

Oct. 24, 2019

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Minister Eby; Minister Ralston, Minister Popham

On behalf of the Greater Vernon Chamber of Commerce, I would ask that the Provincial Government take steps that allow craft distillers to thrive and contribute fully to B.C.'s economy.

The 2018 Business Technical Advisory Panel Report identified "inconsistencies in respect of liquor board markups, markup exemptions, categorization rules imposed by the Liquor Distribution Branch and production limits that prevent the growth of certain sectors of the local manufacturing industry. It is the panel's view that such inconsistencies have reached a level of critical importance for the affected sectors." Our Chamber supports the Panel's call for a comprehensive review of government support programs and the creation of a "more rational and equitable approach to defining what a local product is and for harmonizing support for those products."

Specifically, we are greatly concerned about the current regulation that increases taxation and strips a distillery of its craft status when it surpasses 50,000 litres of production annually.

Currently, one craft distillery is faced with closure of a facility because of the regulations that penalize hard-work. Not only will the owners of this business suffer, but so will their workforce and customers. The government must immediately ensure the closure is suspended while regulations are reviewed.

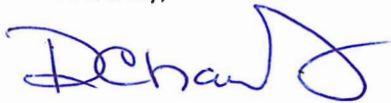
It is important to note that craft distilleries have significant potential as job creators, including through production of agricultural crops and agri-tourism. But that is only possible if distilleries have access to the same government supports provided to breweries and wineries. In the case of wineries, the VQA label has fostered a culture that has created an international following. The same can also occur with

craft distilleries and there is no better example of that than the U.S. where changes in regulations and taxation have propelled the distilled spirits sector to unparalleled levels of growth.

Mark Hicken and the Business Technical Advisory Panel presented their report to the Ministry of Attorney General in June 2018, and there is a need for the government to act on the recommendations, and particularly those that would create an equitable playing field for all liquor producers. By doing so, B.C.'s distilleries will have the ability to invest in their operations, hire more British Columbians and purchase local grain and fruit. Consumers will also benefit through access to premium local spirits, and visitors will have an opportunity to enjoy spirits distilled right here at home.

Thank you for your consideration and we look forward to your response.

Sincerely,



Dione Chambers, General Manager

Greater Vernon Chamber of Commerce

cc. Michael Lee, Critic for Attorney General

Coralee Oakes, Critic for Small Business

Greg Kylo, Critic for Jobs, Trade and Technology

Eric Foster, Vernon-Monashee MLA

Andrew Weaver, BC Green Party Leader

Tyler Dyck, Craft Distillers Guild of BC President

Victor Cumming, City of Vernon Mayor

Kevin Acton, Regional District of North Okanagan Chair

Mark Hicken