I was am member of last year's long Taskforce on Alcohol Pricing and Addictive Services that took my away from my job for a total of 20 days away from my business to help look into this and the group did not recommend a tax increase and certainly not a sales tax that excludes hard liquor but does hit Oregon's Beer, Wine and Cider producers.

There are many reasons for it. One is beer, wine and cider sales are all down in Oregon as well as in the nation and hard liquor is the only growing segment in alcohol space. Oregon beer, wine and cideries offer a moderate choice to consumers so why would hard liquor be excluded? Since Covid, our businesses have been hit with growing costs of goods, inflation, weakening consumer confidence and a younger generation that is drinking less.

Oregon has seen a reduction in drinking in general, underage drinking which is a concern for all Oregonians so something is working there. OLCC has added lots of new employees to their underage drinking team that ensures retail accounts with permits to sell are not selling to minors. They have increased the number of these tests five fold over past years. Despite advocates claims Oregon is a control state and it is much harder for underage drinking to happen here versus other states. We are a conservative alcohol space and the OLCC does a great job of making sure Oregon businesses are complying with the laws. Unlike our neighboring states, Oregon licensees are specifically responsible for anyone being over served and $1000 plus penalties are given to both the bar tender and the owners of the company. Hospitality industries in Oregon are proud of these accomplishments.

During the task force, advocates did not show much interest in learning the complexity of our businesses and why we are all still struggling with people going out less, our cost of goods continuing to go up, lower alcohol consumption, and the benefits we supply our employees including insurance and access to addiction services going up taxing our industry more could put many Oregon businesses out of business if not forcing us stop benefits for employees further burdening the Addiction Services in Oregon. 60 of 360 breweries closed over the last two years. Also 150,000 barrels production a year level for what a large brewery is arbitrary and does not align with neighboring states nor the Brewers Association's definition of a small brewery is 6 million barrels.

Advocates and Oregon Health Authority also did not seem to want advice from task

force members with for profit business backgrounds after telling us that they lost $71,000,000 dollars out of Billion stating they did not know where it went and did not have any metrics to measure success. They then asked for our industry to pay $6 Billion more which would make Oregon a 10 plus factor higher then any other state in the country.

Oregon rates in the top 75% of states in bringing in money for addiction services but is in the bottom 25% of successful outcomes showing that is is not as much about needing money but that the OHA model was not built in a way to manage the various addictive service advocacies throughout the state in a sustainable way.

Oregon needs to work on making the OHA system accountable and effective and if the state thinks more money is needed can change priorities of the state budget which currently only sends 3% of tax collected to these programs. Raising that to 5% would add money and not hurt local businesses.

Our industry is complex, suffering, and proud to have contributed to Oregon's reputation as making some of the best ciders, wines and beers in the world. Oregonians have expressed no desire for further taxing of their beer, wine, cider and hard liquor.

Please let us continue to add to our local economy. These aggressive and regressive taxes are punative in nature and rick collecting any tax at all if we have to close our businesses.

No new taxes of any kind!