

My name is Ernest Scarano. On May 1, 2010 I opened a fully licensed Distilled Spirits Plant in Gibsonburg on County road 62 in Madison Township. I have Federal and State permits. Our operation is a micro distillery. Our annual production will only be 100 gallons per year.

(Editorial note: 100 gallons is 1,086 (375 ml bottles) Ernest goal...at \$95 / bottle, is a gross of \$103.170. Can anyone top opening a distillery for less that \$10,034.00 that has the potential to gross over \$100,000 a year? Down and Dirty....with results.

As you know, Ohio is a control state. All spirituous liquors over 21% are owned by the state. There is an extremely difficult process for competing for shelf space on the state's liquor shelves. We distill a cask strength, 100% straight Rye Whiskey that is gauged at 80% alcohol by volume or 170 proof. It is aged for 4 years under bonded conditions and then mellowed for 30 days, soaking in sugar maple charcoal chunks. I give these details only to show that no expense of time or money is spared in the creation of this excellent sipping whiskey. But our niche market is quite small....only the most discerning customer will appreciate what it takes to produce the quality of our Rye Whiskey....as well as paying the high cost.

Knowing that we would only make 100 gallons per year, I applied for a "A3A" permit which allows the distiller to sell to private consumers, 1.75 liters per day, consumed off-premise, from the non bonded area of the distillery. I had the initial inspection, paid all fees, and was assigned a permit number. Just before my scheduled final inspection I received a letter telling me that Sandusky County was not eligible for this class of permit because it did not have over 800,000 people residing here.

Recently, I spoke with Mr. Ernie Davis, the Superintendent of Liquor Control. While it was a very nice conversation and Mr. Davis was very helpful; he still has to administer the law, as the Legislature enacts it.

As it stands only 3 counties have populations over 800,000. Doing further research I discovered that Sen. Seitz was the sponsor of this particular bill that imposed these limits. The recipient of the first A3A permit was one of his constituents.

It is my understanding that the State of Ohio has 5 distilleries, only two produce whiskey. I am sure that you have a good understanding of the VERY stringent requirements that one has to meet to procure the Federal and State permits. We don't need this restriction.

It would be extremely easy to allow ALL Ohio distilleries to sell on their premise. There are enough checks and balances already in place that would ensure proper payment of excise and sales tax. In fact, it could be easily arranged that Micro Distilleries could Pre-Pay ALL fees based on yearly production levels.

If Ohio had 1000 micro distilleries it would be a good thing....I started a fully functioning distillery for \$10,034.00. The technology is simple; only the will to do it is required.

With our state in the economic quagmire, doesn't it make sense to encourage small craft distilleries? In this case the ONLY encouragement needed is the abolition of this population requirement and give any distillery that wants one, an "A3A" permit. EVERY liquor Permit has the requirement of securing a vendors license for the forwarding of sales tax, so this would not be a foolhardy or fiscally irresponsible thing to advocate.

Respectfully, would you look into this issue and perhaps sponsor this small change to the standing A3A law? My 100 gallons per year will not adversely affect anyone. More to the point, it would eliminate the need to burden an already overworked Liquor Control Board and force micro distillers to present listing presentations for shelf space they will NEVER get.

Thank You for your attention to this issue.

cc: Mr. Bill Owens, President of the American Distilling Institute
Mr. Ernie Davis, Superintendent of Liquor Control
Mr. Darrin Critchet, Registered Agent