

(23) Licensees whose license privileges permit the sale and distribution of malt beverages and wines for resale may make deliveries to licensees at any time.

Stat. Auth.: ORS 471, including ORS 471.030, ORS 471.040, ORS 471.730(1) & ORS 471.730(5)

Stats. Implemented: ORS 471.030

Hist.: LCC26, f. 5-12-60; LCC 27, f. 9-15-60); LCC 28, f. 12-19-60; LCC 29, f. 5-21-64; LCC 30, f. 1-20-66; LCC 50, f. 12-18-74, ef. 1-1-75; LCC 3-1979, f. 1-26-79, ef. 2-1-79; LCC 5-1979, F.4-2-79, ef. 4-5-79; Renumbered from 845-010-0005; LCC 7-1981, f. 11-2-81, ef.1-1-82; LCC 4-1986, F.3-3-86, ef. 4-1-86; OLCC 14-1987, f. 4-6-87, ef. 5-1-87; OLCC 19-2000, f. 12-6-00, cert ef. 1-1-01, Renumbered from 845-006-0030.

3. Reasons to Amend OAR 845-006-0425 ("Rule")

The PDX Concessions Program represents the State of Oregon and strives to bring to PDX's customers the best that the State of Oregon has to offer. PDX is supportive of this proposed amendment as it believes it is appropriate under the circumstances.

A considerable part of what the State of Oregon has to offer are its wine and craft beer industries; Oregon wines and craft beers generate over \$3.9 billion annually in economic activity:

Oregon Wine Industry

- \$1.4 billion economic activity
- Employs 8,500 residents
- Over \$200 million in annual wages
- \$92 million wine tourism economic value
- Over 300 licensed wineries

Oregon Craft Beer Industry

- \$2.5 billion economic activity
- 5 of the 50 largest breweries in the United States are Oregon craft breweries
- 11% of all beer consumed in Oregon is Oregon craft beer, three times the national craft beer consumption

PDX has a substantial passenger population: 7.3 million departing passengers per year. 21% of these passengers (1.6 million) depart from PDX before or close to 7:00 a.m., and because of current federal security rules, need to be at PDX two hours prior to their flight. 65% of all passengers coming through PDX are on vacation or visiting friends and family, and might want to return home with, or bring a gift of Oregon wine and/or beer. Additionally, many of these passengers travel on altered internal clocks because of time differences – particularly international passengers – and might want to have an Oregon wine, craft beer or cocktail prior to departing.

The current Rule states that alcoholic liquor may be sold, dispensed, served, consumed on, or removed from licensed premises only between the hours of 7:00 a.m. and 2:30 a.m. If concessionaires at PDX were allowed to sell, dispense, and serve alcoholic beverages before

7:00 a.m., first year sales revenues are estimated to be a combined amount over \$500,000. The economic impact would be felt not only by PDX and PDX's concessionaires, but also by the wine and craft beer industries at large, and ultimately by the State of Oregon through more projected revenues and a reinforcement of the "brand Oregon."

4. Options for Achieving Rule's Substantive Goals While Reducing the Negative Economic Impact on Businesses

The proposed amendment achieves the Rule's substantive goals. OAR 845-005-0301 sets forth the "Purpose and Interpretation" of the Rule. The revised proposed Rule will not conflict with any of these purposes or goals. In fact, the revised Rule will enhance the intent to "[e]nsure availability of alcoholic beverages to the public."

Additionally the revised Rule will be consistent with ORS 471.105 to 474.115 the "Liquor Control Act" ("Act") which provides ". . . it is the policy of this state to encourage the development of all Oregon industry." As demonstrated herein, the proposed amendment will encourage and promote the beer and wine industry statewide and will provide more exposure worldwide as Oregon products may be purchased by departing travelers.

5. Extent to Which the Existing Rule Overlaps, Duplicates, or Conflicts with Other State or Federal Rules and with Local Regulations

It does not appear that the Rule overlaps, duplicates, or conflicts with other State, Federal, or local rules or regulations. However, the revised Rule will promote the purpose of the Rule and policy of the Act.

Additionally, as persuasive authority, neighboring states have earlier operating hours for the sale of alcoholic beverages, no matter the location. Specifically California and Washington permit both sales and consumption of alcoholic beverages starting at 6:00 a.m. Idaho permits sales and consumption of beer and wine starting at 5:00 a.m. and of distilled spirits starting at 10:00 a.m. Lastly, in Nevada both sales and consumption are allowed twenty-four hours a day, seven days a week.

6. The Degree to Which Technology, Economic Conditions, or Other Factors Have Changed in the Subject Area Affected by the Existing Rule, Since the Agency Adopted the Rule

The Rule was adopted in its current form in the 1960s, prior to significant air travel and when the world and the State of Oregon were much different places. It may still be appropriate for street-side facilities, but for special environments, like airports, this Rule requires modification, given the significantly different operating hours.

For all the reasons above, we respectfully request the Oregon Liquor Control Commission amend this Rule.

TENANTS:

NAITO CORPORATION - DBA, MADE IN OREGON

Daniel Leines

August 8, 2008
Date

Print Name: DANIEL LEINES

As: GENERAL MANAGER

HOST INTERNATIONAL, INC. - DBA, GUSTAV'S PUB & GRILL, ROGUE ALES PUBLIC HOUSE

Susan O'Neil

August 7, 2008
Date

Print Name: Susan O'Neil

As: General Manager

STEPHANIE, INC. - DBA, GOOD DOG/BAD DOG, BIG TOWN HERO

Stephanie Jewell (ceo)

August 7, 2008
Date

Print Name: Stephanie Jewell

As: President

DOUBLETREE DTWC CORPORATION - DBA, ROSE CITY CAFÉ

Ted Linne

August 7, 2008
Date

Print Name: TED Linne

As: General Manager

RESTAURANTS UNLIMITED, INC. - DBA, STANFORD'S

Mr D

August 7, 2008
Date

Print Name: DERRICK PROVINE

As: GENERAL MANAGER

SANDOVAL'S FRESH MEXICAN GRILL, INC. - DBA, SANDOVAL'S MEXICAN GRILL & MARGARITA BAR

Daniel Sandoval

8/8/08
Date

Print Name: DANIEL SANDOVAL

As: Pres.

CAPERS CAFÉ & CATERING COMPANY - DBA, CAPERS CAFÉ

Andre Joly

8-8-08
Date

Print Name: ANDREAS JOLY

As: GENERAL MANAGER

SSP AMERICA, INC. - DBA, LAURELWOOD PUBLIC HOUSE & BREWERY, PIZZICATO GOURMET PIZZA

Douglas C. Lum

8/7/08
Date

Print Name: DOUGLAS C. LUM

As: General Manager

August 15, 2008



Portland International Airport
7000 NE Airport Way Portland OR 97218
Box 3529 Portland OR 97208
503 460 4151

Ms. Jennifer Huntsman
Rules Coordinator
Oregon Liquor Control Commission
9079 SE McLoughlin Blvd.
Portland, OR 97222

Re: Petition to Amend Rule – OAR 845-006-0425, Hours of Sale

Dear Ms. Huntsman:

Enclosed please find a Petition to Amend Rule OAR 845-006-0425, Hours of Sale, that is presented to the Oregon Liquor Control Commission by the Food and Beverage Concessionaires at the Portland International Airport ("PDX").

The PDX Concessions Program is focused on presenting our passengers with the very best that Oregon has to offer. This includes our shops and restaurants, products, friendly service, same prices as off-airport locations and many other special attributes that help make Oregon and PDX the special place they are. The growing Oregon craft beer and wine industries that annually generate over \$3.9 billion in economic activity to the state are high on passenger lists of what to experience while in Oregon. PDX has responded to this interest and in the past year has opened Rogue Ales and Laurelwood Brewing Co. facilities, to meet this passenger request.

Our Concessionaires who sell and serve alcohol beverages have all commented on passenger requests to purchase Oregon craft beers and wines to take on their early morning flights as gifts or remembrances of their Oregon visit. Due to Transportation Security Administration regulations that prohibit passengers from taking liquids through the security checkpoints, pre-security Concessionaire revenues along with passenger satisfaction have been negatively impacted. Passengers must now purchase bottled Oregon craft beers and wines in post-security facilities. Additionally, many passengers request cocktail service prior to the 7 AM hour as they are operating on "altered clocks" due to flight schedule times and/or different time zones. Currently, 21% of our daily departures occur before or during the 7 AM hour. Annually, this represents over 1.6 million passengers.

For these and other reasons addressed in the petition, the Port of Portland supports the PDX Concessionaires in this initiative to help feature and grow the Oregon craft beer and wine industries while responding to the many passenger service requests our Concessionaires receive daily.

Sincerely,

A handwritten signature in black ink, appearing to read 'Mary H. Maxwell'.

Mary H. Maxwell
Director of Aviation