



Maui takes to the air

Maui Brewing Co. reports that Hawaiian Airlines is now serving their Bikini Blonde Lager on all Transpacific flights. Hawaiian Airlines is the 11th largest US airline and operates a fleet of 29 aircraft on inter-island, Trans-Pacific and South Pacific flights. The Bikini Blonde Lager, a "Munich Helles Lager" was awarded a Gold Medal in its category at the 2007 North American Beer Awards in June.

Maui Brewing Co. is one of the new wave of craft breweries that sell canned beer.

"Space and weight limitations on aircraft make cans a desirable packaging choice," says Maui founder and owner Garrett Marrero. "Cans are virtually unbreakable, they are lighter to carry than bottles and easier to chill. Modern cans are now lined with an internal coating that prevents the beer from ever making contact with the aluminum and therefore ensures no metallic after-taste and an exceptionally fresh-tasting, quality product. Cans eliminate light damage and the risk of oxidation. Hawaiian Airlines passengers will enjoy Maui Brewing Co. microbrews that are flavorful, brisk and satisfying."

Mr. Marrero and his wife, Melanie, run a 7-barrel brewpub at the Kahana location as well as a recently added 25-barrel full production brewery and canning facility in Lahaina. "Maui Brewing Co. is a truly local beer as 100% of our products are made in Hawaii," Mr. Marrero says. "Eco-friendly packaging is used—even the cans are Hawaiian-made."

Molson to close brewery

Molson Coors reports that it will close its brewery in Edmonton, Alberta. The brewery had been idled since May of this year due to an ongoing strike. Molson said that the brewery was a bottling facility with no room for expansion, and cited a consumer shift to cans as one reason for the closure.

Molson will shift production to other breweries in 4Q. The company has five other breweries in Canada with a total capacity of approximately 10 million bbls.

Boston Beer buys PA brewery

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and our own growth, recently led us to look again at existing breweries that we might be able to buy," said Boston Beer President and Chief Executive Martin Roper.

And as Boston Beer spokesperson Michelle Sullivan pointed out, "[With Lehigh Valley] We're getting twice the brewing capacity for less than half the cost."

Diageo has owned the Lehigh brewery since the company bought it from Pabst in December, 2001 for \$29.8 million.

Pabst, in turn, had acquired the brewery through its purchase of Stroh assets in 1999. After Diageo took over, the distiller spent an estimated \$15-20 million to modernize and retrofit the plant for malt-based cooler production.

The Lehigh Valley brewery was considered ultramodern when it was completed for the F. & M Schaefer Brewing Co. in 1972, and the exterior still presents a dramatically modern appearance. The brewery was originally designed as a 1-2 million barrel facility, but capacity was expanded in the 1970s as Schaefer closed its older breweries in the region. In 1981, the Stroh Brewery Co. of Detroit, MI, bought Schaefer, and took over operation of the Lehigh Valley. Stroh ran the brewery until it was acquired by Pabst in 1999.

Boston Beer brewed under contract at Lehigh Valley between 1994 and 2001. The company expects it will need to make some investments and renovations to brew its beers there again.

The company said it will begin brewing at the location in the third or fourth quarter of 2008. The brewery will remain in operation during the transition, and may continue production of Diageo products.

When the brewery was operated by Stroh, it had estimated capacity of 3.5 million barrels. Given the more tankage-intensive nature of Boston Beer Co.'s products, capacity could be anywhere from 1.5 million to 2.5 million barrels.

"The question now is whether Boston can grow much more in the U.S.," analyst Bob Weinberg said. "They went like gangbusters until they were national."

Weinberg said the new brewery could open up new options for Boston Beer Co. "They would have the capacity to export now," Weinberg said. "Philadelphia is a good port, and that might suit Jim. He does brew excellent beer."



New hybrid medium-duty

The Kenworth Truck Company has brought its first medium duty hybrid-electric truck into the U.S. market. The first vehicle went to Dunn Lumber, a Seattle-based wood products company. "The new Kenworth hybrid provides a state-of-the-art, fuel-efficient and environmentally-friendly addition to the Dunn fleet," said Bob Christensen, Kenworth general manager and PACCAR vice president.

Mr. Christensen said Kenworth's goal for its new medium duty hybrid is to enhance fuel economy by up to 30% in start-and-stop applications, such as pickup and delivery and utility trucks. Kenworth is offering limited production of medium duty hybrid trucks for municipal fleets and utility companies this year with full-scale production expected to follow in 2008.

Above 30 mph, the Kenworth hybrid operates like a standard diesel vehicle with all power coming from the engine during steady driving conditions. Below 30 mph, it uses a combination of diesel and electricity with the system automatically switching between the two modes of operation. Electricity generated through regenerative braking is stored and used for acceleration, assisting the diesel engine.

The first truck off the line, delivered to Dunn Lumber, can carry a payload of up to 16,000 pounds, features a PACCAR PX-6 240 hp engine, integral transmission-mounted motor/generator, frame-mounted 340-volt battery, and dedicated power management system.

"We've been extremely happy with the performance of the new Kenworth hybrid," said Mark Geyer, fleet manager for Dunn Lumber Co. in Seattle. "It's still very early, but fuel economy is up an estimated 35% in the first few weeks of operation compared to one of our similarly spec'd Kenworth T300s. The truck also looks great and is extremely quiet, which is a big plus."

Kenworth's T660 and T2000 models were acknowledged as SmartWay eligible trucks by the EPA. Kenworth also received the Alternative Fuel Vehicle Institute's 2007 Industry Innovation Award for alternative fuel trucks for the Kenworth T800 liquefied natural gas (LNG) truck.