

Vermont Brewers Association
Board Conference Call Meeting Minutes
December 12, 2017
1:00 - 3:30

- Franchise Law reform has begun in earnest
 - Jessica Oski reached out to the wholesalers lobbyist recently, saying that we were moving forward with Franchise Law reform
 - We're looking at a cap on production of 300,000 bbl/year as the definition of our small brewer carve-out
 - But there's also the consideration of a percentage of portfolio as part of the definition instead
 - One board member recently received a call from his distributor, who expressed frustration and complained that the reform effort was sudden and unexpected
 - There was a heads-up given to the distributors' lobbyist, so there was warning that this reform was coming
 - There should be a response written up for members with talking points that address how to talk to distributors about this issue
 - Jessica will draft something and pass it on to Melissa for distribution to members
 - This was sent to the membership on the same day this meeting was held
- The Government Affairs committee has asked that the board discuss a possible beer purity law aimed at brewery/retailer relationship
 - Proposed motion from the committee: "Will the Board provide the Committee direction to pursue research and potential implementation of a Vermont purity law, which would give breweries the ability to refuse to sell their products to retailers who do not uphold basic standards of cleanliness and proper pouring technique?"
 - Essentially, breweries would be able refuse sales to particular establishments that don't handle or serve their beer properly
 - As it is now legally, you can't discriminate against retailers, letting some have your product and not others
 - As an association, we would provide guidance on the wording of that law and subsequent training for retailers
- How would this law be reasonably enforced?
 - Still being discussed at the committee level
 - Could be by the VBA?
 - Maybe by the Health Department?
- The Government Affairs and Technical and Education committees would be charged with formulating the different directions this issue would take
 - May be a difficult issue for the Technical and Education committee to take on at this time, given their current workload

- May be beneficial for Shaun Hill to work with that committee in formulating their approach to the issue
- For clarity, perhaps we should break up this issue into two different motions
- (At this point, our scheduled 1:00 - 2:00 meeting went past 2:00, so Marly had to leave the conference call due to work obligations)
- Dan S. motions that the board ask the Technical and Education committee to consider how to address a this proposed beer purity law; Marty seconds
 - Discussion:
 - The wording for this issue from the Government Affairs committee was that the Technical and Education committee “create standards for retailers,” which is a more reasonable and specific ask
 - There’s no education component yet without that standards framework
 - Motion amended to read: The board asks the Technical and Education committee come up with a set of guidelines and standards for retailers to follow regarding beer quality; approved by Dan S. and Marty
 - Discussion:
 - The BA should have a framework already, could start with that
 - Whatever guidelines the Technical and Education committee comes up with will inform the work of the Government Affairs committee
 - Vote: All in favor
 - Paul motions that the Board ask the Government Affairs committee to pursue the research and potential implementation of a beer purity law; Marty seconds
 - Vote: All in favor
- The second proposed motion from the Government Affairs committee: “Will the Board provide the Committee direction to pursue research and development of an official VBA position regarding the definition of “Vermont beer”; and then pursue that position during this legislative session?”
 - Shaun Hill has had issues with out-of-state breweries labeling their own products in reference to Vermont and to his brand
 - A revised statute in the Vermont Origins Rule including Vermont-made beer and its definition might help to strengthen the Attorney General’s reach and power with issues such as this
 - Just as maple syrup is mentioned in the Origins Rule
 - What is the true nature of the AG’s reach and power? And would this help?
 - They haven’t specifically said they couldn’t make such legal moves, but having the language present in the statute could potentially buoy their position in future matters
 - Defining what is and is not Vermont beer could be a slippery slope, and it could lead to the definition of a Vermont brewer--thus stating who’s in and who’s out
 - But we’re only talking about Vermont beer as a product, not about specific producers

- Stating that “Vermont beer is defined as beer that is made in Vermont” is not exclusionary
 - (At this point, Dan U. had to leave the conference call, due to work obligations)
 - Even if this action is unsuccessful legislatively, it would be helpful for the VBA to have a position regardless
 - This issue must be addressed, but for the benefit and inclusion of all present and future VBA members
 - Paul motions that the Board provide the Government Affairs Committee direction to pursue research and development of an official VBA position regarding the definition of "Vermont beer"; Marty seconds
 - Discussion:
 - Paul and other board members agree to convey the board's sentiment during subsequent committee discussions: that we hope any action taken to define Vermont beer be inclusive of all VBA members, focusing on the product and not specific producers
 - Vote: All in favor
 - Further discussion:
 - Considering the legislative deadline of January 15, 2018, do we have enough time to get something together for the legislature between the committee and the board?
 - It will be tight, but we should give it an honest effort, working together and ensuring quick turnaround for committee and board requests
 - It would be unwise to mandate a timed legislative proposal by passing a board motion, considering the deadline is so tight and getting this right is so important
- Necrason follow-up
 - Paul will send the notes from the meeting with Necrason along to the board, highlighting all relevant points
 - Jessica has sent along the talking points to Melissa during the meeting, and they'll be distributed to the membership
 - If there are any subsequent negative or aggressive reactions from distributors to breweries, those should be documented
- Wrapping up
 - Who is responsible for taking this information back to the committee level?
 - The President will update the Technical and Education committee
 - Paul and Dan S. will update the Government Affairs committee
 - Should we copy Pete Johnson, our BA government affairs representative, on work moving forward?
 - Yes, he just wants to be kept informed of any ongoing legislative work

- Dan S. motions to adjourn; James seconds
 - Vote: All in favor