevention)

## Group H

### Key issues

- Reg./Legislation top priorities (market access, communication)
  - Reducing the different types of licensing to respond to needs of suppliers and consumer expectations
  - Single bottle – working with LC to make it happen
  - Communication – adding new voices of retail/restaurant to meet and help LC continue to respond and evolve
- Bus Development Priorities (Economic Development)
  - Facilitation of legislative change when its needed by industry, such as NH State/local branding. i.e. growlers
  - Promoting NH throughout the industry

- Prevention /Safety priorities (Safety)
  - Promote third part transportation
  - Safety – promoting safe practices for manufacturers, learning best practices, liability reduction
  - Keeping consumer safety in mind across the industry
- Sharing knowledge of alcohol safety and problems

## AFTERNOON SESSION

### By topic area. (\* = one sticker)

#### 1. How do changes in laws impact all players + colleagues

-Different way of assigning a revenue number from NHLC that follows more traditional budget process

-NHLC should bring a budget to the Revenue Committee

-House Ways + Means Committee & Senate has the ability to make this change

**\* Give NHLC the ability to behave more like a business, which currently has a pre-tax profit margin of 25%**

\* How to separate NHLC role of being a business & enforced, by having two separate budgets for each

-NHLC focus on more marketing efforts both on & off premise

**\*\*\*\*\* Sell wine through the beer network**

**\*\*\*\*\* Allow beverage manufacturers to serve pints**

-Legislative change enforced by the commission

Universal growler?

RE: Wine –

-Retailer is penalized when they sell more wine

-Revert back to 25% discount – ask for reduction in required rev. expected from NHLC (Gov office, Rev. committee, when creating budget)

#### 2. COMPETITION (Volume Pricing || Instate/Out of state)

Identify What is in federal domain

**\*\*\*\* Beer importers to group brands under same license**

- NHLC

- Budget process for 2017 legislator makes decision based on revenue & fees forecasted
- RSA introduced by legislator, brought to revenue committee, made pitch as to why this is important

**3. PREVENTION AND SAFETY** (5 % fund, education, enforcement, transportation, collaboration/connection What needs to be done, who should be involved?)



## Transportation

- Caution: over service issue
- Worried about promoting one service
  - Education instead

### **Action: Campaign for 5% go to prevention \*\*\*\*\***

Action: Education for adults, parents supplying, Buyers beware program

Who: Tuxedo shops, limo drivers (geared at parents)

## **Awareness Campaign \*\***

- Within the industry – education (we should spread message (manufacturers/Distributors)
- Who: bar/restaurant owners should educate

## Recovery

### **-Access to recovery\*\*\***

- depends on where you are
- Create universal protocol
- WHO: Engage with medical community, screening assessment, community treatment centers
- Diversion Program:
  - Instead of paying a fine, pay for a class to address issue
  - paid for by person, not taxes
  - some punishment too harsh for violation level offences
  - Who: county run and collaborate w/ existing program
  - help kids/saved money

5% fund

Who – New Futures (get people in the industry and legislatures involved)

- Tips program/MTS
  - training though NHLC

- Education for young adults
- Need to focus on young people (more inclined to listen to peers)

Page 7.

## Transportation

### **-Should be promoted \*\***

- July 1 Uber/Lyft state level approval
  - Safety of ride
- How can transp. work in rural environment?
  - manufacturers/Distributors can put money to this

### **-5% fund – can be used toward safe transportation \***

## 4. Technology

Who-what

- Colas online (online 3<sup>rd</sup> party software) State process should mirror Colas)

### **\*\*\*\*\* Automated system for labeling**

- Pay.gov for TTB

### **\*\* Wholesaler to retailer sales require paperwork to be held on premise by retailer (needs legislative fix)**

- Antiquated request for data and related record keeping system required for compliance

### **\*\*\*\*\* whole sale reports need to be automated**

### **\* FAQ on Commission website**

### **\*\* “ABC Posse” 3<sup>rd</sup> party licensing software**

- more automation of forms and reporting

### **\*\* Wine ordering online**

- pass through orders to instate brokers & vendors need to be automated/streamlined
- easy accessibility for forecasting on wine promotions

(overall recommendation) State: Commission & legislature need a ROI to motivate the process and prioritize implementation

## 5. Business Start Up\*\*\*

Registration, Customer access + expectations

-Better communication RE timelines, aligning timing of approvals, align state & local approval process, clear schedule, use technology

### **\* Access to specialty beers (ability to purchase out of state)**

-Examine regulations for obtaining license

### **\*\*\*\*\* Need FAQ of state timeline, step by step and customer service staff**

-Review licensing fees to assure NHLC has sufficient staff

### **\*\*\*\*\* Need "Ivan's History" and how-to manual**

-guidance from NHLC to local govts on approval process

-TTB regulations

-FAQ on on-going business operations

-Reduce licensing costs for multiple products

-Allow brewers to sell volume

## 6. TITLE 13

-fermented beverages should be one class for licensing

### **\*\*\*\*\* Repeal and complete rewrite – not to change the purpose – to make it make sense and order**

-connecting the definitions and in one place

-get the state laws to follow Fed definitions

-the # of audits is different for different producers

### **\*\*\*\* drop audits down to once a year (re build trust)**

**\* Do auditing when there's an issue w/ individual provider LC can compare state/fed reports as an indicator for issues**

**\* State take electronic payment for the monthly excise tax**

-get rid of paper report

-problem: State sets revenue goals for the LC. The LC has power over the smaller players. Option – split up the LC departments

-they [LC] are measured on their revenue, not optimizing smaller wine businesses

**\* Tiered permitting fees work against the expansion of the wine industry**

-pay excise tax online

**\*\*Wineries pay differently than beer (unequal)**

**7. WILD CARD**

**\* Privatization of the retail (or all stakeholders) side of the liquor business**

**\*Support/develop liquor education**

**Give liquor commission own budget (autonomy)\*\*\***

-develop relationship between NHLC and Tourism Board

**Marijuana\*** (how to we mistake potential impact of legalized marijuana on industry)

**\*\* expanded access to growers**

**\*Increase tourism in NH – keep a level playing field for all stakeholders**

**8. COMMUNICATION & COLLABORATION**

**\*Improve CC within industry and with NHLC**

**\*\*Develop a position in NHLC for a 'go-to' communication person**

-streamline taxation for brewers

-reporting & direct pay to Commission

-communicating legislation before it goes out

-advisory group to meet with industry.

- NHLC mandates through legislation
- controlled state, change to optimize profit
- Advisory group – benefit to understand issues
- Tourism, Econ. Development

- many stakeholders to build advisory group

- Econ Dev., Town & staff, NHLC, Retailers, Prevention, Suppliers & Brokers, Brewers/manuf., Distributors, Chiefs of Police, Legislators

**\*Advisory Group to understand the rules across the industry & collaborate for consistency**

**\*\*\* NHLC Clearer communication (FAQ, Q & A)** i.e. what defines a growler – to help determine

C+C ACTION STEPS

**\* 1. Streamline communications**

**\*\*\*\*\* Build advisory group within key stakeholders to continue discussion build on feedback and provide solutions**

## 9. Marketing

**\*\*"Enjoy responsibly" Focus on prevention**

**\*Ensure quality**

**\*\* Customer experience – combine marketing through DRED**

- agritourism – joint industry event, extend tastings

- working with University

**\* Regional Marketing Maps**

Branding

- NH Grown (produced)

**\*-NH Made**

Customer Expectations

- Consistent marketing message