

Testimony before the House Republican Policy Committee  
Wednesday, September 7<sup>th</sup>, 2022 – 10:30am - noon  
Wallenpaupack Brewing Company, Hawley, Pa  
Fred Maier, VP, Co-Founder Susquehanna Brewing Co.  
President Brewers of Pa

First, I'd like to thank Rep. Fritz and the members of the committee for taking the time to meet with us. We truly appreciate every opportunity we have, to discuss the challenges we face in growing our businesses in such a competitive market. I'd like to share a brief history of my family and this business. My family has been a part of the Pennsylvania brewing industry since my Great-Great-Great Grandfather emigrated from Germany to Philadelphia in 1849 eventually working his way up to NEPA with sole intention of brewing beer. And here I sit talking to you over 170 years later. The only reason that I mention this today is that it shows our commitment to Pennsylvania and the brewing industry.

Susquehanna Brewing Co. is located about 40 miles away from here in Pittston. We brew about 25,000 barrels annually between ourselves and our contract customers. Contract brewing is one way we have been able to grow and reinvest in our business. We currently produce beer for several Pennsylvania based breweries that do not have the packaging capabilities that we do allowing them to access the retail market. The ability to add a Distillery permit to our premise would be another opportunity to expand our operations and take advantage of the increasing popularity of the local craft movement. The growth of the local craft liquor industry is on a similar trajectory to the early craft beer movement. Arguably, the number one barrier of entry to the brewing and distilling

business is capital investment. Just look around you now at Wallenpaupack Brewing and you can easily tell that it takes a substantial amount of money, well into the millions of dollars, to produce great beer. The same can be said about distilling. The processes of brewing and distilling share a lot of the same equipment and processes. Starting with the building and infrastructure. Everyone sees the shiny kettles and stills and never realize that the floors, drains, water supply, and numerous other things cost just as much. We have high-pressure steam boilers that are a critical to distilling that are already plumbed and inspected by the state ready to go. These can cost from tens of thousands of dollars to hundreds of thousands and require annual maintenance and investment. Both processes use mills set up for the same grains. We both use mash tuns and fermentation vessels in the process. We have labs and equipment to test and monitor the products. We maintain the chemical and cleaning processes critical to both for producing quality products. Most importantly, we have people who are already trained in using the equipment. One of my proudest achievements in our ten years of operations is watching our production staff tripling in that time while the average pay has increased 40% over that time as well. Giving Pennsylvania small brewers the ability to expand with a Distillery permit would be another great way for us to invest in and grow our businesses.

Thank you,

Fred Maier

Susquehanna Brewing Co.