

**COMPETITIVENESS
AND
PROVINCIAL TAX REVIEW
OF
PACIFIC WESTERN BREWING COMPANY**

Prepared for:

Pacific Western Brewing Company

Kazuko Komatsu
President & CEO

Prepared by:

MMK Consulting Inc.

Stuart MacKay
Graeme Johnsen

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1. Introduction and Executive Summary

On behalf of Pacific Western Brewing (PWB), MMK Consulting (MMK)¹ has performed a review of PWB's competitive environment, including a comparison of relative provincial taxation of regional breweries in Alberta and BC.² The scope of the assignment includes:

- A review of the current competitive landscape for PWB, BC's largest regional brewery - especially in relation to its largest regional competitor, Alberta's Big Rock Brewery.
- An assessment of the impact of two options developed by PWB, in which BC regulators would:
 - Adopt the same volume thresholds as Alberta, for differentiating provincial "flat" tax rates between smaller "regional" breweries and larger "national" breweries.
 - Adopt the same tax ratios as Alberta between regional breweries and national breweries (albeit at higher overall BC provincial flat tax rates).

1.1. Competitive Landscape

BC's "flat tax" rate for regional breweries is \$1.16 per litre for packaged beer sold in BC (\$0.81 for draft). This rate is significantly higher than Alberta's flat tax rate of \$0.40 per litre, for regional breweries selling packaged and draft beer in Alberta³.

The BC flat tax schedule features a significant tax payment discontinuity. At the point where production exceeds 160,000 hectolitres (HL), the next hectolitre increases the regional brewery's flat tax rate to the national brewery rate of \$1.75 per litre on all its production - an effective "claw back" tax of up to \$9.44 million. By contrast, the Alberta national rate (\$0.98 per litre) starts at 200,000 hectolitres, and is only on incremental production for between 200,000 HL and 400,000 HL.

The lower flat tax rates paid by Alberta regional breweries translate into higher post-tax revenues and more funding available for sales and marketing. Alberta's Big Rock's Brewery, which like PWB is the largest regional brewer in its home province, pays provincial flat rate taxes that are only about one third those of PWB on a per-litre basis.

Lower taxes are also reflected in the amount of funding available for capital investment, and in "building the brand" - Big Rock's per-litre sales and marketing expenditures, on a per-litre basis, are approximately those of PWB. (See Chapter 2 for further details.)

¹ MMK Consulting is a Vancouver-based consulting firm, formed in 2001, that specializes in economic and financial analysis. Led by two former senior KPMG Consulting professionals, MMK and its principals have successfully completed more than 500 economic/financial consulting assignments over the past three decades. Further information about MMK Consulting is contained in the Appendix, and at www.mmkconsulting.com.

² In performing this analysis, we have relied on information provided by PWB and its representatives. While we have no reason to doubt the accuracy of the information provided, we have not attempted to audit or otherwise verify its accuracy. PWB has reviewed this report in draft, and has confirmed to us the accuracy of the information.

³ The absolute amounts of the BC and Alberta flat taxes are not strictly comparable, since the BC taxes include a component of costs for the provincially-owned BC Liquor Distribution Branch, while the Alberta flat taxes are in a system where retail beer sales have been completely privatized.

Page 4 redacted for the following reason:

s.13

2. Competitive Landscape

Pacific Western Brewing Company (PWB), BC owned and operated, is British Columbia's largest regional brewing company. PWB's brewery is located in Prince George, and its administrative offices are located in Burnaby. PWB produces a number of popular brands of beer and ale, priced when sold in government stores, higher when sold in private stores.

For the year ending February 28, 2011, PWB had total sales of ^{s.21} hectolitres (HL), or ^{s.21} million litres, of which more than ^{s.21} was sold in BC. This volume represented approximately ^{s.21} of the total of 2.72 million HL of beer sold in BC during 2011. PWB's relatively small market share reflects the dominant position of the three large multi-national brewing firms that provide most of Canada's domestic production, as well as reflecting the significant and growing market share of imported beer.

For the year ending February 28, 2012, PWB's total sales volumes are estimated as more than ^{s.21} with BC sales of approximately ^{s.21} (final numbers to be determined).

2.1. Provincial "flat tax" environment - BC versus Alberta

Under current BC taxation rules, breweries with total worldwide production and sales between 15,001 and 160,000 hectolitres (HL) annually (on a calendar year basis) are classified as regional breweries, and are subject to a flat-rate tax of \$1.16 per litre (\$2.47 per six-pack) on packaged beer sold in BC (\$0.81 per litre on draft beer). Brewers with worldwide production of more than 160,000 hectolitres are classified as national breweries, and are subject to a flat-rate tax of \$1.75 per litre on packaged beer sold in BC (\$1.20 per litre on draft beer).

There is a non-incremental increase in the amount of tax to be paid by a regional brewery in BC if it exceeds the 160,000 hectoliter threshold. As illustrated in Exhibit 2a, the reclassification of a regional brewery as a national brewery, upon exceeding the 160,000 HL limit, would trigger a payment of up to \$9.44 million¹ - as the brewery's reclassification results in a "claw back" of the entire difference between the \$1.16/litre regional rate and \$1.75/litre national rate, on the first 160,000 HL.²

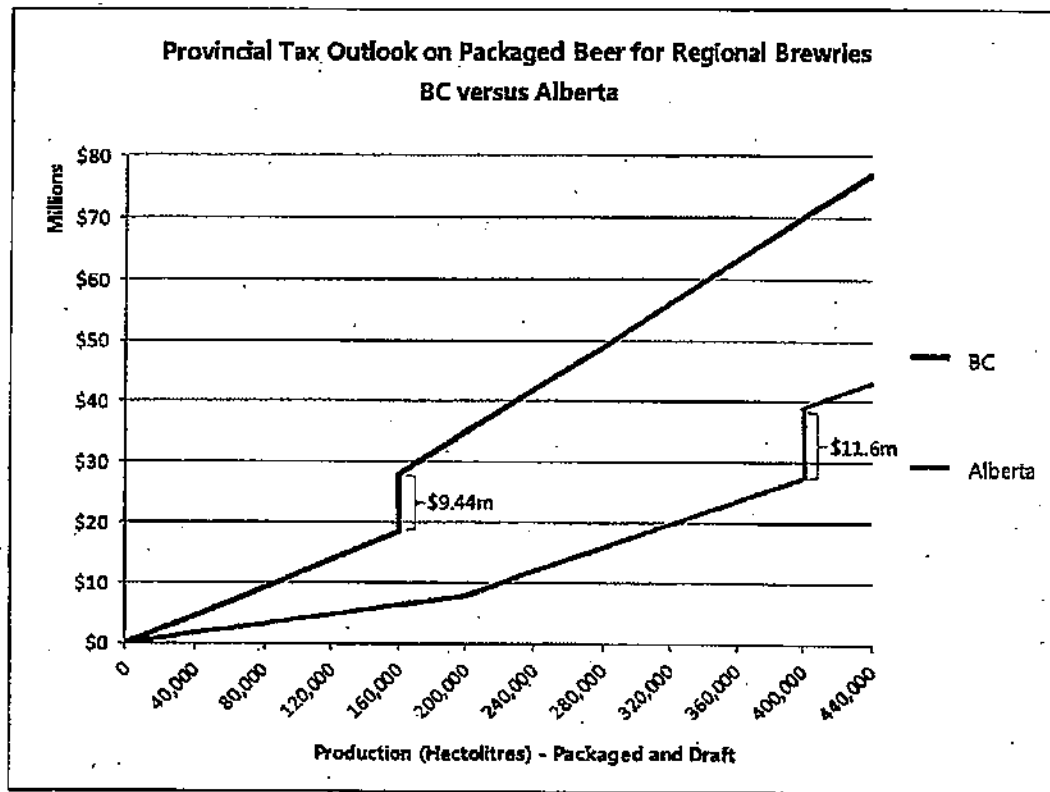
By contrast, Alberta's provincial taxation of regional breweries is \$0.40 per litre for up to 200,000 HL, and then \$0.98 per litre (the national brewery rate) on an incremental basis between 200,000 and 400,000 HL. The "claw back" point, where the brewery is reclassified as a national brewery and the \$0.98 per litre rate is applied to all sales, is at 400,000 HL in Alberta, versus 160,000 HL in BC.

Exhibit 2a also illustrates the differences provincial "flat tax" rules on regional breweries in BC and Alberta, at different production volumes. While the percentage differential varies somewhat as the volumes grow, the flat tax paid by a BC brewer selling primarily in BC is generally more than twice that of an Alberta regional brewer selling primarily in Alberta.

¹ For illustrative purposes, the analysis is presented on the basis of a regional brewery producing 100% packaged beer, for sale in its home province. Based on PWB's actual sales in ^{s.21}

²

Exhibit 2a – Provincial taxation of regional breweries – BC vs. Alberta



2.2. Provincial Taxation – PWB versus Big Rock

Just as PWB is BC's largest regional brewery, Big Rock is Alberta's biggest regional brewery, with 2010 sales of more than 212,000 HL. While there are a number of issues that limit the strict comparability of the companies in the two jurisdictions,¹ Exhibit 2b presents a number of comparative statistics that highlight the differences in the levels of provincial taxation, and the impacts on each firm's revenues and ability to undertake sales and marketing expenditures:

- **Production Volumes** – Big Rock's 2010 sales of 212,247 HL was 2010/11 sales. Despite its larger size, Big Rock is still classified as a regional brewer in Alberta, paying the regional rate of \$0.40 on its first 200,000 HL, and the national rate of \$0.98 on sales between 200,001 HL and 400,000 HL, without incurring a claw back payment.

¹ For example, Big Rock is a public company, while PWB is privately owned. Big Rock's sales are primarily in Alberta, and thus the product is mainly distributed privately, rather than through a provincial liquor distribution agency.

- **Provincial and federal sales tax** – According to Big Rock's 2010 financial statements, Big Rock's overall federal and provincial sales tax averaged \$0.60 per litre of sales (equivalent to \$1.28 per six-pack²). PWB's overall federal and provincial sales taxes were more than double those of Big Rock, averaging \$1.30 per litre (\$2.77 per six-pack).

This difference in taxation attributable to differences in taxation rates² is approximately \$0.71 per litre – equivalent to \$1.51 per six pack, and representing 19% of the typical product retail price.

- **Revenues, net of federal and provincial sales taxes** – The impact of the higher provincial flat taxes paid by PWB is reflected in PWB's lower revenue per litre, after allowing for federal and provincial sales taxes.
\$1.30 \$2.77 than those of Big Rock.
- **Sales and marketing expenditures** – The impact of the higher flat taxes paid by PWB is also reflected in PWB's lower levels of sales and marketing expenditures. PWB's sales and marketing expenditures are \$2.1 less than \$2.1 spent by Big Rock.

Exhibit 2b – PWB vs. Big Rock – Revenues, sales taxes, revenues, sales/marketing expenditures

	Big Rock – 2010		PWB – 2010/11		PWB vs Big Rock	
	Total	Per litre	Total	Per litre	Per litre	Percent
1. Production volumes (litres)						
Packaged - BC						
Kegs (draft) - BC						
Packaged - Alberta						
Export						
	<u>21,247,200</u>					
2. Provincial and federal sales taxes						
Provincial - PWB						
Packaged - BC @		\$1.16				
Kegs (draft) - BC @		\$0.81				
Packaged - A8a @		\$0.40				
Provincial - Big Rock	\$7,209,000	\$0.34			\$1.06	
Federal excise tax	\$5,480,000	\$0.26				
	<u>\$12,689,000</u>	<u>\$0.60</u>				
3. Revenues net of fed. & prov. sales taxes	\$45,130,000	\$2.12				
4. Sales and marketing expenditures	\$11,112,000	\$0.52				

Notes

1. Big Rock Data from 2010 Big Rock Annual Report.
2. PWB Data as provided by PWB.
3. Numbers may not add exactly because of rounding.

² Based on 2.13 litres per six-pack of packaged beer (355 ml. containers).

than Big Rock's.

Pages 8 through 10 redacted for the following reasons:

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Appendix - About MMK Consulting

MMK Consulting is a British Columbia based management consulting firm specializing in:

- Economic and financial analysis
- Strategic business planning
- International site location analysis, investment attraction, and incentives negotiations.

Formed in 2001 by former senior professionals with KPMG Consulting, MMK Consulting continues to work regularly with KPMG on financial, economic, and site location assignments.

MMK's principals are Stuart MacKay and Glenn Mair. Stuart's consulting experience encompasses 11 years as MMK's President and 21 years with KPMG Consulting, including 10 years as the partner in charge of KPMG's BC planning & economics practice. Glenn's professional experience includes 11 years with MMK, plus 10 years' accounting/consulting experience with KPMG in Canada and Australia, where he qualified as a Chartered Accountant in both countries.

MMK's principals have successfully directed more than 500 consulting assignments. Selected examples of previous economic and financial assignments include:

- **Competitive Alternatives: KPMG's Guide to International Business Location** – On behalf of KPMG, MMK has performed the 2002, 2004, 2006, 2008, 2010, and 2012 editions of *Competitive Alternatives*. The 2012 edition covers 17 industries, 14 countries, and 26 locational-sensitive cost factors, and is a result of a major eight-month research program.
- **Business Expansion and Location/Relocation** – We have assisted many private clients in conducting economic/financial investigations of business expansion and location/relocation opportunities. Representative clients include (1) a Canadian-based alcoholic beverage distributor (with significant US operations), (2) a major grocery chain (with significant Western Canadian operations), (3) a Western Canadian transportation equipment manufacturer, (4) a major international pharmaceuticals firm, (5) a major international auto parts manufacturer, (6) a "Detroit Three" auto manufacturer, (7) a major international publishing house, and (8) many other firms considering relocation and/or expansion opportunities.
- **Economic and Financial Analysis – BC Ferry Commission** – MMK analyzed the economic and financial outlook for BC Ferries under alternate assumptions regarding fare structures, vehicle/passenger demand, service levels, and levels of government subsidies.
- **Economic and Financial Analysis – TransLink Commission** – MMK reviewed TransLink's 2012 Base and Supplemental Plans, analyzing the reasonableness of the ridership, investment, and other projections. Our economic/financial findings were used in the Commission's report to the Mayor's Council, leading to the decision to extend SkyTrain service to the Metro Vancouver Northeast sector.
- **2010 Olympics - Economic and Financial Analyses, Contract Settlements** – On behalf of the 2010 Vancouver Olympics Organizing Committee (VANOC), MMK led the financial analyses and negotiations with the host mountains, Cypress and Whistler, regarding the "make-whole" payment required under the terms of the contractual agreements for use of the venues.

Numerous further examples of relevant MMK experience are available on request.

Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, May 22, 2012 4:20 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Mark-up Policy - #479175
Attachments: 2012-05-22_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is an *updated* briefing note for information for Minister Coleman regarding the Small Brewery Mark-up Policy. ***Revised per Lori's request.***

Jay Chambers has approved it.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office| **BC Liquor Distribution Branch**
2625 Rupert Street, Vancouver BC V5M 3T5
Phone: 604-252-3021 | **Fax:** 604-252-3026
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* THINK GREEN: Do you really need to print this e-mail?

**MINISTRY OF ENERGY AND MINES
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PREPARED FOR: Honourable Rich Coleman
FOR INFORMATION

ISSUE:

Small Brewery Mark-up Policy

BACKGROUND:

The LDB has three tiers of mark-up on beer. Companies that produce 15,000 hectolitres (hl) or less have the lowest mark-up applied, companies that produce between 15,000 – 160,000 hl have the next lowest mark-up applied and companies producing more than 160,000 hl have the highest mark-up applied. A hectoliter is 100 litres, or about 25 dozen beer. The LDB's mark-up rates for packaged beer, based on annual brewery production, are shown in Attachment 1.

The purpose of this policy is to support small brewing companies that do not have the economies of scale of large companies. In order to direct the lower mark-up benefit to small companies, beer production is based on the total amount of beer produced by all facilities owned by the same company (e.g. a small brewery owned by a large brewery would not qualify).

It is important to note that if a brewer exceeds the 15,000 hl threshold for tier one, and for example produces 15,100 hl, the entire production volume would be subject to the level two mark-up rate. Likewise, if a brewer exceeds the 160,000 hl threshold for tier two, and for example produces 160,100 hl, the entire production volume would be subject to the highest mark-up rate of tier three.

In order to comply with international and inter-provincial trade agreements, the mark-up policy applies to companies from other provinces and countries in addition to British Columbia companies.

Of the 50 brewing companies operating in British Columbia, 47 currently qualify for small brewery status and three do not. The three that do not are Labatt, Molson and Sleeman (Okanagan Spring) which are subsidiaries of large international companies. There are three British Columbia breweries (Pacific Western Brewery, Kamloops Brewery, Vancouver Island Brewery) that are in the 15,000 – 160,000 hl brewery category and the rest are in the <15,000 hl category. A small number of foreign and out-of-province breweries also qualify for small brewery status.

The LDB's second tier small brewery threshold was increased from 15,000 - 100,000 hl to 15,000 -150,000 hl in 2009 and it was again increased in December 2011 to 15,000 – 160,000 hl.

Other provinces also have lower rates of beer mark-up based on production levels. Only Alberta, at 200,000 hl, has a higher small brewery threshold than the LDB's (see Attachment 2)

The small brewery policy in most other provinces is similar to that of the LDB, in that the mark-up increases on all production volume when a brewery exceeds a threshold. The Alberta system provides for a phase-out, such that a brewery that produces more than Alberta's 200,000 hl threshold retains the lower mark-up rate on the first 200,000 hl, and then a higher rate takes effect for production between 200,000 and 400,000 hl. Should a brewer exceed 400,000 hl, the highest mark-up will be applied to all production volume.

DISCUSSION:

Prince George based Pacific Western Brewery (PWB), which is the largest British Columbia-based brewing company that qualifies for small brewery status,

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PWB primarily markets low priced beer.

In announcing the threshold increase via a letter, the LDB's General Manager, Jay Chambers, informed industry stakeholders that the LDB was undertaking a review of small brewery mark-up policy and would be consulting with them during the review. The feedback from the consultations with industry is summarized below (only industry organizations that provided an opinion are shown).

Canada's National Brewers (CNB), which represents the three major domestic brewers Labatt, Molson and Sleeman,

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CNB recommends:

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Pacific Western Brewery (PWB) argues

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PWB recommends:

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The BC Craft Brewers Guild supports

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The Guild recommends:

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The Mark Anthony Group (MAG), which owns a brewery in Delta, recommends

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Options:

Option 1:

Pros:

Cons:

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Option 2:

Pros:

Cons:

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Option 3:

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Pros:

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Cons:

s.13

Option 4:

s.13

Pros:

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Cons:

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Approved by:
Jay Chambers
General Manager
Liquor Distribution Branch
604 252-3021

Prepared by:
Gord Hall
Director Corporate Policy
Liquor Distribution Branch
604 252-3035

Attachment 1

Beer Mark-up Rates by Brewery Size

Brewery Size (Production)	Packaging Format	Mark-up Rates
> 160,000 hectolitres (hl)	Packaged	\$1.75 per litre
	Draft	\$1.20 per litre
15,001 - 160,000 hl	Packaged	\$1.16 per litre
	Draft	\$0.81 per litre
0 - 15,000 hl	Packaged	\$1.04 per litre
	Draft	\$0.72 per litre

Attachment 2

Maximum Production Threshold for Small Breweries

Province	Small Brewery Production Threshold
British Columbia	160,000
Alberta*	200,000/400,000*
Saskatchewan	150,000
Manitoba	35,000
Ontario	75,000
Quebec	150,000
Nova Scotia	15,000
New Brunswick	15,000
Newfoundland	10,000
PEI	N/A

*Note: If a company's volume grows beyond 200,000 hl, it receives the lower rate of beer mark-up on the first 200,000 hl sold in Alberta and the higher rate on additional sales until total company production exceeds 400,000 hl, at which point the higher rate applies to all beer sales. Only breweries that entered the Alberta market when they were less than 200,000 hl qualify for the transitional mark-up treatment between 200,000 hl and 400,000 hl. Alberta's determination of production includes all beverage products by a company (beer, soft drinks, bottled water etc.).

Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Wednesday, October 10, 2012 3:13 PM
To: Hoskins, Jeannie JAG:EX
Cc: Cornett, Kathy M JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: Briefing Note re Small Brewery Production Limit - #485154
Attachments: 2012-10-10_BND-MEM_Small_Brewery_485154.doc

Importance: High
Sensitivity: Confidential

Hi Jeannie,

Attached and imported is a briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.***

Roger Bissoondatt has approved it.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
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**MINISTRY OF ENERGY, MINES AND NATURAL GAS
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PREPARED FOR: Honourable Rich Coleman, Minister
FOR DECISION

ISSUE:

Small Brewery Production Limit

BACKGROUND:

Brewing companies that produce less than 160,000 hectolitres (hl) of beer annually receive lower rates of beer mark-up from the LDB (a hectoliter is 100 litres, or about 25 dozen beer). The purpose of this policy is to support small brewing companies that do not have the economies of scale of large companies. The LDB has two tiers of small brewery for mark-up purposes: 0 – 15,000 hl and 15,000 – 160,000 hl. The LDB's mark-up rates are based on annual brewery production as shown in Attachment 1. The rates shown are the rates that will be in place on April 1, 2013 when HST is replaced by PST/GST. All LDB mark-up rates will be reduced to pre-HST levels on April 1.

In order to comply with international and inter-provincial trade agreements, the small brewery mark-up policy applies to companies from other provinces and countries in addition to British Columbia companies. In order to direct the lower mark-up benefit to small companies, beer production is based on the total amount of beer produced by all facilities owned by the same company (e.g. a small brewery owned by a large brewery would not qualify).

The LDB determines a brewing company's production based on a calendar year, and if there are changes that would place the company in a different mark-up level, the new mark-up rates are applied at the beginning of the next fiscal year (April 1).

The original small brewery policy was implemented in the late 1980's to stimulate the growth of small "craft" breweries that produced premium priced products. The original annual production limit was 50,000 hl, however, due to pressure from growing breweries, the limits have been raised several times to their current levels. Today, the majority of small brewery mark-up benefits are provided to the larger middle tier breweries that primarily produce low priced products.

Of the 53 brewing companies operating in British Columbia, 45 qualify for the lowest mark-ups (0 -15,000 hl), five qualify for middle mark-up tier (15,000 – 160,000 hl) and three are in the highest mark-up category (Labatt, Molson, Sleeman). There are a number of foreign breweries and breweries from other provinces that also qualify for the

small brewery mark-up rates but their sales account for a small percentage of qualifying small brewery sales in the province.

Other provinces also have lower rates of beer mark-up for smaller breweries. The maximum production levels to qualify as a small brewery by province are shown in Attachment 2.

DISCUSSION:

The LDB's second tier small brewery threshold was increased from 15,000 – 100,000 hl to 15,000 – 150,000 hl in 2009. The threshold was further raised to 15,000 – 160,000 hl in 2011. The only brewery that benefited from these increases was Prince George-based Pacific Western Brewing (PWB). Prior to the 2011 increase, PWB has argued that it would have to temporarily cease production in order to avoid exceeding the 160,000 hl level and becoming subject to the highest mark-up levels. PWB, which had 2011 production of ^{s.21} has been growing steadily in recent years due to the popularity of the company's low priced beers.

Based on its growth rate in 2012, PWB may exceed the new 160,000 hl level by the end of the calendar year. If this does happen, the LDB would begin assessing the highest beer mark-up rates to PWB products beginning on April 1, 2013. ^{s.13}

^{s.13} The union representing PWB workers has recently written to Jobs, Tourism and Skills Training Minister, Pat Bell, asking for support to raise the level to 200,000 hl. The union claims that the brewery will have to be shut down in October or November 2012 for two months in order to avoid exceeding 160,000 hl.

PWB's production (^{s.21} in 2011) is significantly higher than the next largest brewery that qualifies for the tier-two small brewery status – Kamloops based Northam Brewery with 2011 production of ^{s.21}

Canada's National Brewers (CNB), which represents Labatt, Molson and Sleeman, has argued that the level of mark-up support the LDB provides to small breweries is too great and disadvantages their members. The CNB also argues that the policy has expanded beyond its original intent to support small craft breweries and is now supporting larger breweries that produce low priced beer. The CNB has proposed that the lower mark-up rates for small breweries be phased out between 50,000 hl and 150,000 hl.

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OPTIONS

Option 1:

Pros:

Cons:

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Option 2:

Pros:

-

Cons:

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Option 3:

Pros:

-

-

-

Cons:

-

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RECOMMENDATION:

Option 3

APPROVED / NOT APPROVED

DATE:

Rich Coleman
Minister

Approved by:
Roger Bissoondatt
Acting General Manager
LDB
604 252-3021

Prepared by:
Gord Hall
Director, Corporate Policy
LDB
604 252-3035

Attachment 1

s.13, s.17

Attachment 2

Maximum Production Threshold for Small Breweries

Province	Small Brewery Production Threshold (hectolitres)
British Columbia	160,000
Alberta (1)	200,000/400,000*
Saskatchewan	190,000
Manitoba	75,000
Ontario (2)	50,000
Quebec	150,000
Nova Scotia	15,000
New Brunswick	20,000
Newfoundland	10,000
PEI	15,000

- (1) If a company's volume grows beyond 200,000 hl, it receives the lower rate of beer mark-up on the first 200,000 hl sold in Alberta and the higher rate on additional sales until total company production exceeds 400,000 hl, at which point the higher rate applies to all beer sales. In Alberta, the determination of production is based on all products produced by a company, not just beer.
- (2) Ontario breweries between 50,000 – 150,000 hl are eligible for a tax credit

Attachment 3

s.13, s.17

Originated by: General Manager's Office

LIQUOR DISTRIBUTION BRANCH
WORK ASSIGNMENT FORM

This form is intended to be used for all assignments originating from the GM's Office to streamline and clarify who needs to work on the assignment, who needs to approve, sequencing and legibility.

A. TYPE OF ASSIGNMENT:

(please indicate)

Letter/E-mail

Speech

Advice

Briefing Note

Status Report

Other

✓ For Decision

RE: Small Brewery Production Limit

ASSIGNED DATE: Oct. 2012

DUE DATE: Oct. 9/12

ARCS/ORCS#

MAIL LOG # 485154

The assignor will indicate exactly what is required; who to contact, area to highlight, etc.

B. INSTRUCTIONS/REQUIREMENTS

Assigned to: Gord Hall

Assigned to:

Gord - As Roger and you have discussed; please
prepare a Briefing Note for Minister Coleman's
decision.

Deputy Minister

[Signature]
General Manager, LDB

C. APPROVED BY:

WITH
CHANGES

DATE
APPROVED

[Signature]
RESEARCHER/WRITER

[Signature]
EXEC. DIRECTOR/MANAGER

[Signature]
GENERAL MANAGER, LDB

DEPUTY MINISTER

Oct. 10/12

Oct. 10/12

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Friday, October 12, 2012 2:49 PM
To: Bissoondatt, Roger LDB:EX
Cc: Ayers, Karen J MEM:EX
Subject: Small brewers

The Minister has requested the following change in policy:

2
1
5

I would like to review this policy change before any communication to producers.

Thanks.

Lori

Lori Wanamaker, FCA
Deputy Minister and Deputy Solicitor General
Ministry of Justice
11th Floor, 1001 Douglas Street, Victoria
Phone: 250 356-0149 | Fax: 250 387-6224



Please consider the environment before printing this e-mail

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Low, Elaine LDB:EX

From: Hall, Gord LDB:EX
Sent: Friday, October 26, 2012 10:04 AM
To: Bissoondatt, Roger LDB:EX; Low, Elaine LDB:EX
Cc: Dahlke, Cindy LDB:EX
Subject: Revised Small Brewery BN and Letter to Industry
Attachments: Letter to Industry.docx; 2012-10-26_BND-MEM_Small_Brewery_485154.docx

Per the new instructions to extend the transitional mark-up rates to 400,000 hl, please review the revised BN (changes shown in red) and the revised letter to industry. In the revised letter to industry I thought it was appropriate to remove the table of rates I had in before.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

To: Domestic Beer Suppliers and Import Beer Agents

Re: Amendment to Beer Mark-up Policy

As you are aware, the LDB has different mark-up rates based upon a brewer's consolidated annual production.

The LDB is changing mark-up policy for brewers that are currently between 15,000 and 160,000 hectolitres (hl). Brewers in this category whose production grows beyond 160,000 hl will be subject to transitional mark-up rates up to 400,000 hl. These transitional rates will be based on a proportional blending of the

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To qualify for the transitional mark-up rates between 160,000 and 400,000 hl, a brewery must have been selling products in the British Columbia market prior to its production level exceeding 160,000 hl. The purpose of this policy is to ease the transition into the highest mark-up category.

The transitional mark-up rates will be implemented beginning on April 1, 2013, based on production in the 2012 calendar year.

An example of a transitional mark-up rate calculation for packaged beer from a brewery whose production grows to 180,000 hl is shown below.

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If you have any question, please email fincostp@bcldb.com or contact the Costing Department at 604-252-3348.

Sincerely,

Elaine Low
Acting Chief Financial Officer

**MINISTRY OF ENERGY, MINES AND NATURAL GAS
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PREPARED FOR: Honourable Rich Coleman, Minister
FOR DECISION

ISSUE:

Small Brewery Production Limit

BACKGROUND:

Brewing companies that produce less than 160,000 hectolitres (hl) of beer annually receive lower rates of beer mark-up from the LDB (a hectoliter is 100 litres, or about 25 dozen beer). The purpose of this policy is to support small brewing companies that do not have the economies of scale of large companies. The LDB has two tiers of small brewery for mark-up purposes: 0 – 15,000 hl and 15,000 – 160,000 hl. The LDB's mark-up rates are based on annual brewery production as shown in Attachment 1. The rates shown are the rates that will be in place on April 1, 2013 when HST is replaced by PST/GST. All LDB mark-up rates will be reduced to pre-HST levels on April 1.

In order to comply with international and inter-provincial trade agreements, the small brewery mark-up policy applies to companies from other provinces and countries in addition to British Columbia companies. In order to direct the lower mark-up benefit to small companies, beer production is based on the total amount of beer produced by all facilities owned by the same company (e.g. a small brewery owned by a large brewery would not qualify).

The LDB determines a brewing company's production based on a calendar year, and if there are changes that would place the company in a different mark-up level, the new mark-up rates are applied at the beginning of the next fiscal year (April 1).

The original small brewery policy was implemented in the late 1980's to stimulate the growth of small "craft" breweries that produced premium priced products. The original annual production limit was 50,000 hl, however, due to pressure from growing breweries, the limits have been raised several times to their current levels. Today, the majority of small brewery mark-up benefits are provided to the larger middle tier breweries that primarily produce low priced products.

Of the 53 brewing companies operating in British Columbia, 45 qualify for the lowest mark-ups (0 -15,000 hl), five qualify for middle mark-up tier (15,000 – 160,000 hl) and three are in the highest mark-up category (Labatt, Molson, Sleeman). There are a number of foreign breweries and breweries from other provinces that also qualify for the

small brewery mark-up rates but their sales account for a small percentage of qualifying small brewery sales in the province.

Other provinces also have lower rates of beer mark-up for smaller breweries. The maximum production levels to qualify as a small brewery by province are shown in Attachment 2.

DISCUSSION:

The LDB's second tier small brewery threshold was increased from 100,000 hl to 150,000 hl in 2009. The threshold was further raised to 160,000 hl in 2011. The only brewery that benefited from these increases was Prince George-based Pacific Western Brewing (PWB). Prior to the 2011 increase, PWB argued that it would have to temporarily cease production in order to avoid exceeding the 160,000 hl level and becoming subject to the highest mark-up levels. PWB, which had 2011 production of 155,000 hl, has been growing steadily in recent years due to the popularity of the company's low priced beers.

Based on its growth rate in 2012, PWB may exceed the new 160,000 hl level by the end of the calendar year. If this does happen, the LDB would begin assessing the highest beer mark-up rates to PWB products beginning on April 1, 2013. PWB has recently requested a further increase in the level to 200,000 hl and has suggested that the mark-up benefit should be phased out between 200,000 hl and 400,000 hl as is the policy in Alberta. The union representing PWB workers has recently written to Jobs, Tourism and Skills Training Minister, Pat Bell, asking for support to raise the level to 200,000 hl. The union claims that the brewery will have to be shut down in October or November 2012 for two months in order to avoid exceeding 160,000 hl.

PWB's production (^{s. 21} in 2011) is significantly higher than the next largest brewery that qualifies for the tier-two small brewery status – Kamloops based Northam Brewery with 2011 production of ^{s. 21}

Canada's National Brewers (CNB), which represents Labatt, Molson and Sleeman, has argued that the level of mark-up support the LDB provides to small breweries is too great and disadvantages their members. The CNB also argues that the policy has expanded beyond its original intent to support small craft breweries and is now supporting larger breweries that produce low priced beer. The CNB has proposed that the lower mark-up rates for small breweries be phased out between 50,000 hl and 150,000 hl.

s.13, s.17

s.13, s.17

OPTIONS:

Option 1:

Pros:

Cons:

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Option 2:

Pros:

Cons:

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s.13, s.17

Option 3: *Implement a blended rate mark-up that would proportionally combine the lower small brewery mark-up rate on the first 160,000 hl and the large brewery mark-up rates on amounts between 160,000 hl and 400,000 hl. The large brewery rate would be applied on all production once 400,000 hl is exceeded. The policy change would only apply to breweries that were selling products in the BC market prior to exceeding 160,000 hl.*

Pros:

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Cons:

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RECOMMENDATION:

Option 3

APPROVED / NOT APPROVED

DATE:

Rich Coleman
Minister

Approved by:
Roger Bissoondatt
Acting General Manager
LDB
604 252-3021

Prepared by:
Gord Hall
Director, Corporate Policy
LDB
604 252-3035

Attachment 1

s.13

Attachment 2

Maximum Production Threshold for Small Breweries

Province	Small Brewery Production Threshold (hectolitres)
British Columbia	160,000
Alberta (1)	200,000/400,000*
Saskatchewan	190,000
Manitoba	75,000
Ontario (2)	50,000
Quebec	150,000
Nova Scotia	15,000
New Brunswick	20,000
Newfoundland	10,000
PEI	15,000

- (1) If a company's volume grows beyond 200,000 hl, it receives the lower rate of beer mark-up on the first 200,000 hl sold in Alberta and the higher rate on additional sales until total company production exceeds 400,000 hl, at which point the higher rate applies to all beer sales. In Alberta, the determination of production is based on all products produced by a company, not just beer.
- (2) Ontario breweries between 50,000 – 150,000 hl are eligible for a tax credit

Attachment 3

Blended Mark-up Rate

s.13, s.17

Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Monday, October 29, 2012 8:43 AM
To: Bissoondatt, Roger LDB:EX
Cc: Hall, Gord LDB:EX
Subject: FW: 485154 - Decision BN re Small Brewery Production Limit
Attachments: 485154 - BN re Small Brewery Production Limit - Oct 26.docx

FYI – this has been sent to the Minister's office TODAY.

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office| BC Liquor Distribution Branch
Phone: 604-252-3021

From: Cornett, Kathy M JAG:EX
Sent: Monday, October 29, 2012 8:36 AM
To: Gajda, Gail EMNG:EX; Stewart, Ashley EMNG:EX
Cc: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX; Jones, Kathleen MEM:EX
Subject: 485154 - Decision BN re Small Brewery Production Limit

The attached Briefing Note has been approved by Lori Wanamaker, Deputy Solicitor General, and is for Minister Coleman's decision.

Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant
Office of the Deputy Solicitor General
Ministry of Justice
Phone: 250 387-5362 Fax: 250 387-6224

Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Friday, October 26, 2012 3:14 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Production Limit - #485154
Attachments: 2012-10-26_BND-MEM_Small_Brewery_485154.docx; 2012-10-26_Attachment Letter to Industry_485154.docx

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a **revised** briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.*** Also attached for approval is a draft letter to go out to industry from the LDB regarding this change.

Roger Bissoondatt has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office| BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

**MINISTRY OF ENERGY, MINES AND NATURAL GAS
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PREPARED FOR: Honourable Rich Coleman, Minister
FOR DECISION

ISSUE:

Small Brewery Production Limit

BACKGROUND:

Brewing companies that produce less than 160,000 hectolitres (hl) of beer annually receive lower rates of beer mark-up from the LDB (a hectoliter is 100 litres, or about 25 dozen beer). The purpose of this policy is to support small brewing companies that do not have the economies of scale of large companies. The LDB has two tiers of small brewery for mark-up purposes: 0 – 15,000 hl and 15,000 – 160,000 hl. The LDB's mark-up rates are based on annual brewery production as shown in Attachment 1. The rates shown are the rates that will be in place on April 1, 2013 when HST is replaced by PST/GST. All LDB mark-up rates will be reduced to pre-HST levels on April 1.

In order to comply with international and inter-provincial trade agreements, the small brewery mark-up policy applies to companies from other provinces and countries in addition to British Columbia companies. In order to direct the lower mark-up benefit to small companies, beer production is based on the total amount of beer produced by all facilities owned by the same company (e.g. a small brewery owned by a large brewery would not qualify).

The LDB determines a brewing company's production based on a calendar year, and if there are changes that would place the company in a different mark-up level, the new mark-up rates are applied at the beginning of the next fiscal year (April 1).

The original small brewery policy was implemented in the late 1980's to stimulate the growth of small "craft" breweries that produced premium priced products. The original annual production limit was 50,000 hl, however, due to pressure from growing breweries, the limits have been raised several times to their current levels. Today, the majority of small brewery mark-up benefits are provided to the larger middle tier breweries that primarily produce low priced products.

Of the 53 brewing companies operating in British Columbia, 45 qualify for the lowest mark-ups (0 -15,000 hl), five qualify for middle mark-up tier (15,000 – 160,000 hl) and three are in the highest mark-up category (Labatt, Molson, Sleeman). There are a number of foreign breweries and breweries from other provinces that also qualify for the

small brewery mark-up rates but their sales account for a small percentage of qualifying small brewery sales in the province.

Other provinces also have lower rates of beer mark-up for smaller breweries. The maximum production levels to qualify as a small brewery by province are shown in Attachment 2.

DISCUSSION:

The LDB's second tier small brewery threshold was increased from 100,000 hl to 150,000 hl in 2009. The threshold was further raised to 160,000 hl in 2011. The only brewery that benefited from these increases was Prince George-based Pacific Western Brewing (PWB). Prior to the 2011 increase, PWB argued that it would have to temporarily cease production in order to avoid exceeding the 160,000 hl level and becoming subject to the highest mark-up levels. PWB, which had 2011 production of ^{s.21} has been growing steadily in recent years due to the popularity of the company's low priced beers.

Based on its growth rate in 2012, PWB may exceed the new 160,000 hl level by the end of the calendar year. If this does happen, the LDB would begin assessing the highest beer mark-up rates to PWB products beginning on April 1, 2013. ^{s.13}

^{s.13} The union representing PWB workers has recently written to Jobs, Tourism and Skills Training Minister, Pat Bell, asking for support to raise the level to 200,000 hl. The union claims that the brewery will have to be shut down in October or November 2012 for two months in order to avoid exceeding 160,000 hl.

PWB's production (^{s.21} in 2011) is significantly higher than the next largest brewery that qualifies for the tier-two small brewery status – Kamloops based Northam Brewery with 2011 production of ^{s.21}

Canada's National Brewers (CNB), which represents Labatt, Molson and Sleeman, has argued that the level of mark-up support the LDB provides to small breweries is too great and disadvantages their members. The CNB also argues that the policy has expanded beyond its original intent to support small craft breweries and is now supporting larger breweries that produce low priced beer. The CNB has proposed that the lower mark-up rates for small breweries be phased out between 50,000 hl and 150,000 hl.

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OPTIONS:

Option 1:

Pros:

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Cons:

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Option 2:

Pros:

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Cons:

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Option 3: *Implement a blended rate mark-up that would proportionally combine the lower small brewery mark-up rate on the first 160,000 hl and the large brewery mark-up rates on amounts between 160,000 hl and 400,000 hl. The large brewery rate would be applied on all production once 400,000 hl is exceeded. The policy change would only apply to breweries that were selling products in the BC market prior to exceeding 160,000 hl.*

Pros:

Cons:

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RECOMMENDATION:

Option 3: *Implement a blended rate mark-up that would proportionally combine the lower small brewery mark-up rate on the first 160,000 hl and the large brewery mark-up rates on amounts between 160,000 hl and 400,000 hl. The large brewery rate would be applied on all production once 400,000 hl is exceeded. The policy change would only apply to breweries that were selling products in the BC market prior to exceeding 160,000 hl.*

APPROVED / NOT APPROVED

DATE:

Rich Coleman
Minister

Approved by:
Roger Bissoondatt
Acting General Manager
Liquor Distribution Branch
604 252-3021

Prepared by:
Gord Hall
Director, Corporate Policy
Liquor Distribution Branch
604 252-3035

Attachment 1

s.13, s.17

Attachment 2

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PEI	15,000

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(2) Ontario breweries between 50,000 – 150,000 hl are eligible for a tax credit

Attachment 3

s.13

DRAFT

To: Domestic Beer Suppliers and Import Beer Agents

Re: Amendment to Beer Mark-up Policy

As you are aware, the LDB has different mark-up rates based upon a brewer's consolidated annual production.

The LDB is changing mark-up policy for brewers that are currently between 15,000 and 160,000 hectolitres (hl). Brewers in this category whose production grows beyond 160,000 hl will be subject to transitional mark-up rates up to 400,000 hl. These transitional rates will be based on a proportional blending of the

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The transitional mark-up rates will be implemented beginning on April 1, 2013, based on production in the 2012 calendar year.

An example of a transitional mark-up rate calculation for packaged beer from a brewery whose production grows to 180,000 hl is shown below.

s.13

s.13, s.17

If you have any questions, please e-mail me at Elaine.Low@bcldb.com or contact me at 604 252-3150.

Sincerely,

Elaine Low
Acting Chief Financial Officer

From: Dahlke, Cindy LDB:EX
Sent: Wednesday, November 07, 2012 12:20 PM
To: Bell, Jordan EMNG:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: FW: Draft letter: 485154 - Decision BN re Small Brewery Production Limit

Hi Jordan,

Roger asked that I send this directly to you.

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021

From: Cornett, Kathy M JAG:EX
Sent: Monday, October 29, 2012 2:36 PM
To: Gajda, Gail EMNG:EX; Stewart, Ashley EMNG:EX
Cc: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX; Jones, Kathleen MEM:EX
Subject: Draft letter: 485154 - Decision BN re Small Brewery Production Limit

Further to my e-mail below, the attached draft letter going out to the industry also requires the Minister's approval.

Thank you, Kathy

From: Cornett, Kathy M JAG:EX
Sent: Monday, October 29, 2012 8:36 AM
To: Gajda, Gail EMNG:EX; Stewart, Ashley EMNG:EX
Cc: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX; Jones, Kathleen MEM:EX
Subject: 485154 - Decision BN re Small Brewery Production Limit

The attached Briefing Note has been approved by Lori Wanamaker, Deputy Solicitor General, and is for Minister Coleman's decision.

Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant

DRAFT

To: Domestic Beer Suppliers and Import Beer Agents

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s.13, s.17

If you have any questions, please e-mail me at Elaine.Low@bclddb.com or contact me at 604 252-3150.

Sincerely,

Elaine Low
Acting Chief Financial Officer



Approved by
Deputy Solicitor General

Not Responsive

From: Bell, Jordan EMNG:EX
Sent: Wednesday, November 07, 2012 02:12 PM
To: Bissoondatt, Roger LDB:EX
Subject: RE: Draft letter: 485154 - Decision BN re Small Brewery Production Limit

Yes, this can go. Thanks Roger.

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 7, 2012 1:46 PM
To: Bell, Jordan EMNG:EX
Subject: RE: Draft letter: 485154 - Decision BN re Small Brewery Production Limit

Hi Jordan, can you let me know if we can issue the memo to the beer suppliers?

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Dahlke, Cindy LDB:EX
Sent: Wednesday, November 07, 2012 12:20 PM
To: Bell, Jordan EMNG:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: FW: Draft letter: 485154 - Decision BN re Small Brewery Production Limit

Hi Jordan,

Roger asked that I send this directly to you.

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021

From: Cornett, Kathy M JAG:EX
Sent: Monday, October 29, 2012 2:36 PM
To: Gajda, Gail EMNG:EX; Stewart, Ashley EMNG:EX

Cc: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX; Jones, Kathleen MEM:EX
Subject: Draft letter: 485154 - Decision BN re Small Brewery Production Limit

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Thank you, Kathy

From: Cornett, Kathy M JAG:EX
Sent: Monday, October 29, 2012 8:36 AM
To: Gajda, Gail EMNG:EX; Stewart, Ashley EMNG:EX
Cc: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX; Jones, Kathleen MEM:EX
Subject: 485154 - Decision BN re Small Brewery Production Limit

The attached Briefing Note has been approved by Lori Wanamaker, Deputy Solicitor General, and is for Minister Coleman's decision.

Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant
Office of the Deputy Solicitor General
Ministry of Justice
Phone: 250 387-5362 Fax: 250 387-6224

Dahlke, Cindy LDB:EX

From: Hoskins, Jeannie JAG:EX
Sent: Tuesday, November 13, 2012 11:48 AM
To: Bissoondatt, Roger LDB:EX; Dahlke, Cindy LDB:EX
Subject: RE: Minister Coleman, Minister de Jong Meeting - November 22

Thanks, I will let Minister's office know.

Jeannie Hoskins
Executive Coordinator
Office of the Deputy Solicitor General
Ministry of Justice

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 13, 2012 11:47 AM
To: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX
Subject: Re: Minister Coleman, Minister de Jong Meeting - November 22

It will be Gord Hall.

Roger

From: Hoskins, Jeannie JAG:EX
Sent: Tuesday, November 13, 2012 11:36 AM
To: Bissoondatt, Roger LDB:EX; Dahlke, Cindy LDB:EX
Subject: RE: Minister Coleman, Minister de Jong Meeting - November 22

I don't think we will be able to reschedule the
Is there another staff member who could support Minister Coleman at this meeting?

Jeannie Hoskins
Executive Coordinator
Office of the Deputy Solicitor General
Ministry of Justice

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 13, 2012 11:35 AM
To: Dahlke, Cindy LDB:EX; Hoskins, Jeannie JAG:EX
Subject: Re: Minister Coleman, Minister de Jong Meeting - November 22

Hi Cindy,
to be rescheduled??.

Not sure if Lori would want this

Roger

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, November 13, 2012 11:05 AM
To: Bissoondatt, Roger LDB:EX
Cc: Hall, Gord LDB:EX

Subject: FW: Minister Coleman, Minister de Jong Meeting - November 22

Hi Roger,

I will have Gord Hall prepare a briefing note for this meeting.

Cindy

From: Hoskins, Jeannie JAG:EX
Sent: Tuesday, November 13, 2012 10:50 AM
To: Dahlke, Cindy LDB:EX
Cc: Welt, Lilian LDB:EX; Cornett, Kathy M JAG:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting

Hi Cindy

As per the request below, could you please arrange for a briefing note for this meeting and appropriate staff attendance.

Thanks very much.

Jeannie Hoskins
Executive Coordinator
Office of the Deputy Solicitor General
Ministry of Justice

From: Stewart, Ashley EMNG:EX
Sent: Tuesday, November 13, 2012 10:46 AM
To: Hoskins, Jeannie JAG:EX
Cc: Gajda, Gail EMNG:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting

Hi Jeannie,

Could you get staff to prepare material and confirm staff who will be attending.

Thanks!

Ashley

From: Jukes, Shaina FIN:EX
Sent: Tuesday, November 13, 2012 10:08 AM
To: Gajda, Gail EMNG:EX
Cc: Stewart, Ashley EMNG:EX
Subject: RE: Minister Coleman, Minister de Jong Meeting

Good morning Ashley, Just letting you know that we have confirmed this meeting with Canada National Brewers for November 22nd from 2:30-3:125pm at the ⁵⁰/₅ They are following up with an agenda and attendees which I will forward to you when we receive them but if you could confirm attendees and materials on your end as soon as you have them that would be appreciated and we will do the same.

MEETING: Minister de Jong and Minister Coleman w/ Canada's National Brewers
Lead: Richard

Participants:

Minister de Jong
Richard Maksymetz
Staff TBC
Minister Coleman
Staff TBC

Date:

Thursday, November 22nd

Time:

2:30pm-3:15pm

Location:

s.15

Dial-in:

s.15, s.17

Access codes:

Moderator Conference IC
Participant Conference IC

s.15, s.17

Details:**Confirmation:**

Date and time confirmed with Bryan Cox by email.

Materials:

Agenda and attendees requested from CNB

Contact:

Bryan Cox
Vice President, Western Canada
Canada's National Brewers
(604) 659-2744 - Direct
- Cell

s.22

Shaina Jukes

*Administrative Coordinator to the Honourable Michael de Jong, QC
Minister of Finance | PO Box 9048 Stn Prov Govt Victoria, BC V8W 9E2
Phone: 250-387-3751 | Fax: 250-387-5594 | Fin.Minister@gov.bc.ca*

From: Gajda, Gail EMNG:EX

Sent: Tuesday, November 6, 2012 2:05 PM

To: Jukes, Shaina FIN:EX

Cc: Stewart, Ashley EMNG:EX

Subject: RE: Minister Coleman, Minister de Jong Meeting

Great, thanks, I'll keep Ashley in the loop, as
schedule!

s.22

..and she will be in charge of the

Gail Gajda

Administrative Coordinator to the
Honourable Rich Coleman
Minister of Energy, Mines and Natural Gas
Minister Responsible for Housing and Deputy Premier
Telephone: (250) 387-6701

From: Jukes, Shaina FIN:EX
Sent: Tuesday, November 6, 2012 2:03 PM
To: Gajda, Gail EMNG:EX
Subject: Minister Coleman, Minister de Jong Meeting

Hi Gail,

Following upon our conversation 2:30pm on November 22nd works on our end for a meeting at the ^{s.15} with Canadian
Brewers Association. Our office will be following up with them to confirm the time. We will work on materials and
attendees on our end and I will confirm with you closer to the date.

Thank you,
Shaina

Shaina Jukes

Administrative Coordinator to the Honourable Michael de Jong, QC
Minister of Finance | PO Box 9048 Stri Prov Govt Victoria, BC V8W 9E2
Phone: 250-387-3751 | Fax: 250-387-5594 | Fin.Minister@gov.bc.ca

Bissoondatt, Roger LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 14, 2012 11:07 AM
To: Low, Elaine LDB:EX
Subject: Fw: Communication on Regional Brewer 160k hl tax clawback and limit increase to 200k hl from 160k hl

Fyi

From: PWB Controller [<mailto:controller@pwbrewing.com>]
Sent: Tuesday, November 13, 2012 02:55 PM
To: Bissoondatt, Roger LDB:EX
Cc: kkomatsu@pwbrewing.com <kkomatsu@pwbrewing.com>;
Subject: Communication on Regional Brewer 160k hl tax clawback and limit increase to 200k hl from 160k hl

Hi Roger, following up on our discussions last week in regards to the Regional Brewer 160k hl tax clawback and increase in production limit to 200k hl.

Any news on this?

We understand there is communication available on this topic that speaks to the above noted changes but have seen nothing as yet.

As you know, this is a very important issue for us as we expect to reach 151 in this calendar year. Should the 160k+ hl tax clawback take effect we would be forced to take drastic action (close the Prince George Brewery in the last week of November 2012) because of the tax hit.

We are hearing all the right signals that the change is coming but need this formally communicated.

Please call at your earliest convenience, 604 421 2119

Thanks for your support on this.

Regards

Dave

Bissoondatt, Roger LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 14, 2012 11:11 AM
To: Low, Elaine LDB:EX
Subject: Re: Brewery Letter

s.13

Roger

From: Low, Elaine LDB:EX
Sent: Wednesday, November 14, 2012 11:08 AM
To: Bissoondatt, Roger LDB:EX
Subject: RE: Brewery Letter

s.13

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 14, 2012 11:05 AM
To: Low, Elaine LDB:EX
Subject: Re: Brewery Letter

Hi Elaine, the calculations is what I got.

s.13

I spoke with Dave Heffelfinger yesterday following his e-mail to me. I told him that the announcement will be this week.

Roger

Roger

From: Low, Elaine LDB:EX
Sent: Wednesday, November 14, 2012 09:31 AM
To: Bissoondatt, Roger LDB:EX
Subject: Brewery Letter

Roger,

Gord just spoke with Jordan in the MO. We preparing the letter to be issued today. I discussed with Gord the example and I am getting Cindy to update the presentation; however, the ending result is the same.

In the example of 180,000, the presentation will be:

$$\$1.16/\text{litre} + ((20,000\text{hl} / 180,000\text{hl}) * (1.75/\text{litre} - 1.16/\text{litre})) = \$1.23$$

Cindy mentioned that you were going to call. I will be in the office today except from 10 – 11:30.

Regards,

Elaine Low

Acting Chief Financial Officer

Liquor Distribution Branch

phone - 604-252-3158

fax - 604-252-3175

elaine.low@bcldb.com

www.bcldb.com

From: Hall, Gord LDB:EX
Sent: Wednesday, November 14, 2012 3:44 PM
To: Shotton, Ryan GCPE:EX; Cournoyer, Vince LDB:EX
Cc: Palmer, Tarina LDB:EX; Jensen, Cindy LDB:EX
Subject: Letter re: LDB Beer Mark-up Policy

The attached letter has just been emailed to domestic beer suppliers, import beer agents and beer associations.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com



**LIQUOR
DISTRIBUTION
BRANCH**

November 14, 2012

To: Domestic Beer Suppliers and Import Beer Agents

Re: **Amendment to Beer Mark-up Policy**

As you are aware, the LDB has different mark-up rates based upon a brewer's consolidated annual production.

The LDB has changed its mark-up policy for brewers whose annual production is between 15,000 hectolitres (hl) and 160,000 hl, and who eventually exceed 160,000 hl. Brewers in this category are now subject to transitional mark-up rates between 160,000 hl and 400,000 hl. These transitional rates are based on a proportional blending of the applicable rates for the 15,000 hl to 160,000 hl category and the applicable rates for the greater than 160,000 hl category.

To qualify for the transitional mark-up rates between 160,000 and 400,000 hl, a brewery must have been selling products in the British Columbia market and had an annual production level of less than 160,000 hl in the 2011 calendar year. The purpose of this policy is to ease the transition into the highest mark-up category.

An example of a transitional mark-up rate calculation for packaged beer from a brewery whose production grows to 180,000 hl, based on current mark-up rates is shown below:

$$\$1.16/\text{litre} + ((20,000\text{hl} \div 180,000\text{hl}) \times (\$1.75/\text{litre} - \$1.16/\text{litre})) = \$1.23/\text{litre}$$

If you have any questions, please contact Elaine Low at Elaine.low@bcdlb.com or 604-252-3150.

Yours truly,

Elaine Low
Acting Chief Financial Officer

cc: Roger Bissoondatt, Liquor Distribution Branch
Kelly Wilson, Liquor Distribution Branch
Bill Michael, Liquor Distribution Branch
Gord Hall, Liquor Distribution Branch

Low, Elaine LDB:EX

From: Hall, Gord LDB:EX
Sent: Saturday, November 17, 2012 11:58 AM
To: Bissoondatt, Roger LDB:EX; Low, Elaine LDB:EX
Cc: Cournoyer, Vince LDB:EX
Subject: FW: Amendment to Beer Mark-up Policy

FYI, Roger pointed out my mistake.

From: Hall, Gord LDB:EX
Sent: Saturday, November 17, 2012 11:58 AM
To: 'terryl@gwbc.ca'
Cc: Lam, Yolanda LDB:EX
Subject: FW: Amendment to Beer Mark-up Policy

Terry: In my email below I should have said that if you fall below 160,000 hl in calendar 2012 you will be subject to the middle tier mark-up rates in fiscal 2013/14 (beginning April 1 2013), not fiscal 2012/13.

From: Hall, Gord LDB:EX
Sent: Friday, November 16, 2012 1:34 PM
To: 'Terry Letwin'
Cc: Lam, Yolanda LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry:

If your brewery's production falls below 160,000 hl for calendar 2012 it would be subject to the middle tier mark-up rates beginning in fiscal 2012/13. If your brewery were to rise above 160,000 hl in subsequent calendar years, it would be subject to the transitional rates referred to in the November 14 policy amendment letter. Yolanda Lam can fill you in on the process for reporting your 2012 production volumes to the LDB.

From: Terry Letwin [<mailto:terryl@gwbc.ca>]
Sent: Thursday, November 15, 2012 3:30 PM
To: Hall, Gord LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Hi Gord

Thank you for the clarification.

I was pressing for details because we were very close to the cutoff ...our 2011 exciseable production was therefore we would not qualify for the transitional rates as I understand it.

In 2012 however it is possible we will fall below the 160,000 HI threshold. If this is in fact the case, due we fall into the transitional provision rates for 2013?

Further if that is the case, what is the process for advising the LDB about 2012 production volumes and when would those transitional rates become effective?

Thanks again for any further information you can provide.

Sincerely



Terry Letwin CFO
terryl@gwbc.ca
 Great Western Brewing Company Ltd.
 519 2nd Avenue North, Saskatoon, SK S7K 2C6
 tel: 1.306.653.4653 ext. 240
 cell: 1.306.281.5656
 fax: 1.306.653.2166
gwbc.ca

From: Hall, Gord LDB:EX [<mailto:Gord.Hall@bcldb.com>]
Sent: Thursday, November 15, 2012 12:19 PM
To: Terry Letwin
Cc: Lam, Yolanda LDB:EX; Low, Elaine LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry: Yolanda asked me to respond to your attached email.

Production is based upon excisable beer packaged in a calendar year as reported to the Canada Revenue Agency. If a brewery is less than 160,000 hl in 2012, it will qualify for the middle tier mark-ups for the 2012/13 fiscal year and will receive the transitional rates in subsequent years if its calendar production grows above 160,000 hl up until 400,000 hl. If a brewery's production was greater than 160,000 hl in calendar 2011 it will not receive the middle tier mark-up rates or transitional mark-up rates unless its production falls below 160,000 hl in a future calendar year.

Gord Hall, Director, Corporate Policy
 British Columbia Liquor Distribution Branch
 Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

From: Terry Letwin [<mailto:terryl@gwbc.ca>]
Sent: Wednesday, November 14, 2012 10:38 PM
To: Lam, Yolanda LDB:EX
Subject: Re: Amendment to Beer Mark-up Policy

Hello Yolanda

Thank for the advice of changes to the beer markup policy.

I have a couple of questions I hope you can provide clarification on.

First what is the LDB literal interpretation of production...is it beer brewed in a calendar year or beer packaged in the year thay was Excisable or for simplicity...where production equals sales?

Maybe this example would be telling if 1000 hls are brewed in a year 800 is packaged and 500 is sold....what is the production? How does net change in inventory from year to year factor in the equation?
Secondly regarding the transitional provisions...what is the implication of less than 160,000 hl in 2012 vs less than or greater than 160,000 in 2011...when does the transitional rate kick in?

Thanks in advance for your assistance.
Sincerely



Terry Letwin CFO
terryl@gwbc.ca
Great Western Brewing Company Ltd.
519 2nd Avenue North, Saskatoon, SK S7K 2C6
tel: 1.306.653.4653 ext. 240
cell: 1.306.281.5656
fax: 1.306.653.2166
gwbc.ca

From: Lam, Yolanda LDB:EX [<mailto:Yolanda.Lam@bcldb.com>]
Sent: Wednesday, November 14, 2012 05:29 PM
Subject: Amendment to Beer Mark-up Policy

Hello,

Please see the attached letter in regards to the Beer Mark-up Policy Amendment.

Thank you.

Yolanda Lam
Costing and Pricing Analyst
Costing and Pricing Department
BC Liquor Distribution
Telephone: (604) 252-3348
Fax: (604) 252-3322
E-mail: yolanda.lam@bcldb.com

Bissoondatt, Roger LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Monday, November 19, 2012 6:45 PM
To: Wanamaker, Lori JAG:EX
Cc: Low, Elaine LDB:EX
Subject: FW: Beer Mark-up Rates
Attachments: Beer Mark-up Rates.xlsx; Small Brewery mark up transition to 400K transition - Nov 2012.xlsx

Hi Lori, welcome back! Here are the answers to your two questions:

1. The rate shown in the letter sent out on November 14 (Amendment to Beer Mark-up Policy) refers to the current rate for the small (\$1.16) and the commercial (\$1.75) breweries.

2.

The determination of the rate will be based on the brewery's production during the previous calendar year. Hence the 2011 production is referred to in the letter. So the rates in effect on April 1, 2013 will be based on 2012 calendar year production.

Attached are two spreadsheets.

Please let me know if you have any questions or would like other assumptions modelled.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Hall, Gord LDB:EX
Sent: Thursday, November 15, 2012 11:29 AM
To: Bissoondatt, Roger LDB:EX
Subject: FW: Beer Mark-up Rates

FYI, I spoke to him on the phone and he wanted more clarification regarding the new policy.

From: Hall, Gord LDB:EX
Sent: Thursday, November 15, 2012 11:29 AM
To: Sweeney, Neil PREM:EX
Subject: Beer Mark-up Rates

Neil: Let me know if you have any questions regarding the attached.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

**Liquor Distribution Branch Beer Mark-up Rates
(New Transitional Rates in Red)***

Production in Hectolitres	Packaged Beer	Draft Beer
0 - 15,000	\$1.04	\$0.72
15,000 -160,000	\$1.16	\$0.81
>=160,000*	\$1.75	\$1.20
170,000	\$1.19	\$0.83
180,000	\$1.23	\$0.85
190,000	\$1.25	\$0.87
200,000	\$1.28	\$0.89
210,000	\$1.30	\$0.90
220,000	\$1.32	\$0.92
230,000	\$1.34	\$0.93
240,000	\$1.36	\$0.94
250,000	\$1.37	\$0.95
260,000	\$1.39	\$0.96
270,000	\$1.40	\$0.97
280,000	\$1.41	\$0.98
290,000	\$1.42	\$0.98
300,000	\$1.44	\$0.99
310,000	\$1.45	\$1.00
320,000	\$1.46	\$1.01
330,000	\$1.46	\$1.01
340,000	\$1.47	\$1.02
350,000	\$1.48	\$1.02
360,000	\$1.49	\$1.03
370,000	\$1.49	\$1.03
380,000	\$1.50	\$1.04
390,000	\$1.51	\$1.04
=> 400,000	\$1.75	\$1.20

*To qualify for transitional rates, a brewery must have been
below 160,000 hl and selling in the BC market prior to exceeding 160,000 hl

s 13

Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, November 20, 2012 10:26 AM
To: Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX
Subject: FW: Briefing Note re Ministers' Meeting with Canada's National Brewers - November 22 - 486369
Attachments: 2012-11-19_BNI_Meeting_Brewers_486369.docx
Importance: High
Sensitivity: Confidential

FYI – briefing note sent to the Minister's office today.

Cindy

From: Hoskins, Jeannie JAG:EX
Sent: Tuesday, November 20, 2012 10:03 AM
To: Stewart, Ashley EMNG:EX; Gajda, Gail EMNG:EX
Cc: Cornett, Kathy M JAG:EX; Dahlke, Cindy LDB:EX; Jones, Kathleen MEM:EX
Subject: Briefing Note re Ministers' Meeting with Canada's National Brewers - November 22 - 486369
Importance: High
Sensitivity: Confidential

The attached briefing note has been approved by the Deputy Solicitor General and is for the Minister's meeting with Canada National Brewers on November 22nd. Gord Hall will be attending the meeting in person, Barry Bieller by phone.

Thank you.

Jeannie Hoskins
Executive Coordinator
Office of the Deputy Solicitor General
Ministry of Justice

Dahlke, Cindy LDB:EX

From: Dahlke, Cindy LDB:EX
Sent: Monday, November 19, 2012 3:07 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Hall, Gord LDB:EX; Wilson, Kelly LDB:EX; Low, Elaine LDB:EX; Cournoyer, Vince LDB:EX
Subject: Briefing Note re Ministers' Meeting with Canada's National Brewers - November 22 - 486369
Attachments: 2012-11-19_BNI_Meeting_Brewers_486369.docx
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a briefing note for Minister Coleman regarding a meeting he and Minister de Jong have with Canada National Brewers on **November 22, 2102. *This had been requested by the Minister's office.***

Roger Bissoondatt has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

**MINISTRY OF ENERGY, MINES AND NATURAL GAS
LIQUOR DISTRIBUTION BRANCH
LIQUOR CONTROL AND LICENSING BRANCH
BRIEFING NOTE**

**PREPARED FOR: Honourable Rich Coleman, Minister
FOR INFORMATION**

ISSUE:

Minister's meeting with Canada's National Brewers (CNB) representative, Bryan Cox on November 22, 2012.

BACKGROUND:

The CNB is an industry association representing Canada's three largest brewers – Labatt, Molson/Coors and Sleeman. The products produced by these companies, including the imported products they represent as agents, account for 85 per cent of the dollar value of beer sales in the province.

Bryan Cox is the head of the CNB for Western Canada.

DISCUSSION:

It is likely Bryan Cox will raise the following issues with the Minister.

s.12, Not Responsive

2. Small Brewery Mark-up Policy

The LDB has lower rates of mark-up for small breweries. The LDB has two tiers of small brewery for mark-up purposes: those with annual production of 0 – 15,000 hectoliters (hl) and 15,000 – 160,000 hl.

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On November 14, 2012, the LDB notified the beer industry of an amendment to small brewery policy. Effective immediately, breweries in the 15,000 – 160,000 hl category will not be subject to the large brewery mark-up rates when they grow above 160,000 hl, rather they will receive the lower rates of mark-up on the first 160,000 hl and the large brewery mark-up rates on production from (the LDB will

s.13

calculate a blended mark-up rate based on the proportion of a brewery's production within these two production ranges). Above 400,000 hl, the large brewery rates will apply.

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s.13

Not Responsive

CNB believes that minimum prices should be increased regularly for inflation. CNB also believes that LRSs should not be allowed to sell below GLS minimum prices. An increase in the minimum price on beer generates additional revenue for breweries but not for government because the LDB's beer mark-ups are volume based.

Prepared by:

Gord Hall, LDB, 604-252-3021
Barry Bieller, LCLB, 604-952-5755
LDB

Approved by:

Roger Bissoondatt
Acting General Manager, LDB
Karen Ayers
General Manager and ADM, LCLB

Originated by: General Manager's Office

**LIQUOR DISTRIBUTION BRANCH
WORK ASSIGNMENT FORM**

This form is intended to be used for all assignments originating from the GM's Office to streamline and clarify who needs to work on the assignment, who needs to approve, sequencing and legibility.

A. TYPE OF ASSIGNMENT:

(please indicate)

Letter/E-mail

Speech

Advice

Briefing Note ☒

Status Report

Other

RE: Canada's National Breweries Mtg.

ASSIGNED DATE: Nov. 13/12

DUE DATE: Nov. 19/12 ARCS/ORCS#

MAIL LOG # 486369

The assignor will indicate exactly what is required; who to contact, area to highlight, etc.

B. INSTRUCTIONS/REQUIREMENTS

Assigned to: Gord Hall

Assigned to:

Gord - please prepare a briefing note for
Minister Coleman for this meeting.

Deputy Minister

for General Manager, LDB

C. APPROVED BY:

**WITH
CHANGES**

**DATE
APPROVED**

RESEARCHER/WRITER

EXEC. DIRECTOR/MANAGER

GENERAL MANAGER, LDB

DEPUTY MINISTER

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 11:53 AM
To: Bissoondatt, Roger LDB:EX
Subject: Fwd: deck
Attachments: BC Beer Tax Package.pdf; ATT00001.htm

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

Begin forwarded message:

From: "Sweeney, Neil PREM:EX" <Neil.Sweeney@gov.bc.ca>
Date: November 20, 2012 10:54:56 AM PST
To: "Wanamaker, Lori JAG:EX" <Lori.Wanamaker@gov.bc.ca>
Subject: FW: deck

Here is their submission. Not sure if you got it through another channel or not.

N

From: Cox, Bryan [<mailto:bcox@nationalbrewers.ca>]
Sent: Tuesday, November 20, 2012 10:40 AM
To: Sweeney, Neil PREM:EX
Cc: XT:Newton, Jeff LCLB:IN
Subject: deck

Reforming BC's Beer Taxation Structure

*A plan to restore industry health
and government revenue growth*

November 2012

Certain beer tax policies are inadvertently destabilizing the brewery sector and eroding government tax revenues

- Small brewer tax subsidy program has migrated away from its original premium small brewery support objective:
 - Successive increases to the program qualification threshold have resulted in large discount brewers receiving significant government tax subsidies
 - Maximum annual subsidy per brewer has increased from \$1.35 million in 2001 to \$9.44 million today:
 - Per case subsidy of over \$5 is among the highest in the world.
 - These changes have artificially stimulated a growing discount segment as large brewers use the subsidy to discount price rather than sell higher margin premium craft brewed products
 - The resulting market dynamic is driving volume to lower-taxed producers while overall industry volume declines:
 - 14 % of B.C. beer sales now subsidized;
 - Domestic industry volume down 5.6% since 2008 (fully-taxed volume down 13.8%).
 - A program designed to support industry health and growth is actually having the opposite effect – no net new jobs are being created
 - And government tax revenues are declining in the process

Certain beer tax policies are inadvertently destabilizing the brewery sector and eroding government tax revenues

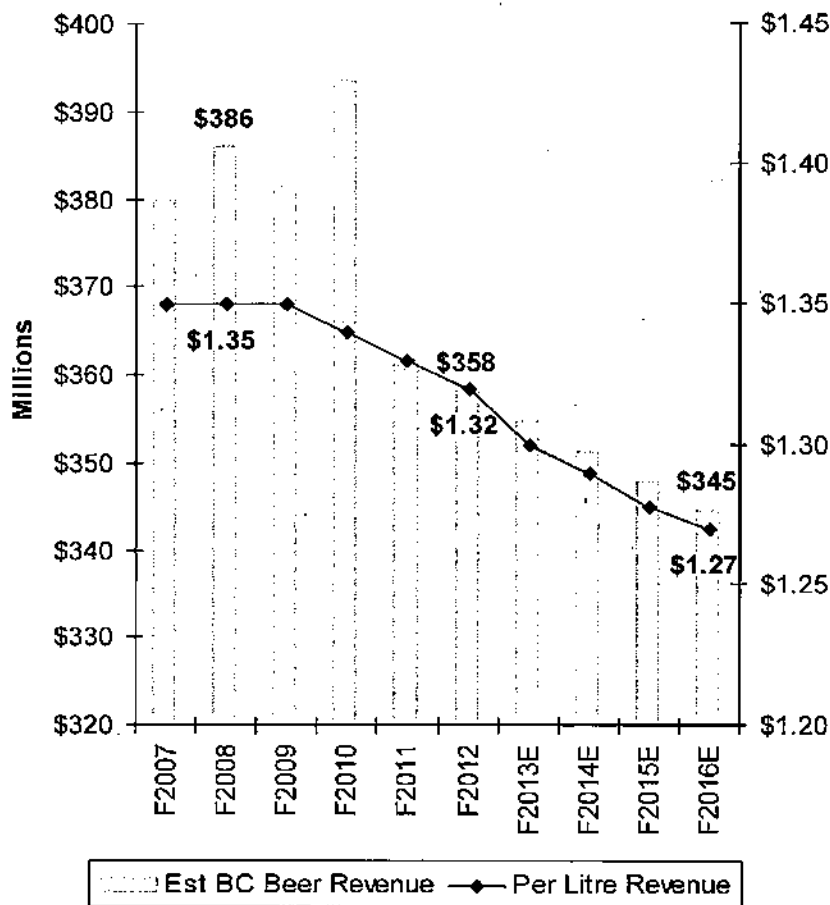
81's

Together these factors are compromising beer tax revenues

- These factors are driving government tax revenues downwards as:
 - Domestic beer volume moves from fully-taxed products to tax-subsidized products:
 - Subsidized tax volume up 95 % since 2008;
 - Fully-taxed volume down 15 % since 2008.

81's

Government beer revenues are declining on an aggregate and per litre basis

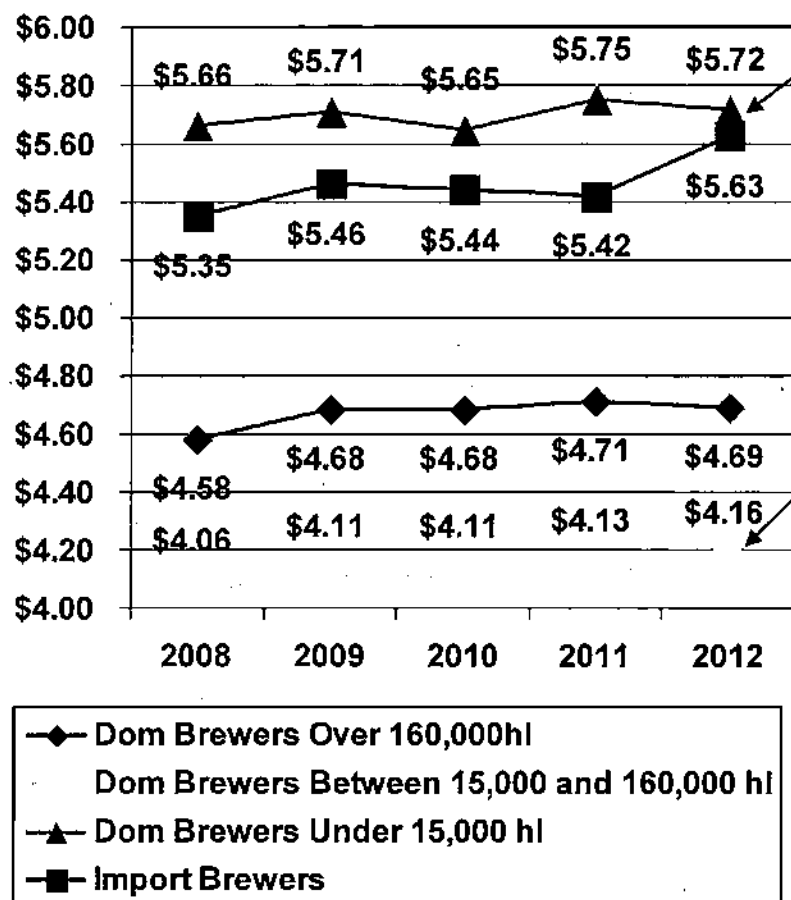


- Annual beer tax revenues down \$28 million (7.3%) compared to F2008;
- 3 % decline in per litre revenue driven by:
 - Growth in tax-subsided beer sales;
 - Growth in discounts paid by LDB to LRS stores;
 - Growth in LDB operating costs vs flat revenue.

* Forecasts for F2013 to F2016 assume flat industry volumes

Current level of tax subsidy is distorting market competition

Average Retail Packaged Beer Price¹



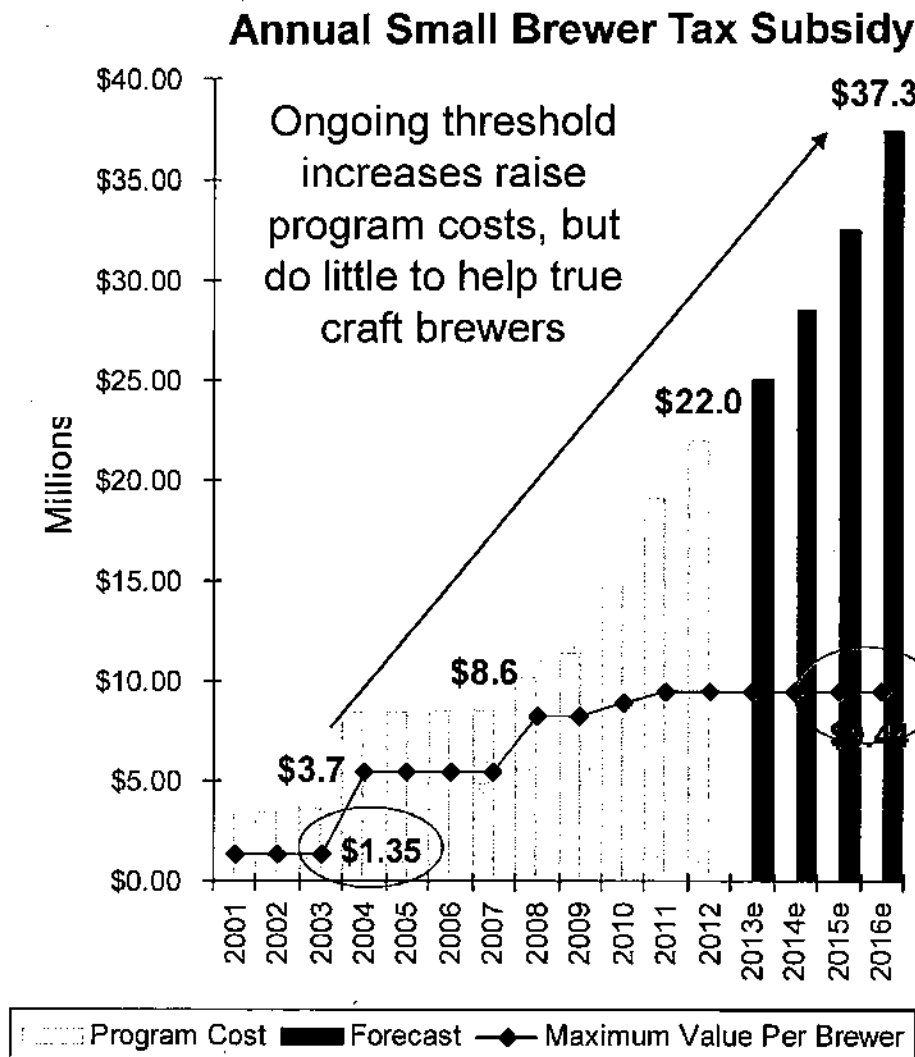
Smallest brewers use subsidy to address economy of scale disadvantage, build brands and compete in the premium segment -- activity consistent with program intent.

Large brewers receiving the subsidy use it to reduce prices to levels even lower than their much larger competitors.

Prices demonstrate that for larger brewers the tax subsidy exceeds any economy of scale disadvantage that it was intended to compensate for.

¹ Data for 12 month periods ending September from LDB September Quarterly Market Review

Government is at a critical crossroads in its beer tax policies



- Recent LDB announcement on small brewer tax expands the program, it doesn't fix it:
 - Negative trend in tax revenues will accelerate
- Growth of tax-subsidized beer sales will cut LDB revenues by over \$3 million annually:
 - Current program cost of \$22 million per year will top \$37 million in four years.

81's

A plan to restore industry health and government revenue growth

SL'S

Package of integrated changes necessary to reverse current trends

1. BC Small Brewery Tax Subsidies and Government Revenues

- Current BC program provides a maximum value per brewer of \$9.44 million dollars
- The majority of provincial maximum values per brewer range between \$250,000 to \$3.0 Million (Nfld, NS, NB, PEI, Que, Ont, MB, SK):
 - Healthy craft brewery segments supported at significantly lower cost.

SL'S

Pages 88 through 94 redacted for the following reasons:

s.13, s.17

Appendix

Proposed Program Details

Brewery Annual Production (HL)	Tax Break/Rate		Tax Break Value		% change in funding
	Current Program	Proposed Program	Current Program	Proposed Program	
15,000	\$71.00		\$1,065,000		
30,000	\$59.00		\$1,770,000		
50,000	\$59.00		\$2,950,000		
70,000	\$59.00	S.13, S.17	\$4,130,000	S.13, S.17	
100,000	\$59.00		\$5,900,000		
150,000	\$59.00		\$8,850,000		
160,000	\$59.00		\$9,440,000		

Overall current \$22 million beer subsidy expenditure will not grow to \$37 million but remain slightly below current levels

Page 97 redacted for the following reason:

s.13, s.17

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 2:20 PM
To: Bissoondatt, Roger LDB:EX
Cc: Low, Elaine LDB:EX
Subject: RE: Beer Mark-up Rates

Importance: High

OK – the approach that I am discussing with MRC and others will see increasing the rate on all volume incrementally. At 400,000 HL, the brewer will pay the highest rate.

So based on my interpretation of the spreadsheet, as of April 1, 2013, a brewer with a production volume of

I want to share this spreadsheet with MRC. I think that the relevant column is the average. Correct?

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 20, 2012 1:40 PM
To: Wanamaker, Lori JAG:EX
Cc: Low, Elaine LDB:EX
Subject: RE: Beer Mark-up Rates

Hi Lori,

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 12:03 PM
To: Bissoondatt, Roger LDB:EX
Cc: Low, Elaine LDB:EX
Subject: Re: Beer Mark-up Rates

So let me understand...
produced....correct?

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Nov 19, 2012, at 6:45 PM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, welcome back! Here are the answers to your two questions:

1. The rate shown in the letter sent out on November 14 (Amendment to Beer Mark-up Policy) refers to the current rate for the small (\$1.16) and the commercial (\$1.75) breweries. The

s.13, s.17

The determination of the rate will be based on the brewery's production during the previous calendar year. Hence the 2011 production is referred to in the letter. So the rates in effect on April 1, 2013 will be based on 2012 calendar year production.

Attached are two spreadsheets.

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Please let me know if you have any questions or would like other assumptions modelled.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Hall, Gord LDB:EX
Sent: Thursday, November 15, 2012 11:29 AM
To: Bissoondatt, Roger LDB:EX
Subject: FW: Beer Mark-up Rates

FYI, I spoke to him on the phone and he wanted more clarification regarding the new policy.

From: Hall, Gord LDB:EX
Sent: Thursday, November 15, 2012 11:29 AM
To: Sweeney, Neil PREM:EX
Subject: Beer Mark-up Rates

Neil: Let me know if you have any questions regarding the attached.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

<Beer Mark-up Rates.xlsx>

<Small Brewery mark up transition to 400K transition - Nov 2012.xlsx>

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 2:46 PM
To: Bissoondatt, Roger LDB:EX
Subject: FW: Beer Mark-up Rates
Attachments: Small Brewery mark up transition to 400K transition - Nov 2012.xlsx

FYI

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 2:36 PM
To: Coleman, Rich MEM:EX
Cc: Myers, Tobie A EMNG:EX
Subject: FW: Beer Mark-up Rates

Rich – that attached spreadsheet calculates the transition rates for small breweries.

s.13

s.13

As this calculation only relates to packaged beer, we are doing a similar calculation for draft beer.

Lori

s.13

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 3:13 PM
To: Bissoondatt, Roger LDB:EX
Subject: RE: deck

Who are the small brewers

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 20, 2012 3:12 PM
To: Wanamaker, Lori JAG:EX
Subject: RE: deck

Will do. The calc for draft will be sent shortly. Formatting presentation.

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 3:11 PM
To: Bissoondatt, Roger LDB:EX
Subject: RE: deck

Roger – can you please do some analysis on this presentation to verify accuracy...and feasibility?

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 20, 2012 1:42 PM
To: Wanamaker, Lori JAG:EX
Subject: RE: deck

Thanks

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 11:53 AM
To: Bissoondatt, Roger LDB:EX
Subject: Fwd: deck

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General

Begin forwarded message:

From: "Sweeney, Neil PREM:EX" <Neil.Sweeney@gov.bc.ca>
Date: November 20, 2012 10:54:56 AM PST
To: "Wanamaker, Lori JAG:EX" <Lori.Wanamaker@gov.bc.ca>
Subject: FW: deck

Here is their submission. Not sure if you got it through another channel or not.

N

From: Cox, Bryan [<mailto:bcox@nationalbrewers.ca>]
Sent: Tuesday, November 20, 2012 10:40 AM
To: Sweeney, Neil PREM:EX
Cc: XT:Newton, Jeff LCLB:IN
Subject: deck

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 3:17 PM
To: Bissoondatt, Roger LDB:EX
Subject: questions

What is the revenue loss on the first 160,000 with this change

Lori Wanamaker, FCA
Deputy Minister and Deputy Solicitor General
Ministry of Justice
11th Floor, 1001 Douglas Street, Victoria
Phone: 250 356-0149 | Fax: 250 387-6224



Please consider the environment before printing this e-mail

The information in this email is confidential, and may be privileged. It is intended solely for the addressee. Any review, distribution, copying, printing or other use of this email by persons or entities other than the addressee is prohibited without the sender's consent. If you have received this communication in error, The Ministry of Justice asks that you please notify the sender by replying to the message and delete it from your computer.

Low, Elaine LDB:EX

From: Lam, Yolanda LDB:EX
Sent: Tuesday, November 20, 2012 4:14 PM
To: Low, Elaine LDB:EX
Cc: Lowe, Levona LDB:EX
Subject: FW: Amendment to Beer Mark-up Policy

FYI

Yolanda Lam
Costing Clerk
Costing and Pricing Department
BC Liquor Distribution
Telephone: (604) 252-3348
Fax: (604) 252-3322
E-mail: yolanda.lam@bcldb.com

From: Hall, Gord LDB:EX
Sent: Saturday, November 17, 2012 11:58 AM
To: 'terryl@gwbc.ca'
Cc: Lam, Yolanda LDB:EX
Subject: FW: Amendment to Beer Mark-up Policy

Terry: In my email below I should have said that if you fall below 160,000 hl in calendar 2012 you will be subject to the middle tier mark-up rates in fiscal 2013/14 (beginning April 1 2013), not fiscal 2012/13.

From: Hall, Gord LDB:EX
Sent: Friday, November 16, 2012 1:34 PM
To: 'Terry Letwin'
Cc: Lam, Yolanda LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry:

If your brewery's production falls below 160,000 hl for calendar 2012 it would be subject to the middle tier mark-up rates beginning in fiscal 2012/13. If your brewery were to rise above 160,000 hl in subsequent calendar years, it would be subject to the transitional rates referred to in the November 14 policy amendment letter. Yolanda Lam can fill you in on the process for reporting your 2012 production volumes to the LDB.

From: Terry Letwin [<mailto:terryl@gwbc.ca>]
Sent: Thursday, November 15, 2012 3:30 PM
To: Hall, Gord LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Hi Gord

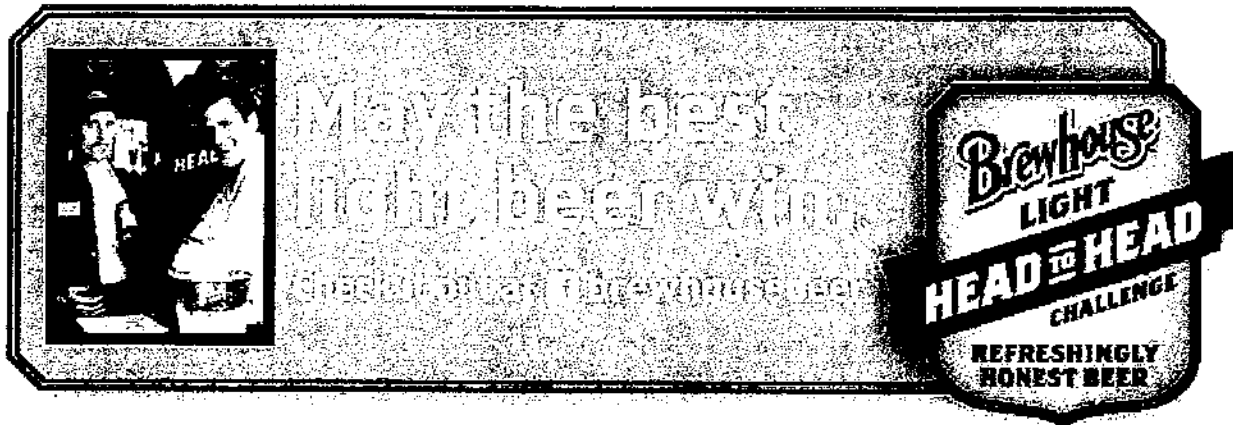
Thank you for the clarification.

I was pressing for details because ...our 2011 exciseable production was
therefore we would not qualify for the transitional rates as I understand it.

In 2012 however it is possible
transitional provision rates for 2013?
Further if that is the case, what is the process for advising the LDB about 2012 production volumes and when would those transitional rates become effective?

Thanks again for any further information you can provide.

Sincerely



Terry Letwin CFO
terryl@gwbc.ca
Great Western Brewing Company Ltd.
519 2nd Avenue North, Saskatoon, SK S7K 2C6
tel: 1.306.653.4653 ext. 240
cell: 1.306.281.5656
fax: 1.306.653.2166
gwbc.ca

From: Hall, Gord LDB:EX [mailto:Gord.Hall@bcldb.com]
Sent: Thursday, November 15, 2012 12:19 PM
To: Terry Letwin
Cc: Lam, Yolanda LDB:EX; Low, Elaine LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry: Yolanda asked me to respond to your attached email.

Production is based upon excisable beer packaged in a calendar year as reported to the Canada Revenue Agency. If a brewery is less than 160,000 hl in 2012, it will qualify for the middle tier mark-ups for the 2012/13 fiscal year and will receive the transitional rates in subsequent years if its calendar production grows above 160,000 hl up until 400,000 hl. If a brewery's production was greater than 160,000 hl in calendar 2011 it will not receive the middle tier mark-up rates or transitional mark-up rates unless its production falls below 160,000 hl in a future calendar year.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

From: Terry Letwin [mailto:terryl@gwbc.ca]
Sent: Wednesday, November 14, 2012 10:38 PM
To: Lam, Yolanda LDB:EX
Subject: Re: Amendment to Beer Mark-up Policy

Hello Yolanda

Thank for the advice of changes to the beer markup policy.

I have a couple of questions I hope you can provide clarification on.

First what is the LDB literal interpretation of production...is it beer brewed in a calendar year or beer packaged in the year they was Excisable or for simplicity...where production equals sales?

Maybe this example would be telling if 1000 hl are brewed in a year 800 is packaged and 500 is sold....what is the production? How does net change in inventory from year to year factor in the equation?

Secondly regarding the transitional provisions...what is the implication of less than 160,000 hl in 2012 vs less than or greater than 160,000 in 2011...when does the transitional rate kick in?

Thanks in advance for your assistance.

Sincerely



Terry Letwin CFO

terryl@gwbc.ca

Great Western Brewing Company Ltd.

519 2nd Avenue North, Saskatoon, SK S7K 2C6

tel: 1.306.653.4653 ext. 240

cell: 1.306.291.5656

fax: 1.306.653.2166

gwbc.ca

From: Lam, Yolanda LDB:EX [<mailto:Yolanda.Lam@bcldb.com>]

Sent: Wednesday, November 14, 2012 05:29 PM

Subject: Amendment to Beer Mark-up Policy

Hello,

Please see the attached letter in regards to the Beer Mark-up Policy Amendment.

Thank you.

Yolanda Lam

Costing and Pricing Analyst

Costing and Pricing Department

BC Liquor Distribution

Telephone: (604) 252-3348

Fax: (604) 252-3322

E-mail: yolanda.lam@bcldb.com

From: Terry Letwin [mailto:terryl@gwbc.ca]
Sent: Tuesday, November 20, 2012 4:00 PM
To: Hall, Gord LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Hi Gord

Thank you for your various responses to past questions. I thought it might be useful for me to summarize what has now become my understanding.

Please confirm or dispel my belief on the following points.

Annual worldwide production is the sum total of all beverage throughput through a facility (including alcoholic and non alcoholic volume) plus any volume of affiliated breweries (ie not just what is produced for the but their worldwide volume) is also attributed to this facility

Production is based on exciseable beer reported to CRA in a calendar year. For greater clarity anything that attracts excise ie spirits, cider etc are included in the production calculation

Currently the 3 markup tiers in BC are

Packaged Beer

< 15,000 Hls packaged beer -markup \$0.97 / Litre
15,000 to 160,000 Hls packaged beer -markup \$1.08 / Litre
160,000 Hls + packaged beer -markup \$1.63 / Litre

Draft Beer

< 15,000 Hls packaged beer -markup \$0.67 / Litre
15,000 to 160,000 Hls packaged beer -markup \$0.75 / Litre
160,000 Hls + packaged beer -markup \$1.12 / Litre

If a brewery has less than 160,000 Hls of production in 2012, the Markups detailed in red become effective April 1,2013, provided it is properly supported and reported by the brewer.

If a brewery exceeds 160,000 Hls in a subsequent year then the transitional rates come into effect.
What are the transitional rates for packaged and draft beer (is there still a distinction as there is now) ?

Yolanda had a sample calculation the appears to be \$1.16 per L up to 160,000 and \$1.75 on the portion above 160,000 Hls ...is that correct?

Finally if a brewer exceeded 160,000 in 2011 and again in 2012 do they remain at the highest markup...ie no access to the transitional markup rate provisions?

Am I on the right track in terms of understanding the implications of the BC markup system?

Thanks in advance for your assistance.

Sincerely



Terry Letwin CFO
terryl@gwbc.ca
Great Western Brewing Company Ltd.
519 2nd Avenue North, Saskatoon, SK S7K 2C6
tel: 1.306.653.4653 ext. 240
cell: 1.306.281.5656
fax: 1.306.653.2166
gwbc.ca

From: Hall, Gord LDB:EX [mailto:Gord.Hall@bcldb.com]
Sent: Saturday, November 17, 2012 1:58 PM
To: Terry Letwin
Cc: Lam, Yolanda LDB:EX
Subject: FW: Amendment to Beer Mark-up Policy

Terry: In my email below I should have said that if you fall below 160,000 hl in calendar 2012 you will be subject to the middle tier mark-up rates in fiscal 2013/14 (beginning April 1 2013), not fiscal 2012/13.

From: Hall, Gord LDB:EX
Sent: Friday, November 16, 2012 1:34 PM
To: 'Terry Letwin'
Cc: Lam, Yolanda LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry:

If your brewery's production falls below 160,000 hl for calendar 2012 it would be subject to the middle tier mark-up rates beginning in fiscal 2012/13. If your brewery were to rise above 160,000 hl in subsequent calendar years, it would be subject to the transitional rates referred to in the November 14 policy amendment letter. Yolanda Lam can fill you in on the process for reporting your 2012 production volumes to the LDB.

From: Terry Letwin [mailto:terryl@gwbc.ca]
Sent: Thursday, November 15, 2012 3:30 PM
To: Hall, Gord LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Hi Gord

Thank you for the clarification.

I was pressing for details because

therefore we would not qualify for the transitional rates as I understand it.

...our 2011 exciseable production was

In 2012 however it is possible
transitional provision rates for 2013?

If this is in fact the case, due we fall into the

Further if that is the case, what is the process for advising the LDB about 2012 production volumes and when would those transitional rates become effective?

Thanks again for any further information you can provide.

Sincerely



Terry Letwin CFO
terryl@gwbc.ca
Great Western Brewing Company Ltd.
519 2nd Avenue North, Saskatoon, SK S7K 2C6
tel: 1.306.653.4653 ext. 240
cell: 1.306.281.5656
fax: 1.306.653.2166
gwbc.ca

From: Hall, Gord LDB:EX [mailto:Gord.Hall@bclddb.com]
Sent: Thursday, November 15, 2012 12:19 PM
To: Terry Letwin
Cc: Lam, Yolanda LDB:EX; Low, Elaine LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry: Yolanda asked me to respond to your attached email.

Production is based upon excisable beer packaged in a calendar year as reported to the Canada Revenue Agency. If a brewery is less than 160,000 hl in 2012, it will qualify for the middle tier mark-ups for the 2012/13 fiscal year and will receive the transitional rates in subsequent years if its calendar production grows above hl. If a brewery's production was greater than 160,000 hl in calendar 2011 it will not receive the middle tier mark-up rates or transitional mark-up rates unless its production falls below 160,000 hl in a future calendar year.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bclddb.com
www.bclddb.com

From: Terry Letwin [mailto:terryl@gwbc.ca]
Sent: Wednesday, November 14, 2012 10:38 PM
To: Lam, Yolanda LDB:EX
Subject: Re: Amendment to Beer Mark-up Policy

Hello Yolanda

Thank for the advice of changes to the beer markup policy.
I have a couple of questions I hope you can provide clarification on.
First what is the LDB literal interpretation of production...is it beer brewed in a calendar year or beer packaged in the year that was Excisable or for simplicity...where production equals sales?
Maybe this example would be telling if 1000 hls are brewed in a year 800 is packaged and 500 is sold....what is the production? How does net change in inventory from year to year factor in the equation?
Secondly regarding the transitional provisions...what is the implication of less than 160,000 hl in 2012 vs less than or greater than 160,000 in 2011...when does the transitional rate kick in?

Thanks in advance for your assistance.
Sincerely



Terry Letwin CFO

terryl@gwbc.ca

Great Western Brewing Company Ltd.

519 2nd Avenue North, Saskatoon, SK S7K 2C6

tel: 1.306.653.4653 ext. 240

cell: 1.306.281.5656

fax: 1.306.653.2166

gwbc.ca

From: Lam, Yolanda LDB:EX [<mailto:Yolanda.Lam@bcldb.com>]

Sent: Wednesday, November 14, 2012 05:29 PM

Subject: Amendment to Beer Mark-up Policy

Hello,

Please see the attached letter in regards to the Beer Mark-up Policy Amendment.

Thank you.

Yolanda Lam

Costing and Pricing Analyst

Costing and Pricing Department

BC Liquor Distribution

Telephone: (604) 252-3348

Fax: (604) 252-3322

E-mail: yolanda.lam@bcldb.com

Bissoondatt, Roger LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 20, 2012 5:15 PM
To: Wanamaker, Lori JAG:EX
Subject: FW: deck

The small brewers from BC in the 15,000 – 160,000 hl category are (bracketed figures are 2011 hectolitre production):

Pacific Western Brewery
Northam Brewery
Mark Anthony
Philips Brewing
Vancouver Island Brewing
Fireweed Brewing
Russell Brewing (figure not available)

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, November 21, 2012 9:08 AM
To: Bissoondatt, Roger LDB:EX
Subject: letter

Roger, I will need a letter retracting the formula used in the November 14 letter and issuing the schedule of incremental increases by about noon today. Thanks.

Lori Wanamaker, FCA
Deputy Minister and Deputy Solicitor General
Ministry of Justice
11th Floor, 1001 Douglas Street, Victoria
Phone: 250 356-0149 | Fax: 250 387-6224



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Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, November 21, 2012 11:14 AM
To: Bissoondatt, Roger LDB:EX
Subject: Re: Beer Mark-up Rates

Can you pls provide me with both. Thanks.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Nov 21, 2012, at 11:09 AM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, yes ^s The attached shows the change. I apologize for missing that when I inputted the rates. Per Tobie's note below do you also want one for draft beer using the existing rate?

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, November 21, 2012 10:37 AM
To: Bissoondatt, Roger LDB:EX
Subject: Fwd: Beer Mark-up Rates

If you look at the attached spreadsheet, the current rate is indicated at

s.13

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

Begin forwarded message:

From: "Myers, Tobie A EMNG:EX" <Tobie.Myers@gov.bc.ca>
Date: November 21, 2012 10:32:56 AM PST
To: "Wanamaker, Lori JAG:EX" <Lori.Wanamaker@gov.bc.ca>
Subject: FW: Beer Mark-up Rates

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, November 20, 2012 2:36 PM
To: Coleman, Rich MEM:EX

Cc: Myers, Tobie A EMNG:EX
Subject: FW: Beer Mark-up Rates

s.13, s.17

As this calculation only relates to packaged beer, we are doing a similar calculation for draft beer.

Lori

<Small Brewery mark up transition to s.13 transition - Nov 2012 revised.xlsx>

s.13, s.17

Low, Elaine LDB:EX

From: Low, Elaine LDB:EX
Sent: Wednesday, November 21, 2012 12:09 PM
To: Hall, Gord LDB:EX
Subject: FW: Amendment to Beer Mark-up Policy

Gord,

This email was received yesterday. I understand that you are handling all communications.

From: Lam, Yolanda LDB:EX
Sent: Tuesday, November 20, 2012 4:14 PM
To: Low, Elaine LDB:EX
Cc: Lowe, Levona LDB:EX
Subject: FW: Amendment to Beer Mark-up Policy

Hi Elaine,

Please see email below. It is Terry Letwin with Great Western Brewing Company. Gord Hall had already answered some questions he had earlier. I will forward those emails to you.

Thank you.

Yolanda Lam
Costing Clerk
Costing and Pricing Department
BC Liquor Distribution
Telephone: (604) 252-3348
Fax: (604) 252-3322
E-mail: yolanda.lam@bcldb.com

From: Terry Letwin [<mailto:terryl@gwbc.ca>]
Sent: Tuesday, November 20, 2012 4:08 PM
To: Lam, Yolanda LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Hello Yolanda

Thank you for referring me to Gord Hall to sort out some of the nitty gritty aspects of the markup structure.

For clarity can I pose some further questions to you

Currently the 3 markup tiers in BC are

Packaged Beer

< 15,000 Hls packaged beer -markup \$0.97 / Litre
15,000 to 160,000 Hls packaged beer -markup \$1.08 / Litre
160,000 Hls + packaged beer -markup \$1.63 / Litre

Draft Beer

< 15,000 Hls packaged beer -markup \$0.67 / Litre
15,000 to 160,000 Hls packaged beer -markup \$0.75 / Litre
160,000 Hls + packaged beer -markup \$1.12 / Litre

In the sample calculation with your memo you make reference to \$1.16 and \$1.75 as markup rates.
Neither of these markup rates are currently in effect and both are greater than the current highest rates of markup
Am I confusing the calculations?

Will there be transitional rates specifically for packaged beer and draft beer?

Thank you for your assistance on the questions above.

Sincerely



Terry Letwin CFO
terryl@gwbc.ca
Great Western Brewing Company Ltd.
519 2nd Avenue North, Saskatoon, SK S7K 2C6
tel: 1.306.653.4653 ext. 240
cell: 1.306.281.5656
fax: 1.306.653.2166
gwbc.ca

From: Lam, Yolanda LDB:EX [<mailto:Yolanda.Lam@bcldb.com>]
Sent: Wednesday, November 14, 2012 5:30 PM
Subject: Amendment to Beer Mark-up Policy

Hello,

Please see the attached letter in regards to the Beer Mark-up Policy Amendment.

Thank you.

Yolanda Lam
Costing and Pricing Analyst
Costing and Pricing Department
BC Liquor Distribution
Telephone: (604) 252-3348
Fax: (604) 252-3322
E-mail: yolanda.lam@bcldb.com

Low, Elaine LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 21, 2012 1:02 PM
To: Wanamaker, Lori JAG:EX
Cc: Hall, Gord LDB:EX; Low, Elaine LDB:EX
Subject: Small Brewery mark up letter
Attachments: 2012-11-21_Beer_Mark-up_Ltr_Amendment.docx.docx; Small Brewery mark up transition to 400K transition - Packaged and Draft - Nov 2012 rates.xlsx; Small Brewery mark up transition to 400K transition - Packaged and Draft - April 2013 rates.xlsx

Hi Lori, attached is the draft of the letter to be sent. It is written using the current Nov 2012 rates since it refers to the original letter which used the current rates. I am also attaching the rates for Nov 2012 and April 2013 for Packaged and Draft beer so that you have all of the information in one e-mail. Please let me know if / what changes are required.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com



**LIQUOR
DISTRIBUTION
BRANCH**

November 21, 2012

To: Domestic Beer Suppliers and Import Beer Agents

Re: Amendment to Beer Mark-up Policy

On November, 14, 2012 I sent you a letter regarding a change to the LDB's beer mark-up policy for small brewers. One element of the policy change discussed in the letter, which I have attached for your reference, was inaccurate.

619

Please contact me if you have any questions at Elaine.low@bcldb.com or 604-252-3150.

Yours truly,

Elaine Low
Acting Chief Financial Officer

cc: Roger Bissoondatt, Liquor Distribution Branch
Kelly Wilson, Liquor Distribution Branch
Bill Michael, Liquor Distribution Branch
Gord Hall, Liquor Distribution Branch

s.13, s.17

s.13, s.17

s.13, s.17

Low, Elaine LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 21, 2012 10:16 PM
To: Wanamaker, Lori JAG:EX
Cc: Low, Elaine LDB:EX; Hall, Gord LDB:EX
Subject: Re: Small Brewery mark up letter

Hi Lori, I will not be in the office in the morning and I do not have my Laptop with me to get remote access.
I will ask Elaine to do the calculations, I am not sure if she has the model
however I will see how it can be done.

Roger

Roger M. Bissoondatt
A/ General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

On 2012-11-21, at 7:21 PM, "Wanamaker, Lori JAG:EX" <Lori.Wanamaker@gov.bc.ca> wrote:

Roger - thanks for this. Can you do a couple more scenarios by midmorning tomorrow. Transitioning to the highest rate at . Thanks.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Nov 21, 2012, at 1:02 PM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, attached is the draft of the letter to be sent. It is written using the current Nov 2012 rates since it refers to the original letter which used the current rates. I am also attaching the rates for Nov 2012 and April 2013 for Packaged and Draft beer so that you have all of the information in one e-mail. Please let me know if / what changes are required.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

<2012-11-21_Beer_Mark-up_Ltr_Amendment.docx.docx>

<Small Brewery mark up transition to 400K transition - Packaged and Draft - Nov 2012 rates.xlsx>

<Small Brewery mark up transition to
April 2013 rates.xlsx>

s.13

Packaged and Draft -

Low, Elaine LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 21, 2012 10:27 PM
To: Low, Elaine LDB:EX
Subject: Fw: Schedule
Attachments: Small Brewery mark up transition to s13 Packaged beer - Nov 2012 revised.xlsx;
Small Brewery mark up transition to s13 Draft Beer- Nov 2012.xlsx

Hi Elaine, I do not know if these files can be used. I think they have the formula on the first cell with the rate to be applied on the incremental. If you change the rates the calculation should flow. In this way you should be able to determine the rates for what Lori wants.

I am unable to do it on the i-Pad. Let me know if you have any questions.

Roger

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 21, 2012 09:06 PM
To: s22
Subject: Fw: Schedule

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 21, 2012 11:34 AM
To: Welt, Lilian LDB:EX
Subject: Schedule

Here are the two files to be used for the Nov 2012 rates.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

s.13, s.17

s.13, s.17

Bissoondatt, Roger LDB:EX

From: Wanamaker, Lori JAG:EX
Sent: Thursday, November 22, 2012 9:06 AM
To: Bissoondatt, Roger LDB:EX
Subject: RE: Small Brewery mark up letter

thx

From: Bissoondatt, Roger LDB:EX
Sent: Thursday, November 22, 2012 8:55 AM
To: Wanamaker, Lori JAG:EX
Subject: Re: Small Brewery mark up letter

Hi Lori, I just spoke with Elaine and she is working on the numbers and will send you the schedules of rates for and 300,000 using the current and April 2013 rates.

5/3

Roger

Roger M. Bissoondatt
A/ General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

On 2012-11-21, at 7:21 PM, "Wanamaker, Lori JAG:EX" <Lori.Wanamaker@gov.bc.ca> wrote:

Roger - thanks for this. Can you do a couple more scenarios by midmorning tomorrow. Transitioning to the highest rate at . Thanks.

5/3

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

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Roger

Roger M. Bissoondatt
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BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

<2012-11-21_Beer_Mark-up_Ltr_Amendment.docx.docx>

<Small Brewery mark up transition to 400K transition - Packaged and Draft - Nov 2012 rates.xlsx>

<Small Brewery mark up transition to 400K transition - Packaged and Draft - April 2013 rates.xlsx>

Bissoondatt, Roger LDB:EX

From: Low, Elaine LDB:EX
Sent: Thursday, November 22, 2012 10:04 AM
To: Bissoondatt, Roger LDB:EX; Wanamaker, Lori JAG:EX
Cc: Hall, Gord LDB:EX
Subject: RE: Small Brewery mark up letter
Attachments: Schedule Small Brewery mark up transition to ^{s.13} transition - Packaged and Draft - Nov 2012 rates.xlsx; Schedule Small Brewery mark up transition to ^{s.13} transition - Packaged and Draft - April 2013 rates.xlsx; Schedule Small Brewery mark up transition to ^{s.13} transition - Packaged and Draft - April 2013 rates.xlsx; Schedule Small Brewery mark up transition to ^{s.13} transition - Packaged and Draft - Nov 2012 rates.xlsx

Attached are 4 schedules – rates for Nov 2012 and April 2013 for reaching maximum thresholds at ^{s.13} and 300,000HL.

Please let me know if the letter needs to be updated.

Regards,
Elaine Low
Acting Chief Financial Officer
Liquor Distribution Branch
phone - 604-252-3158
fax - 604-252-3175
elaine.low@bcldb.com
www.bcldb.com

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 21, 2012 10:16 PM
To: Wanamaker, Lori JAG:EX
Cc: Low, Elaine LDB:EX; Hall, Gord LDB:EX
Subject: Re: Small Brewery mark up letter

Hi Lori,

^{s.22} however I will see how it can be done.

^{s.22} and I do not have my Laptop with me to get remote access. I am on my
I will ask Elaine to do the calculations, I am not sure if she has the model

Roger

Roger M. Bissoondatt
A/ General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

On 2012-11-21, at 7:21 PM, "Wanamaker, Lori JAG:EX" <Lori.Wanamaker@gov.bc.ca> wrote:

Roger - thanks for this. Can you do a couple more scenarios by midmorning tomorrow. Transitioning to the highest rate at ^{s.13} Thanks.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Nov 21, 2012, at 1:02 PM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, attached is the draft of the letter to be sent. It is written using the current Nov 2012 rates since it refers to the original letter which used the current rates. I am also attaching the rates for Nov 2012 and April 2013 for Packaged and Draft beer so that you have all of the information in one e-mail. Please let me know if / what changes are required.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

<2012-11-21_Beer_Mark-up_Ltr_Amendment.docx.docx>

<Small Brewery mark up transition to 400K transition - Packaged and Draft - Nov 2012 rates.xlsx>

<Small Brewery mark up transition to 400K transition - Packaged and Draft - April 2013 rates.xlsx>

s.13, s.17

s.13, s.17

s.13, s.17

s 13, s 17

Bissoondatt, Roger LDB:EX

From: Bissoondatt, Roger LDB:EX
Sent: Thursday, November 22, 2012 12:31 PM
To: Low, Elaine LDB:EX
Subject: Re: Small Brewery mark up letter

You should let her know the rate you are using _

s.13

Roger

From: Low, Elaine LDB:EX
Sent: Thursday, November 22, 2012 12:28 PM
To: Bissoondatt, Roger LDB:EX
Subject: FW: Small Brewery mark up letter

She doesn't state what rate she is using. Do you think I answered her question?

From: Wanamaker, Lori JAG:EX
Sent: Thursday, November 22, 2012 12:13 PM
To: Low, Elaine LDB:EX; Bissoondatt, Roger LDB:EX
Cc: Hall, Gord LDB:EX
Subject: RE: Small Brewery mark up letter

My calculation>>>

160000*100 to convert to liters
*1000 to convert to milliliters
Divided by 341 to convert to bottles
Divided by 12 to convert to case

I am sure that your numbers are more accurate and I thank you for pulling them together.

From: Low, Elaine LDB:EX
Sent: Thursday, November 22, 2012 11:01 AM
To: Wanamaker, Lori JAG:EX; Bissoondatt, Roger LDB:EX
Cc: Hall, Gord LDB:EX
Subject: RE: Small Brewery mark up letter

Lori,
I do not understand the question. Can show me how you calculated the

s.13

s.13

Elaine

From: Wanamaker, Lori JAG:EX
Sent: Thursday, November 22, 2012 10:31 AM
To: Low, Elaine LDB:EX; Bissoondatt, Roger LDB:EX

Cc: Hall, Gord LDB:EX
Subject: RE: Small Brewery mark up letter

Thanks Elaine. I have another question –

s.13

From: Low, Elaine LDB:EX
Sent: Thursday, November 22, 2012 10:04 AM
To: Bissoondatt, Roger LDB:EX; Wanamaker, Lori JAG:EX
Cc: Hall, Gord LDB:EX
Subject: RE: Small Brewery mark up letter

Attached are 4 schedules – rates for Nov 2012 and April 2013 for reaching maximum thresholds at ^{s.13} and 300,000HL.

Please let me know if the letter needs to be updated.

Regards,
Elaine Low
Acting Chief Financial Officer
Liquor Distribution Branch
phone - 604-252-3158
fax - 604-252-3175
elaine.low@bcldb.com
www.bcldb.com

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, November 21, 2012 10:16 PM
To: Wanamaker, Lori JAG:EX
Cc: Low, Elaine LDB:EX; Hall, Gord LDB:EX
Subject: Re: Small Brewery mark up letter

Hi Lori, ^{s.22} ^{s.22} and I do not have my Laptop with me to get remote access. I am on my
however I will see how it can be done. I will ask Elaine to do the calculations, I am not sure if she has the model

Roger

Roger M. Bissoondatt
A/ General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

On 2012-11-21, at 7:21 PM, "Wanamaker, Lori JAG:EX" <Lori.Wanamaker@gov.bc.ca> wrote:

Roger - thanks for this. Can you do a couple more scenarios by midmorning tomorrow. Transitioning to the highest rate at ^{s.13} and 300,000 HL. Thanks.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Nov 21, 2012, at 1:02 PM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, attached is the draft of the letter to be sent. It is written using the current Nov 2012 rates since it refers to the original letter which used the current rates. I am also attaching the rates for Nov 2012 and April 2013 for Packaged and Draft beer so that you have all of the information in one e-mail. Please let me know if / what changes are required.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

<2012-11-21_Beer_Mark-up_Ltr_Amendment.docx.docx>

<Small Brewery mark up transition to 400K transition - Packaged and Draft - Nov 2012 rates.xlsx>

<Small Brewery mark up transition to 400K transition - Packaged and Draft - April 2013 rates.xlsx>

Not Responsive

From: Steilo, Sandra GCPE:EX
Sent: Thursday, November 22, 2012 4:15 PM
To: Shotton, Ryan GCPE:EX
Cc: Cournoyer, Vince LDB:EX
Subject: RE: Changes to the liquor policy

Hi Vince: this is what was signed off on and sent to Frank. Thx
s

s 13

From: Shotton, Ryan GCPE:EX
Sent: Thursday, November 22, 2012 3:27 PM
To: Steilo, Sandra GCPE:EX
Subject: RE: Changes to the liquor policy

LDB response:

The small brewery mark-up policy is currently under review, an announcement is expected in the near future.

From: Steilo, Sandra GCPE:EX
Sent: Thursday, November 22, 2012 2:59 PM
To: Shotton, Ryan GCPE:EX
Subject: FW: Changes to the liquor policy

Can you work with Vince or whoever to come up with a response to this pls? We didn't end up sending anything on background to anyone yesterday- but I know there are many versions of a fact sheet/q and a floating around, lost count of how many times it updated.

From: Frank Peebles [mailto:FPeebles@pgcitizen.ca]

Sent: Thursday, November 22, 2012 2:47 PM

To: Steilo, Sandra GCPE:EX

Subject: RE: Changes to the liquor policy

I need to know a few things for sure and for certain, and "on background" would be fine, I don't need the minister to speak to me unless he has a definitive statement.

In the meantime, what I need to have as fact is a non-quote description of the laws as they now stand. As I understand it, the tax laws used to be one way (tax brackets that were all-in for a brewing company as each hectalitre threshold was passed) and the rules were changed (tax brackets that slide higher as a brewing company's production slides higher), but now that change is under protest. Is this an accurate description of the situation?

From: Steilo, Sandra GCPE:EX [mailto:Sandra.Steilo@gov.bc.ca]

Sent: Thursday, November 22, 2012 2:38 PM

To: Frank Peebles

Subject: Changes to the liquor policy

Hi Frank:

I understand you were looking for information on when an announcement will be made on changes to the liquor policy. On background please, we're not expecting an announcement on this issue, today. The Minister will be happy to speak to you once an announcement is made.

Thanks

Sandra Steilo

Communications

BC Ministry of Energy, Mines and Natural Gas

and Minister Responsible for Housing

250.952.0617



Please consider the environment before printing this email.

From:
Sent: Thursday, November 22, 2012 10:09 AM
To: FOI Requests SSBC:EX
Subject: Liquor Control and Licensing Branch.

Via e-mail: foi.requests@gov.bc.ca

October 14, 2011

To Whom It May Concern:

I would like to make a freedom of information request for the following information:

All correspondence, memos, and reports regarding the tax changes to Pacific Western Brewing in the Liquor Control and Licensing Branch.

I have referred to the tax changes in the below news article.

Attempt to ease tax burden on small breweries needs rework: Rich Coleman

By GORDON HOEKSTRA, Vancouver Sun November 21, 2012

Page 138

Withheld pursuant to/removal as

Copyright

ghoekstra@vancouver.sun.com

Read more:

<http://www.vancouver.sun.com/news/Brewery+that+backed+Liberals+stands+gain+from+liquor+change/7590495/story.html#ixzz2Cya5WEky>

Wanamaker, Lori JAG:EX

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 20, 2012 5:15 PM
To: Wanamaker, Lori JAG:EX
Subject: FW: deck

The small brewers from BC in the 15,000 – 160,000 hl category are (bracketed figures are 2011 hectolitre production):

Pacific Western Brewery	[15,000]
Northam Brewery	[15,000]
Mark Anthony	[15,000]
Philips Brewing	[15,000]
Vancouver Island Brewing	[15,000]
Fireweed Brewing	[15,000]
Russell Brewing	(figure not available)

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

)

Hoskins, Jeannie JAG:EX

From: Hoskins, Jeannie JAG:EX
Sent: Tuesday, November 20, 2012 10:03 AM
To: Stewart, Ashley EMNG:EX; Gajda, Gail EMNG:EX
Cc: Cornett, Kathy M JAG:EX; Dahlke, Cindy LDB:EX; Jones, Kathleen MEM:EX
Subject: Briefing Note re Ministers' Meeting with Canada's National Brewers - November 22 - 486369
Attachments: 2012-11-19_BNI_Meeting_Brewers_486369.docx
Importance: High
Sensitivity: Confidential

The attached briefing note has been approved by the Deputy Solicitor General and is for the Minister's meeting with Canada National Brewers on November 22nd. Gord Hall will be attending the meeting in person, Barry Bieller by phone.

Thank you.

Jeannie Hoskins
Executive Coordinator
Office of the Deputy Solicitor General
Ministry of Justice

**MINISTRY OF ENERGY, MINES AND NATURAL GAS
LIQUOR DISTRIBUTION BRANCH
LIQUOR CONTROL AND LICENSING BRANCH
BRIEFING NOTE**

**PREPARED FOR: Honourable Rich Coleman, Minister
FOR INFORMATION**

ISSUE:

Minister's meeting with Canada's National Brewers (CNB) representative, Bryan Cox on November 22, 2012.

BACKGROUND:

The CNB is an industry association representing Canada's three largest brewers – Labatt, Molson/Coors and Sleeman. The products produced by these companies, including the imported products they represent as agents, account for 85 per cent of the dollar value of beer sales in the province.

Bryan Cox is the head of the CNB for Western Canada.

DISCUSSION:

It is likely Bryan Cox will raise the following issues with the Minister.

s.12, Not Responsive

2. Small Brewery Mark-up Policy

The LDB has lower rates of mark-up for small breweries. The LDB has two tiers of small brewery for mark-up purposes: those with annual production of 0 – 15,000 hectoliters (hl) and 15,000 – 160,000 hl.

s.13

s.13

On November 14, 2012, the LDB notified the beer industry of an amendment to small brewery policy. Effective immediately, breweries in the 15,000 – 160,000 hl category will not be subject to the large brewery mark-up rates when they grow above 160,000 hl, rather they will receive the lower rates of mark-up on the first 160,000 hl and the large brewery mark-up rates on production from 160,000 hl to 400,000 hl (the LDB will

calculate a blended mark-up rate based on the proportion of a brewery's production within these two production ranges). Above 400,000 hl, the large brewery rates will apply.

s.13

s.13

Not Responsive


CNB believes that minimum prices should be increased regularly for inflation. CNB also believes that LRSs should not be allowed to sell below GLS minimum prices. An increase in the minimum price on beer generates additional revenue for breweries but not for government because the LDB's beer mark-ups are volume based.

Prepared by:

Gord Hall, LDB, 604-252-3021
Barry Bieller, LCLB, 604-952-5755
LDB

Approved by:

Roger Bissoondatt
Acting General Manager, LDB
Karen Ayers
General Manager and ADM, LCLB


Approved by
Deputy Solicitor General

Hoskins, Jeannie JAG:EX

From: Dahlke, Cindy LDB:EX
Sent: Monday, November 19, 2012 3:07 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Hall, Gord LDB:EX; Wilson, Kelly LDB:EX; Low, Elaine LDB:EX; Cournoyer, Vince LDB:EX
Subject: Briefing Note re Ministers' Meeting with Canada's National Brewers - November 22 - 486369
Attachments: 2012-11-19_BNI_Meeting_Brewers_486369.docx
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a briefing note for Minister Coleman regarding a meeting he and Minister de Jong have with Canada National Brewers on **November 22, 2102. *This had been requested by the Minister's office.***

Roger Bissoondatt has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

*L-Gord Hall
attending in person,
Barry Beutler by phone*

Wanamaker, Lori JAG:EX

From: Hall, Gord LDB:EX
Sent: Tuesday, October 16, 2012 11:51 AM
To: Wanamaker, Lori JAG:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Subject: RE: Policy Proposals
Attachments: Policy Proposals2.docx

Lori: Based on your comments I've revised the document as follows:

s.13

Not Responsive

From: Wanamaker, Lori JAG:EX
Sent: Monday, October 15, 2012 5:52 PM
To: Hall, Gord LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Subject: RE: Policy Proposals

Hi Gord – thanks for your note. I have a couple of comments:

s.13

Not Responsive

Thanks again.

Lori

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 5:14 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Wanamaker, Lori JAG:EX
Subject: Policy Proposals

Per our discussions today, attached is the document outlining the implications of specific liquor policy proposals.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Proposed Liquor Policy Changes With Revenue Implications

Increase Small Brewery Threshold

s.13, s.17

Not Responsive

Not Responsive, s.12

Not Responsive, s.17

Wanamaker, Lori JAG:EX

From: Wanamaker, Lori JAG:EX
Sent: Friday, October 12, 2012 2:49 PM
To: Bissoondatt, Roger LDB:EX
Cc: Ayers, Karen J MEM:EX
Subject: Small brewers

s13

I would like to review this policy change before any communication to producers.

Thanks.

Lori

Lori Wanamaker, FCA

Deputy Minister and Deputy Solicitor General
Ministry of Justice
11th Floor, 1001 Douglas Street, Victoria
Phone: 250 356-0149 | Fax: 250 387-6224



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Wanamaker, Lori JAG:EX

From: Bissoondatt, Roger LDB:EX
Sent: Thursday, October 11, 2012 12:33 PM
To: Wanamaker, Lori JAG:EX
Subject: Re: Small Brewery BN for Your Review

This is correct

From: Wanamaker, Lori JAG:EX
Sent: Thursday, October 11, 2012 11:11 AM
To: Bissoondatt, Roger LDB:EX
Subject: Re: Small Brewery BN for Your Review

One more question....

s.13

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Oct 11, 2012, at 10:08 AM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, here is the information you requested. Hopefully this answers MRC's questions.

From: Hall, Gord LDB:EX
Sent: Thursday, October 11, 2012 10:05 AM
To: Bissoondatt, Roger LDB:EX
Subject: RE: Small Brewery BN for Your Review

s.13, s.17

s.21, s.17

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, October 10, 2012 3:37 PM
To: Bissoondatt, Roger LDB:EX
Subject: Re: Small Brewery BN for Your Review

s.13, s.17

Ian meeting with him tomorrow and would like to have the details on this option. No need to rewrite the BN. Thanks.

Lori

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Oct 10, 2012, at 10:34 AM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, I just received and having a look at it during my conference call with Provincial Treasury.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Hall, Gord LDB:EX
Sent: Wednesday, October 10, 2012 10:29 AM
To: Bissoondatt, Roger LDB:EX
Cc: Dahlke, Cindy LDB:EX
Subject: Small Brewery BN for Your Review

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

<BND Small Brewery.doc>

Wanamaker, Lori JAG:EX

From: Bissoondatt, Roger LDB:EX
Sent: Thursday, October 11, 2012 10:08 AM
To: Wanamaker, Lori JAG:EX
Subject: FW: Small Brewery BN for Your Review

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From: Hall, Gord LDB:EX
Sent: Thursday, October 11, 2012 10:05 AM
To: Bissoondatt, Roger LDB:EX
Subject: RE: Small Brewery BN for Your Review

s.13, s.17, s.21

s.21, s.17

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, October 10, 2012 3:37 PM
To: Bissoondatt, Roger LDB:EX
Subject: Re: Small Brewery BN for Your Review

s.13, s.17

Ian meeting with him tomorrow and would like to have the details on this option. No need to rewrite the BN. Thanks.

Lori

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

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Cc: Dahlke, Cindy LDB:EX
Subject: Small Brewery BN for Your Review

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

<BND Small Brewery.doc>

Cornett, Kathy M JAG:EX

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, May 22, 2012 4:20 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Mark-up Policy - #479175
Attachments: 2012-05-22_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is an *updated* briefing note for information for Minister Coleman regarding the Small Brewery Mark-up Policy. ***Revised per Lori's request.***

Jay Chambers has approved it.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
2625 Rupert Street, Vancouver BC V5M 3T5
Phone: 604-252-3021 | **Fax:** 604-252-3026
www.bcliquorstores.com



* THINK GREEN: Do you really need to print this e-mail?

From: Cornett, Kathy M JAG:EX
Sent: Thursday, May 17, 2012 8:55 AM
To: Gajda, Gail MEM:EX; McKnight, Valerie MEM:EX
Cc: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX; Welt, Lilian LDB:EX; Jones, Kathleen MEM:EX
Subject: 479175 - Information BN re Small Brewery Mark-up Policy
Attachments: 479175 - BN re Small Brewery Mark-up Policy - May 15, 2012.doc

The attached Briefing Note has been approved by Lori Wanamaker, Deputy Solicitor General, and is for Minister Coleman's **information**.

Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant
Office of the Deputy Solicitor General
Ministry of Justice
Phone: 250 387-5362 Fax: 250 387-6224

**MINISTRY OF ENERGY AND MINES
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PREPARED FOR: Honourable Rich Coleman
FOR INFORMATION

ISSUE:

Small Brewery Mark-up Policy

BACKGROUND:

The LDB has three tiers of mark-up on beer. Companies that produce 15,000 hectolitres (hl) or less have the lowest mark-up applied, companies that produce between 15,000 – 160,000 hl have the next lowest mark-up applied and companies producing more than 160,000 hl have the highest mark-up applied. A hectoliter is 100 litres, or about 25 dozen beer. The LDB's mark-up rates for packaged beer, based on annual brewery production, are shown in Attachment 1.

The purpose of this policy is to support small brewing companies that do not have the economies of scale of large companies. In order to direct the lower mark-up benefit to small companies, beer production is based on the total amount of beer produced by all facilities owned by the same company (e.g. a small brewery owned by a large brewery would not qualify).

It is important to note that if a brewer exceeds the 15,000 hl threshold for tier one, and for example produces 15,100 hl, the entire production volume would be subject to the level two mark-up rate. Likewise, if a brewer exceeds the 160,000 hl threshold for tier two, and for example produces 160,100 hl, the entire production volume would be subject to the highest mark-up rate of tier three.

In order to comply with international and inter-provincial trade agreements, the mark-up policy applies to companies from other provinces and countries in addition to British Columbia companies.

Of the 50 brewing companies operating in British Columbia, 47 currently qualify for small brewery status and three do not. The three that do not are Labatt, Molson and Sleeman (Okanagan Spring) which are subsidiaries of large international companies. There are three British Columbia breweries (Pacific Western Brewery, Kamloops Brewery, Vancouver Island Brewery) that are in the 15,000 – 160,000 hl brewery category and the rest are in the <15,000 hl category. A small number of foreign and out-of-province breweries also qualify for small brewery status.

The LDB's second tier small brewery threshold was increased from 15,000 - 100,000 hl to 15,000 -150,000 hl in 2009 and it was again increased in December 2011 to 15,000 – 160,000 hl.

Other provinces also have lower rates of beer mark-up based on production levels. Only Alberta, at 200,000 hl, has a higher small brewery threshold than the LDB's (see Attachment 2).

The small brewery policy in most other provinces is similar to that of the LDB, in that the mark-up increases on all production volume when a brewery exceeds a threshold. The Alberta system provides for a phase-out, such that a brewery that produces more than Alberta's 200,000 hl threshold retains the lower mark-up rate on the first 200,000 hl, and then a higher rate takes effect for production between 200,000 and 400,000 hl. Should a brewer exceed 400,000 hl, the highest mark-up will be applied to all production volume.

DISCUSSION:

Prince George based Pacific Western Brewery (PWB), which is the largest British Columbia-based brewing company that qualifies for small brewery status, has

s.13

s.21

PWB primarily markets low priced beer.

In announcing the threshold increase via a letter, the LDB's General Manager, Jay Chambers, informed industry stakeholders that the LDB was undertaking a review of small brewery mark-up policy and would be consulting with them during the review. The feedback from the consultations with industry is summarized below (only industry organizations that provided an opinion are shown).

Canada's National Brewers (CNB), which represents the three major domestic brewers Labatt, Molson and Sleeman, [REDACTED]

s.13

CNB recommends:

s.13

Pacific Western Brewery (PWB) argues the

s.13

s.13

PWB recommends:

s.13

The BC Craft Brewers Guild

s.13

s.13

The Guild recommends:

s.13

The Mark Anthony Group (MAG), which owns a brewery in Delta, recommends

s.13, s.17

s.13, s.17

Options:

Option 1:

s.13

Pros:

s.13

Cons:

s.13

Option 2:

s.13

Pros:

s.13

Cons:

s.13, s.17

Option 3:

s.13

Pros:


s.13

Cons:

s.13

Approved by:
Jay Chambers
General Manager
Liquor Distribution Branch
604 252-3021

Prepared by:
Vince Cournoyer
Senior Policy Analyst
Liquor Distribution Branch
604 252-2872


Approved by
Deputy Solicitor General

Attachment 1

Beer Mark-up Rates by Brewery Size

Brewery Size (Production)	Packaging Format	Mark-up Rates
> 160,000 hectolitres (hl)	Packaged	\$1.75 per litre
	Draft	\$1.20 per litre
15,001 - 160,000 hl	Packaged	\$1.16 per litre
	Draft	\$0.81 per litre
0 - 15,000 hl	Packaged	\$1.04 per litre
	Draft	\$0.72 per litre

Attachment 2

Maximum Production Threshold for Small Breweries

Province	Small Brewery Production Threshold
British Columbia	160,000
Alberta*	200,000/400,000*
Saskatchewan	150,000
Manitoba	35,000
Ontario	75,000
Quebec	150,000
Nova Scotia	15,000
New Brunswick	15,000
Newfoundland	10,000
PEI	N/A

*Note: If a company's volume grows beyond 200,000 hl, it receives the lower rate of beer mark-up on the first 200,000 hl sold in Alberta and the higher rate on additional sales until total company production exceeds 400,000 hl, at which point the higher rate applies to all beer sales. Only breweries that entered the Alberta market when they were less than 200,000 hl qualify for the transitional mark-up treatment between 200,000 hl and 400,000 hl. Alberta's determination of production includes all beverage products by a company (beer, soft drinks, bottled water etc.).

From: Welt, Lilian LDB:EX
Sent: Wednesday, May 16, 2012 12:40 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: Briefing Note re: Small Brewery Mark-up Policy - Log #479175
Attachments: 2012-05-15_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is an updated briefing note for information for Minister Coleman regarding the Small Brewery Mark-up Policy.

Jay Chambers has approved it.

Thanks!

Lilian Welt

Administrative Assistant

General Manager's Office | BC Liquor Distribution Branch

Ph: (604) 252-3027 Fax: (604) 252-3026



* THINK GREEN: Do you really need to print this e-mail?

Ayers, Karen J MEM:EX

From: Hall, Gord LDB:EX
Sent: Friday, November 16, 2012 1:35 PM
To: Ayers, Karen J MEM:EX; Bieller, Barry MEM:EX
Subject: FW: Amendment to Beer Mark-up Policy

FYI.

From: Hall, Gord LDB:EX
Sent: Friday, November 16, 2012 1:34 PM
To: 'Terry Letwin'
Cc: Lam, Yolanda LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry:

If your brewery's production falls below 160,000 hl for calendar 2012 it would be subject to the middle tier mark-up rates beginning in fiscal 2012/13. If your brewery were to rise above 160,000 hl in subsequent calendar years, it would be subject to the transitional rates referred to in the November 14 policy amendment letter. Yolanda Lam can fill you in on the process for reporting your 2012 production volumes to the LDB.

From: Terry Letwin [<mailto:terryl@gwbc.ca>]
Sent: Thursday, November 15, 2012 3:30 PM
To: Hall, Gord LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Hi Gord

Thank you for the clarification.

I was pressing for details because we were very close to the cutoff ...our 2011 exciseable production was s.21 therefore we would not qualify for the transitional rates as I understand it.

In 2012 however it is possible we will fall below the 160,000 HI threshold. If this is in fact the case, due we fall into the transitional provision rates for 2013?

Further if that is the case, what is the process for advising the LDB about 2012 production volumes and when would those transitional rates become effective?

Thanks again for any further information you can provide.

Sincerely



Terry Letwin CFO
 terryt@gwbc.ca
 Great Western Brewing Company Ltd.
 519 2nd Avenue North, Saskatoon, SK S7K 2C6
 tel: 1.306.653.4653 ext. 240
 cell: 1.306.281.5656
 fax: 1.306.653.2166
 gwbc.ca

From: Hall, Gord LDB:EX [mailto:Gord.Hall@bcdlb.com]
Sent: Thursday, November 15, 2012 12:19 PM
To: Terry Letwin
Cc: Lam, Yolanda LDB:EX; Low, Elaine LDB:EX
Subject: RE: Amendment to Beer Mark-up Policy

Terry: Yolanda asked me to respond to your attached email.

Production is based upon excisable beer packaged in a calendar year as reported to the Canada Revenue Agency. If a brewery is less than 160,000 hl in 2012, it will qualify for the middle tier mark-ups for the 2012/13 fiscal year and will receive the transitional rates in subsequent years if its calendar production grows above 160,000 hl up until 400,000 hl. If a brewery's production was greater than 160,000 hl in calendar 2011 it will not receive the middle tier mark-up rates or transitional mark-up rates unless its production falls below 160,000 hl in a future calendar year.

Gord Hall, Director, Corporate Policy
 British Columbia Liquor Distribution Branch
 Phone: 604-252-3035 Fax: 604-252-3026
 gord.hall@bcdlb.com
 www.bcdlb.com

From: Terry Letwin [mailto:terryt@gwbc.ca]
Sent: Wednesday, November 14, 2012 10:38 PM
To: Lam, Yolanda LDB:EX
Subject: Re: Amendment to Beer Mark-up Policy

Hello Yolanda

Thank for the advice of changes to the beer markup policy.
 I have a couple of questions I hope you can provide clarification on.
 First what is the LDB literal interpretation of production...is it beer brewed in a calendar year or beer packaged in the year they was Excisable or for simplicity...where production equals sales?

Maybe this example would be telling if 1000 hls are brewed in a year 800 is packaged and 500 is sold....what is the production? How does net change in inventory from year to year factor in the equation?
Secondly regarding the transitional provisions...what is the implication of less than 160,000 hl in 2012 vs less than or greater than 160,000 in 2011...when does the transitional rate kick in?

Thanks in advance for your assistance.
Sincerely



Terry Letwin CFO
terryl@gwbc.ca
Great Western Brewing Company Ltd.
519 2nd Avenue North, Saskatoon, SK S7K 2C6
tel: 1.306.653.4653 ext. 240
cell: 1.306.281.5656
fax: 1.306.653.2166
gwbc.ca

From: Lam, Yolanda LDB:EX [<mailto:Yolanda.Lam@bcldb.com>]
Sent: Wednesday, November 14, 2012 05:29 PM
Subject: Amendment to Beer Mark-up Policy

Hello,

Please see the attached letter in regards to the Beer Mark-up Policy Amendment.

Thank you.

Yolanda Lam
Costing and Pricing Analyst
Costing and Pricing Department
BC Liquor Distribution
Telephone: (604) 252-3348
Fax: (604) 252-3322
E-mail: yolanda.lam@bcldb.com

Ayers, Karen J MEM:EX

From: Hall, Gord LDB:EX
Sent: Wednesday, November 14, 2012 3:49 PM
To: Ayers, Karen J MEM:EX; Bieller, Barry MEM:EX
Subject: Beer Mark-up
Attachments: Small brewery threshold 2012 Nov 14.pdf

Attached letter has just been emailed to industry.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com



**LIQUOR
DISTRIBUTION
BRANCH**

November 14, 2012

To: Domestic Beer Suppliers and Import Beer Agents

Re: **Amendment to Beer Mark-up Policy**

As you are aware, the LDB has different mark-up rates based upon a brewer's consolidated annual production.

The LDB has changed its mark-up policy for brewers whose annual production is between 15,000 hectolitres (hl) and 160,000 hl, and who eventually exceed 160,000 hl. Brewers in this category are now subject to transitional mark-up rates between 160,000 hl and 400,000 hl. These transitional rates are based on a proportional blending of the applicable rates for the 15,000 hl to 160,000 hl category and the applicable rates for the greater than 160,000 hl category.

To qualify for the transitional mark-up rates between 160,000 and 400,000 hl, a brewery must have been selling products in the British Columbia market and had an annual production level of less than 160,000 hl in the 2011 calendar year. The purpose of this policy is to ease the transition into the highest mark-up category.

An example of a transitional mark-up rate calculation for packaged beer from a brewery whose production grows to 180,000 hl, based on current mark-up rates is shown below:

$$\$1.16/\text{litre} + ((20,000\text{hl} \div 180,000\text{hl}) \times (\$1.75/\text{litre} - \$1.16/\text{litre})) = \$1.23/\text{litre}$$

If you have any questions, please contact Elaine Low at Elaine.low@bcdlb.com or 604-252-3150.

Yours truly,

Elaine Low
Acting Chief Financial Officer

cc: Roger Bissoondatt, Liquor Distribution Branch
Kelly Wilson, Liquor Distribution Branch
Bill Michael, Liquor Distribution Branch
Gord Hall, Liquor Distribution Branch

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Monday, October 29, 2012 9:36 AM
To: Bieller, Barry MEM:EX
Subject: FW: Draft letter to industry: REVISED Briefing Note re Small Brewery Production Limit - #485154
Attachments: Document.pdf.pdf
Sensitivity: Confidential

From: Jones, Kathleen MEM:EX
Sent: Monday, October 29, 2012 9:28 AM
To: Ayers, Karen J MEM:EX
Subject: FW: Draft letter to industry: REVISED Briefing Note re Small Brewery Production Limit - #485154
Sensitivity: Confidential

FYI

From: Cornett, Kathy M JAG:EX
Sent: Monday, October 29, 2012 9:21 AM
To: Dahlke, Cindy LDB:EX
Cc: Hoskins, Jeannie JAG:EX; Jones, Kathleen MEM:EX
Subject: Draft letter to industry: REVISED Briefing Note re Small Brewery Production Limit - #485154
Sensitivity: Confidential

Hi Cindy, the attached draft letter going out to industry has been approved by Lori.

Thank you, Kathy

From: Dahlke, Cindy LDB:EX
Sent: Friday, October 26, 2012 3:14 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Production Limit - #485154
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a **revised** briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.*** Also attached for approval is a draft letter to go out to industry from the LDB regarding this change.

Roger Bissoondatt has approved this.

Thanks!

Cindy Dahlke

..... Executive Administrative Assistant
General Manager's Office| **BC Liquor Distribution Branch**
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

DRAFT

To: Domestic Beer Suppliers and Import Beer Agents

Re: Amendment to Beer Mark-up Policy

As you are aware, the LDB has different mark-up rates based upon a brewer's consolidated annual production.

The LDB is changing mark-up policy for brewers that are currently between 15,000 and 160,000 hectolitres (hl). Brewers in this category whose production grows beyond 160,000 hl will be subject to transitional mark-up rates up to 400,000 hl. These transitional rates will be based on a proportional blending of the

s.13

s.13

To qualify for the transitional mark-up rates between 160,000 and 400,000 hl, a brewery must have been selling products in the British Columbia market

s.13

s.13 The purpose of this policy is to ease the transition into the highest mark-up category.

The transitional mark-up rates will be implemented beginning on April 1, 2013, based on production in the 2012 calendar year.

An example of a transitional mark-up rate calculation for packaged beer from a brewery whose production grows to 180,000 hl is shown below.

s.13

s.13

If you have any questions, please e-mail me at Elaine.Low@bcldb.com or contact me at 604 252-3150.

Sincerely,

Elaine Low
Acting Chief Financial Officer


Approved by
Deputy Solicitor General

Ayers, Karen J MEM:EX

From: Jones, Kathleen MEM:EX
Sent: Monday, October 29, 2012 9:28 AM
To: Ayers, Karen J MEM:EX
Subject: FW: Draft letter to industry: REVISED Briefing Note re Small Brewery Production Limit - #485154
Attachments: Document.pdf.pdf
Sensitivity: Confidential

FYI

From: Cornett, Kathy M JAG:EX
Sent: Monday, October 29, 2012 9:21 AM
To: Dahlke, Cindy LDB:EX
Cc: Hoskins, Jeannie JAG:EX; Jones, Kathleen MEM:EX
Subject: Draft letter to industry: REVISED Briefing Note re Small Brewery Production Limit - #485154
Sensitivity: Confidential

Hi Cindy, the attached draft letter going out to industry has been approved by Lori.

Thank you, Kathy

From: Dahlke, Cindy LDB:EX
Sent: Friday, October 26, 2012 3:14 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Production Limit - #485154
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a **revised** briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.*** Also attached for approval is a draft letter to go out to industry from the LDB regarding this change.

Roger Bissoondatt has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office| BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

DRAFT

To: Domestic Beer Suppliers and Import Beer Agents

Re: Amendment to Beer Mark-up Policy

As you are aware, the LDB has different mark-up rates based upon a brewer's consolidated annual production.

The LDB is changing mark-up policy for brewers that are currently between 15,000 and 160,000 hectolitres (hl). Brewers in this category whose production grows beyond 160,000 hl will be subject to transitional mark-up rates up to 400,000 hl. These transitional rates will be based on a proportional blending of the.

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s.13

s.13

If you have any questions, please e-mail me at Elaine.Low@belldb.com or contact me at 604 252-3150.

Sincerely,

Elaine Low
Acting Chief Financial Officer


Approved by
Deputy Solicitor General

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Friday, October 26, 2012 3:18 PM
To: Bieller, Barry MEM:EX; Jones, Kathleen MEM:EX
Subject: FW: REVISED Briefing Note re Small Brewery Production Limit - #485154
Attachments: 2012-10-26_BND-MEM_Small_Brewery_485154.docx; 2012-10-26_Attachment Letter to Industry_485154.docx

Importance: High
Sensitivity: Confidential

FYI and our files

From: Dahlke, Cindy LDB:EX
Sent: Friday, October 26, 2012 3:14 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Production Limit - #485154
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a **revised** briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.*** Also attached for approval is a draft letter to go out to industry from the LDB regarding this change.

Roger Bissoondatt has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

Ayers, Karen J MEM:EX

From: Dahlke, Cindy LDB:EX
Sent: Friday, October 26, 2012 3:14 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Production Limit - #485154
Attachments: 2012-10-26_BND-MEM_Small_Brewery_485154.docx; 2012-10-26_Attachment Letter to Industry_485154.docx

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is a **revised** briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.*** Also attached for approval is a draft letter to go out to industry from the LDB regarding this change.

Roger Bissoondatt has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

Ayers, Karen J MEM:EX

From: Wanamaker, Lori JAG:EX
Sent: Tuesday, October 16, 2012 2:37 PM
To: Hall, Gord LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Subject: RE: Policy Proposals

Thanks Gord. Much appreciated.

Lori

From: Hall, Gord LDB:EX
Sent: Tuesday, October 16, 2012 11:51 AM
To: Wanamaker, Lori JAG:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Subject: RE: Policy Proposals

Lori: Based on your comments I've revised the document as follows:

s.13

Not Responsive

From: Wanamaker, Lori JAG:EX
Sent: Monday, October 15, 2012 5:52 PM
To: Hall, Gord LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Subject: RE: Policy Proposals

Hi Gord – thanks for your note. I have a couple of comments:

s.13

Not Responsive

Thanks again.

Lori

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 5:14 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Wanamaker, Lori JAG:EX
Subject: Policy Proposals

Per our discussions today, attached is the document outlining the implications of specific liquor policy proposals.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Proposed Liquor Policy Changes With Revenue Implications

s.13

Not Responsive

Not Responsive

Ayers, Karen J MEM:EX

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 5:14 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Wanamaker, Lori JAG:EX
Subject: Policy Proposals
Attachments: Policy Proposals.docx

Per our discussions today, attached is the document outlining the implications of specific liquor policy proposals.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Proposed Liquor Policy Changes With Revenue Implications

s.13

Not Responsive

Not Responsive

Ayers, Karen J MEM:EX

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 3:50 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Cournoyer, Vince LDB:EX
Subject: RE: Draft of Liquor Policy Impacts
Attachments: Policy Proposals.docx

Slightly revised version to fix typos caught by Vince (the nit-picker).

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 3:38 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Cournoyer, Vince LDB:EX
Subject: RE: Draft of Liquor Policy Impacts

Attached is a revised draft, based on input from Karen (changes made to last bullet under small brewery and last bullet under Not Responsive

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 12:14 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Cournoyer, Vince LDB:EX
Subject: Draft of Liquor Policy Impacts

Per our discussions, attached is my first draft of the requested document.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Proposed Liquor Policy Changes With Revenue Implications

s.13

Not Responsive

Ayers, Karen J MEM:EX

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 3:38 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Cournoyer, Vince LDB:EX
Subject: RE: Draft of Liquor Policy Impacts
Attachments: Policy Proposals.docx

Attached is a revised draft, based on input from Karen (changes made to last bullet under small brewery and last bullet
Not Responsive

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 12:14 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Cournoyer, Vince LDB:EX
Subject: Draft of Liquor Policy Impacts

Per our discussions, attached is my first draft of the requested document.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Proposed Liquor Policy Changes With Revenue Implications

s.13

Not Responsive

Ayers, Karen J MEM:EX

From: Hall, Gord LDB:EX
Sent: Monday, October 15, 2012 12:14 PM
To: Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX
Cc: Cournoyer, Vince LDB:EX
Subject: Draft of Liquor Policy Impacts
Attachments: Policy Proposals.docx

Per our discussions, attached is my first draft of the requested document.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Ayers, Karen J MEM:EX

From: Bissoondatt, Roger LDB:EX
Sent: Friday, October 12, 2012 4:09 PM
To: Ayers, Karen J MEM:EX
Subject: FW: Small Brewery BN for Your Review

fyi

From: Bissoondatt, Roger LDB:EX
Sent: Thursday, October 11, 2012 10:08 AM
To: Wanamaker, Lori JAG:EX
Subject: FW: Small Brewery BN for Your Review

Hi Lori, here is the information you requested. Hopefully this answers MRC's questions.

From: Hall, Gord LDB:EX
Sent: Thursday, October 11, 2012 10:05 AM
To: Bissoondatt, Roger LDB:EX
Subject: RE: Small Brewery BN for Your Review

s.13, s.17, s.21

s.17, s.21

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, October 10, 2012 3:37 PM
To: Bissoondatt, Roger LDB:EX
Subject: Re: Small Brewery BN for Your Review

s.13

Ian meeting with him tomorrow and would like to have the details on this option. No need to rewrite the BN. Thanks.

Lori

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Oct 10, 2012, at 10:34 AM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Lori, I just received and having a look at it during my conference call with Provincial Treasury.

Roger

.....
Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Hall, Gord LDB:EX
Sent: Wednesday, October 10, 2012 10:29 AM
To: Bissoondatt, Roger LDB:EX
Cc: Dahlke, Cindy LDB:EX
Subject: Small Brewery BN for Your Review

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

<BND Small Brewery.doc>

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Wednesday, October 10, 2012 3:22 PM
To: Bieller, Barry MEM:EX; Jones, Kathleen MEM:EX
Subject: FW: Briefing Note re Small Brewery Production Limit - #485154
Attachments: 2012-10-10_BND-MEM_Small_Brewery_485154.doc

Importance: High
Sensitivity: Confidential

FYI and our files

From: Dahlke, Cindy LDB:EX
Sent: Wednesday, October 10, 2012 3:13 PM
To: Hoskins, Jeannie JAG:EX
Cc: Cornett, Kathy M JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: Briefing Note re Small Brewery Production Limit - #485154
Importance: High
Sensitivity: Confidential

Hi Jeannie,

Attached and imported is a briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.***

Roger Bissoondatt has approved it.

Thanks!

Cindy Dahlke
Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

Ayers, Karen J MEM:EX

From: Dahlke, Cindy LDB:EX
Sent: Wednesday, October 10, 2012 3:13 PM
To: Hoskins, Jeannie JAG:EX
Cc: Cornett, Kathy M JAG:EX; Bissoondatt, Roger LDB:EX; Ayers, Karen J MEM:EX; Low, Elaine LDB:EX; Hall, Gord LDB:EX; Mackintosh, Michele LDB:EX
Subject: Briefing Note re Small Brewery Production Limit - #485154
Attachments: 2012-10-10_BND-MEM_Small_Brewery_485154.doc

Importance: High
Sensitivity: Confidential

Hi Jeannie,

Attached and imported is a briefing note for Minister Coleman's **decision** regarding the Small Brewery Production Limit. ***This had been requested by the Minister's office.***

Roger Bissoondatt has approved it.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | **BC Liquor Distribution Branch**
Phone: 604-252-3021 | **Fax:** 604-252-3026
cindy.dahlke@bcldb.com
www.bcldb.com

Ayers, Karen J MEM:EX

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, September 19, 2012 8:43 PM
To: Bissoondatt, Roger LDB:EX
Cc: Ayers, Karen J MEM:EX
Subject: Re: Quick Question

Thx to both of you...I check the list but must have missed it.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Sep 19, 2012, at 6:00 PM, "Bissoondatt, Roger LDB:EX" <Roger.Bissoondatt@bcldb.com> wrote:

Hi Karen / Lori, Gord is working on the BN. We had a discussion on how the mark-up will be phased and I we should have a BN ready next week.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

From: Ayers, Karen J MEM:EX
Sent: Wednesday, September 19, 2012 5:46 PM
To: Wanamaker, Lori JAG:EX; Bissoondatt, Roger LDB:EX
Subject: Re: Quick Question

s.13

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, September 19, 2012 05:01 PM
To: Bissoondatt, Roger LDB:EX
Cc: Ayers, Karen J MEM:EX
Subject: Quick Question

Roger – can you tell me where we are with the small breweries issue? I know that we had a couple of different proposals but have lost track of status.

Thanks.

Lori Wanamaker, FCA

Deputy Minister and Deputy Solicitor General
Ministry of Justice
11th Floor, 1001 Douglas Street, Victoria
Phone: 250 356-0149 | Fax: 250 387-6224



Please consider the environment before printing this e-mail

The information in this email is confidential, and may be privileged. It is intended solely for the addressee. Any review, distribution, copying, printing or other use of this email by persons or entities other than the addressee is prohibited without the sender's consent. If you have received this communication in error, The Ministry of Justice asks that you please notify the sender by replying to the message and delete it from your computer.

Ayers, Karen J MEM:EX

From: Stephenson, Cindy MEM:EX
Sent: Tuesday, September 18, 2012 12:06 PM
To: Ayers, Karen J MEM:EX
Cc: Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Bieller, Barry MEM:EX; Jones, Kathleen MEM:EX
Subject: 30-60-90 Day Request from GCPE
Attachments: 30 60 90 days.doc

Importance: High

Karen,

Ryan has been asked to prepare a 30-60-90 days listing for LCLB/LDB. Please see attached. Barry and Gord have approved. Sorry - received late morning and it's due this afternoon.

Cindy

Cindy Stephenson

Policy, Planning and Communications
Liquor Control and Licensing Branch
Phone: 250 952-5761 Fax: 250 952-7066
Email: Cindy.Stephenson@gov.bc.ca

From: Hall, Gord LDB:EX
Sent: Tuesday, September 18, 2012 12:02 PM
To: Stephenson, Cindy MEM:EX; Cournoyer, Vince LDB:EX; Bieller, Barry MEM:EX
Subject: RE: 30-60-90

See attached. I made changes/additions to first four items and eliminated the last one (interprovincial wine).

From: Stephenson, Cindy MEM:EX
Sent: Tuesday, September 18, 2012 11:48 AM
To: Hall, Gord LDB:EX; Bieller, Barry MEM:EX
Cc: Cournoyer, Vince LDB:EX
Subject: FW: 30-60-90

Gord,

Re the attached email from Ryan, Vince and I have discussed, I've added a few LCLB items and created a new table in word which is attached. Is there anything that should be added/amended from LDB's perspective? If you and Barry are OK, I'll forward to Karen.

Cindy

Cindy Stephenson

Policy, Planning and Communications
Liquor Control and Licensing Branch
Phone: 250 952-5761 Fax: 250 952-7066
Email: Cindy.Stephenson@gov.bc.ca

From: Shotton, Ryan GCPE:EX
Sent: Tuesday, September 18, 2012 11:00 AM
To: Stephenson, Cindy MEM:EX; Cournoyer, Vince LDB:EX
Subject: 30-60-90
Importance: High

Hi Cindy and Vince

Below I've put together a quick 30-60-90 of upcoming liquor related projects in the months ahead. Can you both please have a look and see if there is anything more you can think of that should be added? Also could you let me please know if I've got these in approximately the correct time frame as far as 30, 60 and 90 days? I need to have this submitted this afternoon, so if there's anything else you can think of I'd appreciate it.

Thanks!

s.13, s.12

Ryan Shotton
Government Communications and Public Engagement
p: 250.952.0667
C: s.17

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Wednesday, September 12, 2012 5:07 PM
To: Bell, Jordan EMNG:EX
Subject: FW: Meeting with Minister

Jordan - here was the last direction received. We were aiming for TB for the fall, as we were not able to meet the TBS deadline for getting on the agenda for the July 25th meeting and there were no other meetings scheduled for the rest of the summer.

-----Original Message-----

From: Ayers, Karen J MEM:EX
Sent: Wednesday, July 11, 2012 3:22 PM
To: Wanamaker, Lori JAG:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: Meeting with Minister

Not Responsive

Not Responsive

s.13

Not Responsive

Let me know if I have missed anything. Thanks.

Karen

Ayers, Karen J MEM:EX

From: Wanamaker, Lori JAG:EX
Sent: Thursday, July 19, 2012 4:01 PM
To: Ayers, Karen J MEM:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: RE: Meeting with Minister

Makes snese. Thanks.

-----Original Message-----

From: Ayers, Karen J MEM:EX
Sent: Wednesday, July 18, 2012 9:52 AM
To: Wanamaker, Lori JAG:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: FW: Meeting with Minister

s.13

-----Original Message-----

From: Ayers, Karen J MEM:EX
Sent: Friday, July 13, 2012 2:42 PM
To: Hall, Gord LDB:EX; Bieller, Barry MEM:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: Re: Meeting with Minister

Sounds like that would achieve his objective. Suggest a short BN outlining that approach and

s.13

s.13, s.17

----- Original Message -----

From: Hall, Gord LDB:EX
Sent: Friday, July 13, 2012 02:31 PM
To: Ayers, Karen J MEM:EX; Bieller, Barry MEM:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: RE: Meeting with Minister

s.13

From: Ayers, Karen J MEM:EX
Sent: Friday, July 13, 2012 2:21 PM
To: Bieller, Barry MEM:EX; Hall, Gord LDB:EX
Subject: Re: Meeting with Minister

s.13

----- Original Message -----

From: Bieller, Barry MEM:EX

Sent: Friday, July 13, 2012 01:49 PM
To: Ayers, Karen J MEM:EX
Subject: RE: Meeting with Minister

Karen

3

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Not Responsive

-----Original Message-----

From: Ayers, Karen J MEM:EX
Sent: Thursday, July 12, 2012 9:19 AM
To: Bieller, Barry MEM:EX
Cc: Hall, Gord LDB:EX; Bissoondatt, Roger LDB:EX
Subject: FW: Meeting with Minister

Barry - please see below. Could you please update the latest Liquor Initiatives table with the information below, and add in this morning's announcement and also update on the liquor

s.13 Thanks.

Karen

-----Original Message-----

From: Wanamaker, Lori JAG:EX
Sent: Wednesday, July 11, 2012 8:12 PM
To: Ayers, Karen J MEM:EX
Cc: Bissoondatt, Roger LDB:EX
Subject: Re: Meeting with Minister

Consistent with my notes. Can you please update the chart and send to TM. Thx.

BTW liquor announcement on personal importation tomorrow morning. Just been advised.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Jul 11, 2012, at 3:21 PM, "Ayers, Karen J MEM:EX" <Karen.Ayers@gov.bc.ca> wrote:

Not Responsive

>

Not Responsive

s.13

Not Responsive

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- >
- > Karen

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Not Responsive

Just been advised.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

On Jul 11, 2012, at 3:21 PM, "Ayers, Karen J MEM:EX" <Karen.Ayers@gov.bc.ca> wrote:

> To recap my understanding of the decisions/direction from today's meeting:

Not Responsive

Not Responsive

s.13

Not Responsive

> Let me know if I have missed anything. Thanks.
>
> Karen

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Sent: Friday, July 13, 2012 2:22 PM
To: Bieller, Barry MEM:EX; Hall, Gord LDB:EX
Subject: Re: Meeting with Minister

Ok. So given the objective is to phase down, is there any other option we can suggest?

s.13

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Sent: Friday, July 13, 2012 01:49 PM
To: Ayers, Karen J MEM:EX
Subject: RE: Meeting with Minister

Karen,

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Lori Wanamaker FCA
Deputy Minister and

Deputy Solicitor General
Ministry of Justice

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Barry - please see below. Could you please update the latest Liquor Initiatives table with the information below, and add in this morning's announcement and also update on Not Responsive
Not Responsive Thanks.

Karen

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Just been advised.

Lori Wanamaker FCA
Deputy Minister and
Deputy Solicitor General
Ministry of Justice

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✓
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> Karen

Ayers, Karen J MEM:EX

From: Bissoondatt, Roger LDB:EX
Sent: Wednesday, July 11, 2012 6:55 PM
To: Ayers, Karen J MEM:EX
Subject: RE: Meeting with Minister

Thank you Karen.

Roger

Roger M. Bissoondatt
Acting General Manager
BC Liquor Distribution Branch
Phone: 604-252-3021
Fax: 604-252-3026
email: roger.bissoondatt@bcldb.com

-----Original Message-----

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Sent: Wednesday, July 11, 2012 3:22 PM
To: Wanamaker, Lori JAG:EX
Cc: Bissoondatt, Roger LDB:EX
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Let me know if I have missed anything. Thanks.

Karen

Ayers, Karen J MEM:EX

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, May 22, 2012 4:20 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Mark-up Policy - #479175
Attachments: 2012-05-22_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is an *updated* briefing note for information for Minister Coleman regarding the Small Brewery Mark-up Policy. ***Revised per Lori's request.***

Jay Chambers has approved it.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | BC Liquor Distribution Branch
2625 Rupert Street, Vancouver BC V5M 3T5
Phone: 604-252-3021 | **Fax:** 604-252-3026
www.bcliquorstores.com



* THINK GREEN: Do you really need to print this e-mail?

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Thursday, May 24, 2012 11:42 AM
To: Cournoyer, Vince LDB:EX
Cc: Chambers, Jay LDB:EX; Hall, Gord LDB:EX; Jones, Kathleen MEM:EX
Subject: Re: BN Update

Will do - thanks.

Kathy - please and thanks

From: Cournoyer, Vince LDB:EX
Sent: Thursday, May 24, 2012 11:18 AM
To: Ayers, Karen J MEM:EX
Cc: Chambers, Jay LDB:EX; Hall, Gord LDB:EX
Subject: BN Update

Good morning Karen, attached you'll find a revised BN regarding the small brewery threshold. Lori has approved and sent to MO. Please remove the one that is currently in the estimates binder and replace with this one. Thanks.

Vince Cournoyer, Senior Policy Analyst
BC Liquor Distribution Branch
Phone: 604 252-2874
www.bcldb.com

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Tuesday, May 22, 2012 4:21 PM
To: Jones, Kathleen MEM:EX; Bieller, Barry MEM:EX
Subject: FW: REVISED Briefing Note re Small Brewery Mark-up Policy - #479175
Attachments: 2012-05-22_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

FYI and our files.

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, May 22, 2012 4:20 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Courmoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: REVISED Briefing Note re Small Brewery Mark-up Policy - #479175
Importance: High
Sensitivity: Confidential

Hi Kathy,


Attached and imported is an *updated* briefing note for information for Minister Coleman regarding the Small Brewery Mark-up Policy. ***Revised per Lori's request.***

Jay Chambers has approved it.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office| BC Liquor Distribution Branch
2625 Rupert Street, Vancouver BC V5M 3T5
Phone: 604-252-3021 | **Fax:** 604-252-3026
www.bcliquorstores.com

 * THINK GREEN: Do you really need to print this e-mail?

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Wednesday, May 16, 2012 1:22 PM
To: Bieller, Barry MEM:EX; Jones, Kathleen MEM:EX
Subject: Fw: Briefing Note re: Small Brewery Mark-up Policy - Log #479175
Attachments: 2012-05-15_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

FYI and our electronic file.

From: Welt, Lilian LDB:EX
Sent: Wednesday, May 16, 2012 12:39 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: Briefing Note re: Small Brewery Mark-up Policy - Log #479175

Hi Kathy,

Attached and imported is an updated briefing note for information for Minister Coleman regarding the Small Brewery Mark-up Policy.


Jay Chambers has approved it.

Thanks!

Lilian Welt

Administrative Assistant

General Manager's Office | BC Liquor Distribution Branch
Ph: (604) 252-3027 Fax: (604) 252-3026

 * THINK GREEN: Do you really need to print this e-mail?

Ayers, Karen J MEM:EX

From: Jones, Kathleen MEM:EX
Sent: Thursday, May 17, 2012 9:55 AM
To: Ayers, Karen J MEM:EX
Subject: FW: 479175 - Information BN re Small Brewery Mark-up Policy
Attachments: 479175 - BN re Small Brewery Mark-up Policy - May 15, 2012.doc

FYI

From: Cornett, Kathy M JAG:EX
Sent: Thursday, May 17, 2012 8:55 AM
To: Gajda, Gail MEM:EX; McKnight, Valerie MEM:EX
Cc: Hoskins, Jeannie JAG:EX; Dahike, Cindy LDB:EX; Welt, Lilian LDB:EX; Jones, Kathleen MEM:EX
Subject: 479175 - Information BN re Small Brewery Mark-up Policy

The attached Briefing Note has been approved by Lori Wanamaker, Deputy Solicitor General, and is for Minister Coleman's **information**.

Thank you, Kathy

Kathy Cornett

Senior Executive Administrative Assistant
Office of the Deputy Solicitor General
Ministry of Justice
Phone: 250 387-5362 Fax: 250 387-6224

Ayers, Karen J MEM:EX

From: Welt, Lillian LDB:EX
Sent: Wednesday, May 16, 2012 12:40 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: Briefing Note re: Small Brewery Mark-up Policy - Log #479175
Attachments: 2012-05-15_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached and imported is an updated briefing note for information for Minister Coleman regarding the Small Brewery Mark-up Policy.

Jay Chambers has approved it.

Thanks!

Lillian Welt

Administrative Assistant

General Manager's Office | BC Liquor Distribution Branch

Ph: (604) 252-3027 Fax: (604) 252-3026



* THINK GREEN: Do you really need to print this e-mail?

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Tuesday, May 8, 2012 10:31 AM
To: Bieller, Barry MEM:EX
Subject: Fw: Revisions Requested: BNI-MEM re Small Brewery Mark-up Policy - Log #479175
Attachments: Document.pdf

Sensitivity: Confidential

FYI

From: Cornett, Kathy M JAG:EX
Sent: Tuesday, May 08, 2012 10:19 AM
To: Chambers, Jay LDB:EX
Cc: Hoskins, Jeannie JAG:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX; Dahlke, Cindy LDB:EX
Subject: Revisions Requested: BNI-MEM re Small Brewery Mark-up Policy - Log #479175

Hi Jay, Lori has reviewed the BN and has provided hand written comments on the first page (see attached). If you could please revise the BN and return it for her review.

Thank you, Kathy

From: Dahlke, Cindy LDB:EX
Sent: Monday, May 7, 2012 3:16 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: BNI-MEM re Small Brewery Mark-up Policy - Log #479175
Importance: High
Sensitivity: Confidential


Hi Kathy,

Attached (and imported) is a briefing note for information for Minister Coleman, regarding the Small Brewery Mark-up Policy. Cliff # 479175. ***This was requested by the Minister's office.***

Jay Chambers has approved this.

Thanks!

Cindy Dahlke
Executive Administrative Assistant
General Manager's Office | **BC Liquor Distribution Branch**
2625 Rupert Street, Vancouver BC V5M 3T5
Phone: 604-252-3021 | **Fax:** 604-252-3026
www.bcliquorstores.com

 *** THINK GREEN: Do you really need to print this e-mail?**

**MINISTRY OF ENERGY AND MINES
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PREPARED FOR: Honourable Rich Coleman
FOR INFORMATION

ISSUE:

Small Brewery Mark-up Policy

BACKGROUND:

The LDB has three tiers of mark-up on beer. Companies that produce 15,000 hectolitres (hl) or less have the lowest mark-up applied, companies that produce between 15,001 – 160,000 hl have the next lowest mark-up applied and companies producing more than 160,001 hl have the highest mark-up applied. A hectoliter is 100 litres, or about 25 dozen beer. The LDB's mark-up rates for packaged beer, based on annual brewery production, are shown in Attachment 1.

The purpose of this policy is to support small brewing companies that do not have the economies of scale of large companies. In order to direct the lower mark-up benefit to small companies, beer production is based on the total amount of beer produced by all facilities owned by the same company (e.g. a small brewery owned by a large brewery would not qualify).

It is important to note that if a brewer exceeds the 15,000 hl threshold for tier one, and for example produces 15,100 hl, the entire production volume would be subject to the level two mark-up rate. Likewise, if a brewer exceeds the 160,000 hl threshold for tier two, and for example produces 160,100 hl, the entire production volume would be subject to the highest mark-up rate of tier three.

In order to comply with international and inter-provincial trade agreements, the mark-up policy applies to companies from other provinces and countries in addition to British Columbia companies.

Of the 50 brewing companies operating in British Columbia, 47 currently qualify for small brewery status and three do not. The three that do not are Labatt, Molson and Sleeman (Okanagan Spring) which are subsidiaries of large international companies. There are three British Columbia breweries (Pacific Western Brewery, Kamloops Brewery, Vancouver Island Brewery) that are in the 15,001 – 160,000 hl brewery category and the rest are in the <15,000 hl category. A small number of foreign and out-of-province breweries also qualify for small brewery status.

*Tony - we need
options for the
Minister to consider
for example:*

s.13

s.13

s.13

*Also should
address trade
impacts of
proposals*

Ayers, Karen J MEM:EX

From: Ayers, Karen J MEM:EX
Sent: Monday, May 7, 2012 3:19 PM
To: Jones, Kathleen MEM:EX; Bieller, Barry MEM:EX
Subject: FW: BNI-MEM re Small Brewery Mark-up Policy - Log #479175
Attachments: 2012-05-07_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

FYI, electronic files, and a printed copy for me please. Thanks.

From: Dahlke, Cindy LDB:EX
Sent: Monday, May 7, 2012 3:16 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: BNI-MEM re Small Brewery Mark-up Policy - Log #479175
Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached (and imported) is a briefing note for information for Minister Coleman, regarding the Small Brewery Mark-up Policy. Cliff # 479175. ***This was requested by the Minister's office.***

Jay Chambers has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office| **BC Liquor Distribution Branch**
2625 Rupert Street, Vancouver BC V5M 3T5
Phone: 604-252-3021 | **Fax:** 604-252-3026
www.bcliquorstores.com



* THINK GREEN: Do you really need to print this e-mail?

Ayers, Karen J MEM:EX

From: Dahlke, Cindy LDB:EX
Sent: Monday, May 7, 2012 3:16 PM
To: Cornett, Kathy M JAG:EX
Cc: Hoskins, Jeannie JAG:EX; Chambers, Jay LDB:EX; Ayers, Karen J MEM:EX; Bissoondatt, Roger LDB:EX; Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX; Mackintosh, Michele LDB:EX
Subject: BNI-MEM re Small Brewery Mark-up Policy - Log #479175
Attachments: 2012-05-07_BNI-MEM_Small_Brewery_Mark-ups_479175.doc

Importance: High
Sensitivity: Confidential

Hi Kathy,

Attached (and imported) is a briefing note for information for Minister Coleman, regarding the Small Brewery Mark-up Policy. Cliff # 479175. ***This was requested by the Minister's office.***

Jay Chambers has approved this.

Thanks!

Cindy Dahlke

Executive Administrative Assistant
General Manager's Office | **BC Liquor Distribution Branch**
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Phone: 604-252-3021 | **Fax:** 604-252-3026
www.bcliquorstores.com



* THINK GREEN: Do you really need to print this e-mail?

**MINISTRY OF ENERGY AND MINES
LIQUOR DISTRIBUTION BRANCH
BRIEFING NOTE**

PREPARED FOR: Honourable Rich Coleman
FOR INFORMATION

ISSUE:

Small Brewery Mark-up Policy

BACKGROUND:

The LDB has three tiers of mark-up on beer. Companies that produce 15,000 hectolitres (hl) or less have the lowest mark-up applied, companies that produce between 15,001 – 160,000 hl have the next lowest mark-up applied and companies producing more than 160,001 hl have the highest mark-up applied. A hectoliter is 100 litres, or about 25 dozen beer. The LDB's mark-up rates for packaged beer, based on annual brewery production, are shown in Attachment 1.

The purpose of this policy is to support small brewing companies that do not have the economies of scale of large companies. In order to direct the lower mark-up benefit to small companies, beer production is based on the total amount of beer produced by all facilities owned by the same company (e.g. a small brewery owned by a large brewery would not qualify).

It is important to note that if a brewer exceeds the 15,000 hl threshold for tier one, and for example produces 15,100 hl, the entire production volume would be subject to the level two mark-up rate. Likewise, if a brewer exceeds the 160,000 hl threshold for tier two, and for example produces 160,100 hl, the entire production volume would be subject to the highest mark-up rate of tier three.

In order to comply with international and inter-provincial trade agreements, the mark-up policy applies to companies from other provinces and countries in addition to British Columbia companies.

Of the 50 brewing companies operating in British Columbia, 47 currently qualify for small brewery status and three do not. The three that do not are Labatt, Molson and Sleeman (Okanagan Spring) which are subsidiaries of large international companies. There are three British Columbia breweries (Pacific Western Brewery, Kamloops Brewery, Vancouver Island Brewery) that are in the 15,001 – 160,000 hl brewery category and the rest are in the <15,000 hl category. A small number of foreign and out-of-province breweries also qualify for small brewery status.

The LDB's second tier small brewery threshold was increased from 15,001 - 100,000 hl to 15,001 -150,000 hl in 2009 and it was again increased in December 2011 to 15,001 – 160,000 hl.

Other provinces also have lower rates of beer mark-up based on production levels. Only Alberta, at 200,000 hl, has a higher small brewery threshold than the LDB's (see Attachment 2).

The small brewery policy in most other provinces is similar to that of the LDB, in that the mark-up increases on all production volume when a brewery exceeds a threshold. The Alberta system provides for a phase-out, such that a brewery that produces more than Alberta's 200,000 hl threshold retains the lower mark-up rate on the first 200,000 hl, then a higher rate takes effect for production between 200,000 and 400,000 hl. Should a brewer exceed 400,000 hl, the highest mark-up will be applied to all production volume.

DISCUSSION:

Prince George based Pacific Western Brewery (PWB), which is the largest British Columbia-based brewing company that qualifies for small brewery status, has

s.13

In announcing the threshold increase via a letter, the LDB's General Manager, Jay Chambers, informed industry stakeholders that the LDB was undertaking a review of small brewery mark-up policy and would be consulting with them during the review. The feedback from the consultations with industry is summarized below.

Canada's National Brewers (CNB), which represents Labatt, Molson and Sleeman,

s.13

CNB recommends:

1)

s.13

2)

3)

s.13

Pacific Western Brewery (PWB) argues

s.13

s.13

PWB recommends:

1

2

3

s.13

The BC Craft Brewers Guild

s.13

The Guild recommends:

1)

2)

s.13

The Import Vintners and Spirits Association, who's members represent some foreign and out of province brewers, did not provide a submission. .

The Brewers Association of Canada's members have differing views on the subject of mark-ups, therefore they have no Association recommendations concerning mark-ups as they relate to production volume.

However, the Association is urging government to factor-in

s.13

s.13

The Mark Anthony Group (MAG), which owns a brewery in Delta, recommends

s.13

Possible Implications:

If the small brewery threshold were increased from

s.13, s.17

s.13, s.17

s.13, s.17

Approved by:
Jay Chambers
General Manager
Liquor Distribution Branch
604 252-3021

Prepared by:
Vince Cournoyer
Senior Policy Analyst
Liquor Distribution Branch
604 252-2872

Attachment 1

Beer Mark-up Rates by Brewery Size

Brewery Size (Production)	Packaging Format	Mark-up Rates
> 160,000 hectolitres (hl)	Packaged	\$1.75 per litre
	Draft	\$1.20 per litre
15,001 - 160,000 hl	Packaged	\$1.16 per litre
	Draft	\$0.81 per litre
0 - 15,000 hl	Packaged	\$1.04 per litre
	Draft	\$0.72 per litre

Attachment 2

Maximum Production Threshold for Small Breweries

Province	Small Brewery Production Threshold
British Columbia	160,000
Alberta*	200,000/400,000*
Saskatchewan	150,000
Manitoba	35,000
Ontario	75,000
Quebec	150,000
Nova Scotia	15,000
New Brunswick	15,000
Newfoundland	10,000
PEI	N/A

*Note: If a company's volume grows beyond 200,000 hl, it receives the lower rate of beer mark-up on the first 200,000 hl sold in Alberta and the higher rate on additional sales until total company production exceeds 400,000 hl, at which point the higher rate applies to all beer sales. In Alberta, the determination of production is based on all products produced by a company, not just beer.

Bieller, Barry MEM:EX

From: Hall, Gord LDB:EX
Sent: Monday, November 19, 2012 9:47 AM
To: Bieller, Barry MEM:EX
Subject: RE: CNB BN

Thanks.

From: Bieller, Barry MEM:EX
Sent: Monday, November 19, 2012 9:46 AM
To: Hall, Gord LDB:EX
Subject: FW: CNB BN

Karen's comments.

From: Ayers, Karen J MEM:EX
Sent: Monday, November 19, 2012 9:44 AM
To: Bieller, Barry MEM:EX
Cc: Jones, Kathleen MEM:EX
Subject: RE: CNB BN

Not Responsive

From: Bieller, Barry MEM:EX
Sent: Monday, November 19, 2012 9:35 AM
To: Ayers, Karen J MEM:EX
Cc: Jones, Kathleen MEM:EX
Subject: FW: CNB BN

Karen,
Attached for your review is a draft BN prepared by Gord for the Minister's meeting with the National Brewers on Thurs.
I'm OK with it.

From: Hall, Gord LDB:EX
Sent: Saturday, November 17, 2012 5:44 PM
To: Bieller, Barry MEM:EX; Cournoyer, Vince LDB:EX
Subject: CNB BN

Attached is a draft briefing note on the Nov. 22 meeting between Canada's National Brewers and the Minister for your review.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Bieller, Barry MEM:EX

From: Hall, Gord LDB:EX
Sent: Monday, November 19, 2012 9:34 AM
To: Bieller, Barry MEM:EX
Subject: RE: CNB BN
Attachments: 2012-11-19_BN_Meeting_Brewers.docx

Revised.

From: Bieller, Barry MEM:EX
Sent: Monday, November 19, 2012 9:30 AM
To: Hall, Gord LDB:EX; Cournoyer, Vince LDB:EX
Subject: RE: CNB BN

Looks good to me with one minor change. My phone # end with 5755, not 5735.

From: Hall, Gord LDB:EX
Sent: Saturday, November 17, 2012 5:44 PM
To: Bieller, Barry MEM:EX; Cournoyer, Vince LDB:EX
Subject: CNB BN

Attached is a draft briefing note on the Nov. 22 meeting between Canada's National Brewers and the Minister for your review.

Gord Hall, Director, Corporate Policy
British Columbia Liquor Distribution Branch
Phone: 604-252-3035 Fax: 604-252-3026
gord.hall@bcldb.com
www.bcldb.com

Bieller, Barry MEM:EX

From: Bieller, Barry MEM:EX
Sent: Tuesday, November 13, 2012 4:17 PM
To: Hall, Gord LDB:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting - November 22
Attachments: BC Social Reference and Not Responsive - November 2010.docx.docx

FYI

From: Ayers, Karen J MEM:EX
Sent: Tuesday, November 13, 2012 2:11 PM
To: Bieller, Barry MEM:EX
Cc: Jones, Kathleen MEM:EX
Subject: RE: Minister Coleman, Minister de Jong Meeting - November 22

The GM interviews are in Victoria in the afternoon, s.22 Perhaps you could call in.

I suspect Not Responsive may also be on their list of things to discuss; it was mentioned the last time Bryan called me.

From: Bieller, Barry MEM:EX
Sent: Tuesday, November 13, 2012 1:50 PM
To: Ayers, Karen J MEM:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting - November 22

Karen,
Gord and I will work on a BN for this. Have you been asked to attend?

From: Hall, Gord LDB:EX
Sent: Tuesday, November 13, 2012 12:39 PM
To: Bieller, Barry MEM:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting - November 22

Anyone from LCLB going to be there, Not Responsive

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, November 13, 2012 12:06 PM
To: Hall, Gord LDB:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting - November 22

Hi Gord,

You are it for the meeting with the Minister on November 22. s.22 that day.

Cindy

From: Hoskins, Jeannie JAG:EX
Sent: Tuesday, November 13, 2012 11:48 AM
To: Bissoondatt, Roger LDB:EX; Dahlke, Cindy LDB:EX
Subject: RE: Minister Coleman, Minister de Jong Meeting - November 22

Thanks, I will let Minister's office know.

Jeannie Hoskins
Executive Coordinator
Office of the Deputy Solicitor General
Ministry of Justice

From: Bissoondatt, Roger LDB:EX
Sent: Tuesday, November 13, 2012 11:47 AM
To: Hoskins, Jeannie JAG:EX; Dahlke, Cindy LDB:EX
Subject: Re: Minister Coleman, Minister de Jong Meeting - November 22

It will be Gord Hall.

Roger

From: Dahlke, Cindy LDB:EX
Sent: Tuesday, November 13, 2012 11:05 AM
To: Bissoondatt, Roger LDB:EX
Cc: Hall, Gord LDB:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting - November 22

Hi Roger,

I will have Gord Hall prepare a briefing note for this meeting.

Cindy

From: Hoskins, Jeannie JAG:EX
Sent: Tuesday, November 13, 2012 10:50 AM
To: Dahlke, Cindy LDB:EX
Cc: Welt, Lilian LDB:EX; Cornett, Kathy M JAG:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting

Hi Cindy

As per the request below, could you please arrange for a briefing note for this meeting and appropriate staff attendance.

Thanks very much.

Jeannie Hoskins
Executive Coordinator
Office of the Deputy Solicitor General
Ministry of Justice

From: Stewart, Ashley EMNG:EX
Sent: Tuesday, November 13, 2012 10:46 AM
To: Hoskins, Jeannie JAG:EX
Cc: Gajda, Gail EMNG:EX
Subject: FW: Minister Coleman, Minister de Jong Meeting

Hi Jeannie,

Could you get staff to prepare material and confirm staff who will be attending.

Thanks!

Ashley

From: Jukes, Shaina FIN:EX
Sent: Tuesday, November 13, 2012 10:08 AM
To: Gajda, Gail EMNG:EX
Cc: Stewart, Ashley EMNG:EX
Subject: RE: Minister Coleman, Minister de Jong Meeting

Good morning Ashley, Just letting you know that we have confirmed this meeting with Canada National Brewers for November 22nd from 2:30-3:125pm at the PVO, Room TBC. They are following up with an agenda and attendees which I will forward to you when we receive them but if you could confirm attendees and materials on your end as soon as you have them that would be appreciated and we will do the same.

MEETING: Minister de Jong and Minister Coleman w/ Canada's National Brewers
Lead: Richard

Participants:

Minister de Jong
Richard Maksymetz
Staff TBC
Minister Coleman
Staff TBC

Date:

Thursday, November 22nd

Time:

2:30pm-3:15pm

Location:

PVO, Suite 740 Canada Place
Room TBC

Dial-in:

s.15, s.17

Access codes:

Moderator Conference ID

Participant Conference ID s.15, s.17

Details:

Confirmation:

Date and time confirmed with Bryan Cox by email.

Materials:

Agenda and attendees requested from CNB

Contact:

Bryan Cox
Vice President, Western Canada
Canada's National Brewers

(604) 659-2744 - Direct
(604) 346-9973 - Cell

Shaina Jukes

*Administrative Coordinator to the Honourable Michael de Jong, QC
Minister of Finance | PO Box 9048 Stn Prov Govt Victoria, BC V8W 9E2
Phone: 250-387-3751 | Fax: 250-387-5594 | Fin.Minister@gov.bc.ca*

From: Gajda, Gail EMNG:EX
Sent: Tuesday, November 6, 2012 2:05 PM
To: Jukes, Shaina FIN:EX
Cc: Stewart, Ashley EMNG:EX
Subject: RE: Minister Coleman, Minister de Jong Meeting

Great, thanks, I'll keep Ashley in the loop,
schedule!

s.22

..and she will be in charge of the

Gail Gajda

Administrative Coordinator to the
Honourable Rich Coleman
Minister of Energy, Mines and Natural Gas
Minister Responsible for Housing and Deputy Premier
Telephone: (250) 387-6701

From: Jukes, Shaina FIN:EX
Sent: Tuesday, November 6, 2012 2:03 PM
To: Gajda, Gail EMNG:EX
Subject: Minister Coleman, Minister de Jong Meeting

Hi Gail,

Following upon our conversation 2:30pm on November 22nd works on our end for a meeting at the PVO with Canadian
Brewers Association. Our office will be following up with them to confirm the time. We will work on materials and
attendees on our end and I will confirm with you closer to the date.

Thank you,
Shaina

Shaina Jukes

*Administrative Coordinator to the Honourable Michael de Jong, QC
Minister of Finance | PO Box 9048 Stn Prov Govt Victoria, BC V8W 9E2
Phone: 250-387-3751 | Fax: 250-387-5594 | Fin.Minister@gov.bc.ca*

Pages 251 through 253 redacted for the following reasons:

Not Responsive