



2 April 2025

Darron Welch  
Pelican Brewing Company  
1708 1<sup>st</sup> Street  
Tillamook Oregon 97141

House Committee on Climate, Energy and Environment  
Oregon State Capital  
Salem Oregon 97301

RE: HB 3940

Chair Lively and Members of the Committee:

My name is Darron Welch and I'm writing on behalf of my company, Pelican Brewing Company. Pelican Brewing is a local, independently owned brewery on the Oregon Coast. We opened our original Pacific City brewpub in 1996 and now operate four different locations on the Oregon Coast: Siletz Bay in Lincoln City, Pacific City, our production brewery in Tillamook and our brewpub in Cannon Beach. Pelican employs about 40 people in brewing operations, 450 in our restaurants, and over 500 companywide. With more than \$12 million in wages and salaries in 2024, Pelican Brewing is one of the larger employers on the Oregon Coast. As a significant employer, we strive to be an integral part of our community and last year donated well over \$50,000 in product, funds and volunteered time to a variety of important local causes such as the Big Fish Lab in Newport, Tillamook Bay Community College, the local schools in the various communities where we operate, and much more.

I am writing today in opposition to HB 3940 in its current form. The five-cent non-refundable fee per container is nothing more than a sales tax in disguise.

This proposal would add \$1.20 to every case of beer, cider, hop water and soda that Pelican Brewing produces, potentially costing \$385,000 per year. The bill is unclear regarding how this fee would be assessed. Beer consumers are extremely price sensitive in the current economic climate, and this tax would lead directly to lost sales and revenue in a beer market that is already facing significant headwinds.

The Bottle Bill is an important cornerstone of Oregon's policy for recycling and litter control. It has been working effectively since 1972 when a Pacific City local, Paul Hanneman, first spearheaded the effort to create this law. This proposal will undermine the original purpose of the Bottle Bill and will instead



create a regressive sales tax. While Pelican Brewing recognizes the vital importance of funding wildfire response, upending the bottle bill and hurting Oregon breweries is not the right strategy. It is difficult to see how the Bottle Bill and wildfire response are even remotely connected.

Amendment -2, proposed late last week, would remove the five-cent sales tax from HB 3940. I support this amendment and urge the committee to find other ways to fund our much-needed wildfire response.

As the bill is currently written, I oppose HB 3940.

Sincerely,

A handwritten signature in dark ink, appearing to read 'Darron Welch'. The signature is fluid and cursive, with the first name 'Darron' being more prominent than the last name 'Welch'.

Darron Welch  
Brewmaster/Partner  
Pelican Brewing Company  
503-869-2274