

Dear Oregon Lawmakers,

Local breweries like Baerlic are struggling with a handful of financial issues, including rising costs due to inflation and likely tariffs, supply chain disruptions, and employees needing increased wages—all compounded by the ongoing effects of the pandemic. We have done our best to adapt to the rising costs of utilities, the additional payroll expenses experienced with Oregon Paid Leave and to balance lower take home pay with the rising costs of raising a family and living in Portland.

Baerlic is proud to employ 23 people and currently pay half of our employees health care and try to pay above average salaries. We consider ourselves a neighborhood gathering place and are constantly giving back in a myriad of ways to our community. To ensure the survival of our business and keep my staff employed, stability in costs is crucial. Imposing additional costs at this juncture would only add to the difficulties we already face.

Oregon's brewing industry, which boasts over 300 breweries, is a vital component of our state's economy. The brewing sector supports approximately 50,000 jobs, contributes \$2.8 billion in wages, and generates \$8.7 billion in economic activity annually. Yet, this industry is currently facing significant challenges, having lost nearly 50 breweries, brewpubs, and taprooms in the past two years. The situation has been worsened by a sharp decline in draft beer sales, a 30% reduction in Oregon's hop harvest, and at least a 2.1% decrease in craft beer production. We are looking at our worst revenue year in 10 years.

Here at Baerlic we think that it is crucial to address the wildfire issues and funding with great care. We do not think the best way to do this is by adding an additional 5 cents to packaged containers. This would threaten a proven, private recycling system. Oregon's Bottle Bill has been a national success precisely because it operates without government interference. Taxing the system will burden local brewers, distributors, retailers, and consumers, undermining a program that has worked for decades. Oregonians already pay a 10-cent deposit per bottle under our successful, privately run Bottle Bill. Adding another 5 cents is nothing more than a retail sales tax on everyday beverages, which disproportionately harms working families and Oregon breweries like ours.

We would also point out that there is no correlation between recycling and wildfire funding. A waste-free, clean environment through a viable and gold-standard bottle return system has zero connection to statewide wildfire funding needs. The proposed tax feels misplaced and incongruent when compared to existing funding sources.

Better funding alternatives already exist. Instead of imposing new taxes, Oregon should look at existing revenues such as:

- Redirecting the insurance tax (which is already collected).
- Using lottery funds, as proposed by Sen. Fred Girod.
- Prioritizing better forest management rather than simply throwing more taxpayer dollars at the problem.

- Steeper fines related to burning during a burn ban.
- Looking at current budgets to find inconsistencies.

This seems like a misaligned funding mechanism. Property tax, income tax, the kicker, ending fund balance, and retaliatory tax can all be justified as mechanisms for funding wildfire prevention. But this Bottle Bill tax sticks out like a sore thumb, lacking any logical connection to the issue at hand.

Beer is not only a cornerstone of Oregon's economy but also a significant part of our cultural identity. The brewers, owners, farmers, front of house staff and countless more behind this industry, including those at Baerlic Brewing, need your support now more than ever. I urge you to oppose any changes in consumer costs to Oregon's already suffering beer industry.

Richard K. Hall
Baerlic Brewing Company LLC