

From: **Philip Chapell** <[chapellvt@msn.com](mailto:chapellvt@msn.com)>

Date: Mon, Feb 5, 2018 at 2:33 PM

Subject: Please opposed Senate bill189 & House bill 710

To: "[msirotkin@leg.state.vt.us](mailto:msirotkin@leg.state.vt.us)" <[msirotkin@leg.state.vt.us](mailto:msirotkin@leg.state.vt.us)>, "[Sirotkin.senate@gmail.com](mailto:Sirotkin.senate@gmail.com)" <[Sirotkin.senate@gmail.com](mailto:Sirotkin.senate@gmail.com)>

Dear Senator Sirotkin,

My name is Chip Chapell, and I am from Shelburne, VT. I'm writing in opposition to House Bill 710 and Senate bill 189, the craft beer & winery franchise bills.

These bills aren't needed in my opinion an are counterproductive to a system that has worked equitably for 50 years and continues to work for the 99%. The current network has led to significant growth in Vermont craft beer and wine brands. The current system offers craft brewers merchandising, advertising, promotions, warehousing, equipment, trucks, a sales force, and more to assist with the distribution of their products and getting them on retail shelves. This promotes equality among suppliers and in fact could pit Vermonter against Vermonter. If these suppliers choose to not take advantage of these services, they can always self-distribute, that is their right.

Clearly this has not been thought through, considering the volumes quoted at stake. For beer, a cap of 300,000 barrels (or 4 million cases) is larger than all the combined production of beer from Vermont. The same goes with wine, brands under 100,000 gallons, or 33,000 cases is what I spend more than 60% of my time representing, small Mom & Pop brands.

No one is going to win with these bills. Craft breweries and wineries will lose vital marketing know-how and retail relationships. Distributors will lose the ability to bring on new craft beer and wine brands, as suppliers would be able to stifle competition. This could restrict products getting to market. Why would I want to spend the time, money, aggravation of bringing new products to market if a supplier can walk away for no reason at any time? Why would I stay in this business as a commissioned sales rep if a supplier can walk so easily?

In addition, I see the potential for lost jobs, including my own and I would hate to leave Vermont.

Please oppose House bill 710 and Senate bill 189.

Thank you for your time and consideration of my opinion. I hope I can count on your support. My cell is below, I hope I will hear from you prior to Wednesday's vote.

**Philip S. (Chip) Chapell**

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