

NH Beverage Alcohol Summit

July 2016, Bretton Woods, New Hampshire

A NH Listens Summary Report

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Background

In July of 2016, over seventy-five people attended the NH Beverage Alcohol Summit at the Mt. Washington Hotel in Bretton Woods, New Hampshire. Commercial stakeholders initiated the summit, but attendees included stakeholders across the industry including members of the NH State Legislature, the NH Liquor Commission, the NH Department of Resources and Economic Development, the prevention and treatment community, NH beer distributors, retailers, and manufacturers of beer, wine, and liquor. The purpose was three-fold:

- To discuss priorities for the 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 in the NH beverage industry

The day included two sessions—a morning session which allowed for priorities to develop out of diverse groups, and an afternoon session which moved to points of action associated with those priorities (see Appendix A).

During the morning session, participants were separated into eight groups to discuss any barriers they faced in the industry and to highlight any positive aspects of the beverage alcohol industry. These discussions were guided in part by the findings from the NH Beverage Alcohol Survey (Appendix B). The findings from the survey highlighted major themes that were used as topic areas to spark discussion. The topics included legislation and regulation, business development and tourism, and prevention and safety. Participants discussed strengths, weaknesses, and areas for improvement for each topic area and were asked to develop a list of key issues and/or their top priorities. A complete set of transcribed notes from the event can be found in Appendix C.

“The Summit was designed to get a broad group from the different players in the industry—from distributors, to the state regulators, to health professionals, retailers, and legislators—to see if we can find some common ground for the next legislative session and really put together a well-thought-out agenda for the State here to help improve the overall industry.”—Joe Bellavance, Owner, Bellavance Beverage Co.

“I think it needs to be stated that our system works well—it’s that there are opportunities to work to make it better.”—Representative Kermit Williams

“Everyone I talked to this morning was really reasonable, and no one seemed to come in with a cast iron agenda, like a bull in a china shop, and I think that bodes well. I think the concept of this meeting to begin with is pretty unique and interesting.”—JT Thompson, Smuttynose Brewing Company

What priorities emerged?

This section summarizes the themes and action points most frequently noted across all stakeholders. Although each participant reflected his/her own point of view, clear commonalities emerged about the opportunities and challenges facing the beverage alcohol industry in New Hampshire. Throughout the discussion, four themes surfaced across all conversations and a set of action points to address those themes. The emergent themes were: Communication and Collaboration, Economic Development, Automation, and Education and Safety.

Communication and Collaboration

Participants expressed both positive and negative aspects of their working relationship with regulators, regulations, and enforcement. Improved communication between industry and the New Hampshire Liquor Commission (NHSLC) was identified as a top priority in every working group. While the majority of

participants felt they've had good customer experience with the NHSLC, many felt that increasing customer service capacity could benefit the entire industry. Across the industry, participants expressed the need to clarify and simplify existing regulation and to develop a way for updating stakeholders when either new regulations are adopted, or if changes to existing regulations occur. Almost every working group expressed the need to include more informational resources provided by the NHSLC. Specifically, groups suggested having access resources like 'Frequently-Asked-Questions' and developing a 'How-to-Manual' for starting businesses.

Along with communication, *collaboration* was an important point in almost every topic area. Many participants noted that collaboration between industry, NHSLC, and the New Hampshire Department of Resources and Economic Development (DRED) in an effort to support local New Hampshire businesses would benefit growing businesses. Additionally, many participants suggested creating an industry advisory group to work with State legislators and the NHSLC in hopes to develop and update legislation that meets the needs of all industry stakeholders across an evolving and growing beverage alcohol environment.

"From our stance, this is pretty unprecedented—to see all these different stakeholders in one space having this dialogue and I was just thinking, what a great situation, this could be replicated in other states."

—Mary Rait, Craft Brew Alliance

"It's great to have all kinds of people from the industry and all the different silos here to talk about challenges and concerns and what's working and what's not."—Pete Beauregard, Stoneface Brewing Company

Economic Development

Many participants, specifically small manufacturers of wine and beer, expressed the need to increase support for new and growing businesses. A common theme emerged among smaller manufacturers in which they expressed difficulties in meeting consumer expectations while following regulation. Participants discussed the importance of tourism and its impact on the local beverage manufacturing industry in New Hampshire. Groups talked about current collaborative tourism efforts like that of the New Hampshire Beer Map & the Passport/Beer Trail—all collaborations between BREW NH, DRED, and the Granite State Brewers Association.

"The question is how we continue to have this collective communication and collaboration on common issues of regulating alcohol in New Hampshire. I think we all agree that tourism, economic development, and bringing more people to the state are our goals—so I think we can put the issues we don't agree on to the side and focus on the big picture, and create more value."—Scott Schaiër, Beer Distributors of NH

Increasing Efficiency Through Automation

Participants discussed that incorporating technology into regulatory processes could improve efficiency and create a more consistent regulatory environment for all industry stakeholders. Processes like registering for various licenses, labeling, reporting, and even paying taxes could be streamlined through an online registration platform. As an example, one group discussed how wholesaler-to-retailer sales require paperwork to be held on premise by the retailer. The group suggested that having an electronic paper trail could decrease any mishandling of paperwork. Similarly, some groups discussed utilizing existing tools like the Alcohol and Tobacco Tax and Trade Bureau online permitting tool. Participants expressed that having streamlined regulating and approval processes could increase efficiency.

Education and Safety

Alcohol safety was a major priority across all stakeholders. Many expressed satisfaction with local enforcement, but expressed a need to increase educational efforts to prevent alcohol abuse and youth access. The majority of participants supported education and safety funding administered by the NHSLC Enforcement Division. Participants discussed that there is a need to ensure that education is reaching the right audience—targeting education toward New Hampshire parents *and* younger generations.

Many felt that there is a need for industry to collaborate with existing education and prevention organizations. Specifically, participants suggested that industry and the state collaborate with prevention specialist organizations like New Futures, a nonprofit organization that advocates, educates, and collaborates to prevent and reduce alcohol and other drug problems in New Hampshire. A multi-stakeholder collaborative effort could increase the capacity to reach a wider audience and have a more meaningful impact on consumer safety.

Transportation was among the most discussed topics relating to safety. Because of New Hampshire's rural environment, there aren't many safe transportation opportunities once individuals have consumed alcohol. In some of the more densely populated areas, individuals have access to taxis and public transportation. However, many people do not have access to these resources. Groups suggested having industry and the state support third party transportation services such as taxis, Uber, and Lyft to provide safe alternative transportation options for consumers.

"I think it was a great opportunity to learn more about the entire alcohol distribution system in the state — from the processors, producers, to the distributors, to the manufacturers, and to the retailers. That's very important to see the whole package come together and how that interacts with the Liquor Commission."— John Dumais, NH Grocers Association

"I think the dialogue has been great, and somewhat unexpected that there's a lot more common ground than I think many of us expected." —Kate Frey, New Futures

Conclusion

The stakeholder conversation that took place on July 7, 2016, sponsored and designed by NH Listens and the University of New Hampshire's Masters of Public Administration Program, generated several overall themes that all participants believed to be important to strengthening the beverage alcohol industry in New Hampshire. Participants discussed the commonalities between stakeholders and shared their experiences and perspectives as retailers, distributors, manufacturers, brokers, legislators, Liquor Commissioners, and state employees. The challenges that are part of encouraging a stronger beverage alcohol industry include: 1) the need for improving communication mediums and collaboration efforts; 2) creating and enabling a competitive business environment that acknowledges the needs of all consumers and industry stakeholders regardless of size; 3) improving the efficiency of the regulatory process by incorporating electronic and automation; and 4) promoting alcohol safety by educating consumers and collaborating with prevention organizations to increase prevention efforts and reduce the rate of alcohol abuse and potentially life-threatening scenarios. The stakeholder conversation demonstrated the ability of the New Hampshire beverage alcohol industry to come together, discuss those challenges, and find common ground that can serve as the basis for future actions.

Appendices for the Summit Agenda, Survey, and small group notes can be found at www.NHListens.org.

Action Items

The actions items were achieved towards the end of the day’s session. While the purpose of the summit was not to achieve complete consensus the purpose of the summit as stated above was threefold:

- To discuss priorities for the 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 in the NH beverage industry

While there were a number of small achievements throughout the day, the final charge was for participants to develop lists of action items and then mark which action items were most important to them. In such a forum it is impossible to suggest these action items are representative of the group and therefore representative of the summit. Rather we can think of these items in broad strokes in which general consensus was reached and room for growth was noted. What follows is a summary of those action items in each of the four categories identified.

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| Legislative Changes | Broadly speaking, there was agreement that the regulatory system works well, and it is relevant and important. However, participants noted that this was a complex statute that might benefit from adjustments to its language to make it more clear and modern for those to whom it pertains. Overall participants noted that the legislative and regulatory climate were predominantly positive and a few minor changes would make a large impact. |
| Education and Prevention | On the whole, participants supported education and prevention efforts to keep the beverage alcohol industry as safe as possible. Some participants believed that to do this it was essential to ensure the alcohol fund is financed to its full 5 percent of liquor commission revenue. Other efforts frequently noted included an awareness campaign that focuses on education for parents and consumers along with working collaboratively with existing prevention specialists such as New Futures. Lastly, participants suggested that third-party transportation services like taxis, Uber, and Lyft may create more safe transportation options for consumers. Overall, prevention and education were extremely important to the group of participants. |
| Technology Improvements | In general, participants suggested that a number of technological improvements would offer much improvement over the current systems in place. The most frequently cited actions were to provide an automated system for licensing, label approval, and to move to an electronic system for on-site paperwork; allow wholesalers to report electronically; and develop an electronic payment method for excise tax collection. Overall, technological advances were a prevalent topic area at the summit. |
| Communication and Collaboration | Communication and collaboration proved to be a category in which there was much support for changes, room for growth, and much consensus. Overall, participants noted the value in this cross industry meeting and suggested continuing this forum in an alternative form. Mainly, participants wanted to establish an advisory group with key, across-industry stakeholders, to ensure continued discussion, build on feedback, and provide solutions. Participants saw value in supporting efforts to improve communication between the NHSLC and beverage alcohol industry by developing communication and outreach materials. Participants also noted that including the Department of Resources and Economic Development in this communication and collaborative effort would be helpful for business and economic development. Lastly, many participants noted that it would be helpful to have more guidance from the NHSLC in the form of a Frequently Asked Questions (FAQ) page along with a basic “how-to” manual to support the industry. |

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