



To: Co-Chairs Roblan and Holvey, and Members of the Special Joint Committee on
Coronavirus Response

Re: The COVID-19 Outbreak in Oregon, Impact on Breweries, and Request for Action

Thank you for your leadership and service during these difficult times. Founded in 1992, the Oregon Brewers Guild is one of the nation's oldest craft brewers associations. We are a non-profit organization whose mission is to promote and protect the state's brewing industry and the common interests of our members. The state's 300 breweries employ over 10,000 Oregonians who live and work in both rural and urban communities throughout the state. Our members are small and independent breweries that are vital cogs of the cities and towns where they brew beer. They support everything from major sustainability and diversity initiatives, down to local parent teacher associations. Craft breweries currently provide over \$2 Billion in economic impact annually to Oregon.

Breweries across Oregon are facing immediate and severe financial and employment impacts from the COVID-19 outbreak. The craft beer supply chain is collapsing and we find ourselves in an emergency situation. We are reaching out to you asking for immediate action and support for our companies, our employees, and the people who drink our beer.

Our immediate priorities in order of importance are:

1) We must ensure that our employees and residents remain safe so that our health care system can manage this crisis as effectively as possible. While we are severely financially impacted by it, we applaud and support your decision to close restaurants and bars to reduce the rate of infection and to ramp up medical resources throughout the state. Thank you for taking decisive action on a very difficult topic.

2) We must make sure that employees affected by this massive decline in business are able to make ends meet. This requires immediate unemployment assistance. Even with that, nobody can live on that small fraction of their wage. Employees across Oregon require mortgage relief and rent relief to make it feasible to make it through this crisis. We need the State to step in and protect our citizens' ability to have a stable household during this time for their well-being as well as public safety. The one-week waiting period for unemployment should be waived immediately.

3) We must make sure our companies remain solvent enough to restart operations and ramp up employment when this crisis passes. We expect our supply chain to be on cash-only terms by then and will need significant cash up front to buy ingredients and supplies to restart operations. That will require easily accessible, subordinated, working capital loans to spin back up again. We also need commercial rent and debt relief during this period of severely depressed business.

4) Businesses currently carry the burden of unemployment insurance. This pandemic will cause massive increases in costs to businesses next year and the government needs to address that so that we can recover when things finally get moving again.

5) We need excise tax relief to help breweries stay solvent in the coming months. Our tap-rooms are closed for a minimum of four weeks, though it could be much longer. The restaurants, bars and neighborhood pubs to which we sell beer are also closed. Short-term excise tax relief will allow us to better navigate the next several months, when demand for draft beer will be virtually nonexistent across the region, and most of the country.

6) Small businesses must be nimble and able to quickly rise to meet the limited opportunities we will have to reach our customers. For breweries, that means expedited permitting and the temporary expansion of the Brewery and Brewery-Public House license, and the suspension of licensing fees. Many of our members quickly shifted toward a beer to-go model, which was enabled by a quick and efficient OLCC permitting process. We will likely need more of the same as we seek out creative ways to do business.

Craft breweries across Oregon employ approximately 10,000 employees and provide over \$2 billion in economic impact to the State each year and are a critical component of the overall Oregon economy. We urge you to act quickly and decisively to protect the future of breweries, our employees, and consumers throughout Oregon.

Sincerely,

Oregon Brewers Guild Board of Directors

Dan Engler, Occidental Brewing, President
Ken Whiteman, pFriem, Vice President
Rick Allen, Heater Allen, Treasurer
Sonia Marie Leikam, Leikam Brewing, Secretary

Brian Bolduc, Goschie Farms
Ben Edmunds, Breakside Brewery
Jamie Floyd, Ninkasi, Legislative Chair
Ben Parsons, Baerlic Brewing Co.
Marcus Reed, Widmer Brothers