

Representative Chris Tuck
1500 W Benson Blvd, Room 417
Anchorage, AK 99503

24 January, 2018

Representative Tuck,

Thank you for sponsoring HB 269 and for all of your hard work championing State industry.

As you are aware, the State distilling industry has been turned on its ear with the actions of the Alcohol & Marijuana Control Office (AMCO) since August, 2017 that concern the mixing of drinks in our tasting rooms. The most recent action from AMCO was at the meeting of 23 January, 2018 where the AMCO Board voted on and passed a regulation where distilleries can no longer mix drinks, but instead will allow their customers to do the mixing? This just seems ridiculous.

Fairbanks Distilling Company is an Alaskan manufacturer that operates out of the Old City Hall building in downtown Fairbanks, a building that is on the National Register of Historic Places. We are currently manufacturing vodka at our downtown Fairbanks facility from potatoes to produce our 68 Below vodka. As the owner of Fairbanks Distilling Company, I am honored to own the Old City Hall building and proud to display the Made in Alaska label on my products. I have found the general accusations that some have made against distilleries of just bringing in bulk spirits from Outside and rebranding them as "Made in Alaska" to be especially offensive, as we do not do that, nor would we dream of doing that. At our facility, we process real potatoes, make a potato mash, ferment it to produce alcohol, and then redistill this alcohol many times to produce our great locally produced vodka. I would support language in a Bill or regulation that prevents distilleries in Alaska from importing bulk spirits from out-of-state.

Before I purchased the Old City Hall building, I spent almost a year working with the Fairbanks City Council (the owner of the building), the Fairbanks North Star Borough Planning Commission, and the Borough Assembly, as the existing zoning regulations prevented a manufacturing facility in the downtown business core. Through hard work and the support of the community, we were able to change the zoning regulations to allow us to manufacture downtown. My Company then spent hundreds of thousands of dollars on the purchase of the building, its remodel, and to install our manufacturing equipment so that we can manufacture spirits here in the community. It is my hope that all of our local Bars will start carrying our locally produced spirits, instead of the

out-of-state spirits that they currently serve. But to market my product to Bar owners, I need to be able to showcase my product in the same manner that they will be offering it to their customers. AMCO would have me sell just components that customers put together themselves. This would take away the control that my employees have over properly presenting our product.

As an Alaskan manufacturer, I feel that government should not be creating needless regulations that attempt to make my business fail. It is obvious that the current Alaska Statute 04.11.170 Distillery License does need to be improved so that every new administration cannot reinterpret it. In my mind, the addition of a mere four words to AS 04.11.170(e) are sufficient to allow my business to mix drinks and to present my product in the way that a consumer would consume it. New words highlighted in red and underlined are below:

(e) Unless prohibited by AS 04.16.030, a holder of a distillery license may sell not more than three ounces a day of the distillery's alcohol product in alcoholic beverages to a person for consumption on the premises if

With the simple added language above, I feel like my distillery would be able to insert my locally made product into any drink recipe to present to a customer. This is productive language that helps to support my business. This also restores what distilleries thought we had previously with HB 309 that passed in 2014.

HB 269 is restrictive, in that it only allows our distillery to produce mixed drinks with non-alcoholic mixers. This severely limits our menu and how we can showcase our product, but it does have positive productive language and returns distilleries closer to what the status quo was. In HB 269's current form, it appears to be a compromise. It is for this reason that I will support HB 269 in the hope that we can achieve less restrictive distillery language in the future.

Thank you and Best Regards,

A handwritten signature in cursive script that reads "Patrick Levy".

Patrick Levy

Patrick Levy, owner
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