

Testimony of Salvatore P. Maiolatesi

Good morning, my name is Sal Maiolatesi owner and wine maker of Maiolatesi Wine Cellars.

I opened the winery in 1999 at my home in Carbondale PA, after a few years of strong growth, in 2002 I moved the production to the cellar of Mermelstein's Market place in Childs. As the winery grew even larger plans were made to purchase a farm in Scott Township PA and build a new winery. As fate would have it on September 21, 2007 I lost the entire winery to a fire started by a volunteer fireman. Having the need to produce wine I had all of my fruit sent to 5 different wineries throughout the state Nimble Hill being one of the wineries to lend a helping hand. During the next 12 months I built a new winery and was a traveling wine maker. I broke ground in May of 2008 and was operational by October that same year.

Prior to the fire I had one fulltime employee. There are now 4 fulltime and 8 part-time employees working at the winery and retail locations.

I am an active member of the PA Winery Association and just completed my 3rd term as a board member of the PA Wine Marketing and Research Program.

During the past 14 years I have worked behind the scenes to help grow the wine industry with the help of Legislators, Representatives and other wineries creating new laws that relax some of the restraints that in the past have limited the growth of this industry. With your help I feel we can take Pennsylvania to a new level of competitiveness by allowing the co-mingling of PA breweries and wineries. Changing the laws to allow PA produced alcohol to be sampled and sold at each other's facilities would greatly increase our competitiveness with neighboring states. This in turn would not only affect the wineries and breweries but would have a trickle down affect creating new jobs and tax revenue in many businesses including restaurants, lodging and all forms of business that rely on the tourism industry.

In 2009 the wine industry funded a study of the economic impact of PA wineries. According to this study conducted by MKF research, the winery industry generated \$179.6 million in tourism expenditures and returned \$ 252.5 million in state and local taxes to the Pennsylvania economy. The information for this study was data collected from 2007 and we are currently having another study conducted using 2010 data. Given the chance to offer more products and services by allowing co-mingling of wineries and breweries I am certain that the economic impact of our businesses can far surpass anyone's expectations.

There are over 160 wineries in Pennsylvania and most if not all are small, family run business that without the help that we have received from you in the past would not be where we are today. We need your help to continue the growth of our industries so we can continue to provide family sustaining jobs and secure a future for our families. I request that this committee move to change current laws and allow Pa wineries and breweries to sample and sell each other's products. I would like to thank you in advance for helping us achieve this goal.

Just a brief story, this past July we had our annual pig roast. The winery was a little short handed so I was parking cars with a friend. While parking cars a group of 10 people were carrying a case of beer to the winery I stopped them and told them that beer was not allowed at the winery (there were 6 wine drinkers and 4 beer drinkers) after discussing amongst them they decided to leave because I would not allow them to bring their beer. I asked one of them (a regular customer) "If we sold Pa produced beer would you buy it here"? Her response "if you did you would see us more often my husband only drinks beer". This is a disheartening story but one that could be easily changed with your help.

I would like to thank you again for allowing me to speak and with that would like to open the floor for any questions.

Sal Maiolatesi
Maiolatesi Wine Cellars