

**Testimony by Wendell Young IV, President, UFCW Local 1776 Keystone State  
House Liquor Control Committee Hearing on House Bill 1644**

**Tuesday, August 27, 2019**

Chairman Pyle, Chairman Deasy and Members of the House Liquor Control Committee:

I want to thank the committee for allowing me to testify on behalf of the 35,000 members of UFCW Local 1776 Keystone State. Our union has spent a significant amount of time over the past few years advocating for public hearings when legislation is being introduced that greatly alters Pennsylvania's liquor system. I want to commend the committee for taking this approach to help bring all stakeholders to the table to discuss potential legislation.

Our union, as you know, has spent decades fighting liquor privatization. And to be clear, our union does not hide from why we oppose measures that weaken our state's Wine and Spirits stores. We do everything in our power to save the jobs of every single one of the 3,500 members we represent at the PLCB. I am proud to represent them and proud of the work they do for the Commonwealth.

We are proud of the record our members have in serving the Commonwealth. Our members help contribute over \$750 million back to the taxpayers of Pennsylvania, including contributions to our State Police, to the Department of Health for Drug and Alcohol Programs, to college universities for alcohol education grants and to our state treasury so we can deal with the real budgetary challenges you all face on a yearly basis of funding our public schools and essential state services. Our members have a tremendous record of keeping alcohol out of the hands of minors and inebriated persons. Our stores – every single one – stock thousands of items, have competitive pricing for consumers and are remodeling their appearance in a way that states in the private sector should be jealous of. And of course, we are proud of the fact these are family-sustaining jobs in retail where most private-sector retailers have created a race to the bottom in terms of wages, benefits and retirement security.

Because of that mission, UFCW 1776 KS is opposed to House Bill 1644. I know some may say that this isn't a "privatization bill" specifically, but we do view it as that. Legislation like HB 1644 is part of a broader package of legislation designed to chip away at the PLCB and the Wine and Spirits stores with an end result of full privatization. Whether it's spirits expansion, new wine and spirits licenses, increasing the amount of alcohol that can be sold by licensees, the "Free the Wine" bill, repealing the PLCB's flexible pricing policy or legislation like HB 1644 which eliminates the basic provisions a restaurant license (R License) must operate under – all of these bills are all designed to move sales away from our publicly owned Wine and Spirits stores. These bills will result in losses of revenue, lost sales and shuttered Wine and Spirits stores and eventual privatization.

House Bill 1644 would eliminate most of the requirements an R License must abide by. First, this is a logistical nightmare for enforcement. The Bureau of Liquor Control Enforcement (BLCE) would now be responsible for policing an entire big box store that can stock and sell alcohol anywhere on the premises. This will allow minors to have easier access to the product

and create a simpler way to shoplift or consume the alcoholic products in the store. I advise the Committee to please review the data and research from Washington State after they privatized and allowed aisle sales for liquor in grocery stores and big box stores. The results included significant increases in shoplifting, minors in possession of alcohol and even caused some grocery stores to have to keep alcohol behind locked gates due to a dramatic spike in these two categories. HB 1644 raises serious questions in regards to public health and safety and those who deal in the alcohol prevention field should be brought in to testify on their thoughts about the changes this legislation calls for.

Further, HB 1644 causes real strain on retail grocery employees who will now have an added level of responsibility with a product that is not eggs and bread. Our union goes well beyond representing the employees of the Wine and Spirits stores. We represent over 10,000 employees who work in retail grocery, including employees at Giant Eagle, Acme Markets and Shoprite. Our members can tell you about the late-night problem shoppers and the rowdy group of teenagers that comes in late on a Friday night. They can tell you what it's like trying to close up their store juggling a few last-minute ordeals. Now imagine allowing alcohol sales on top of that, with product placed all over a grocery store that may have 20 or so aisles. Most grocery stores have a limited staff late at night so the idea of policing an entire grocery store when a group of young adults walk into a store late at night is not practical. This is an unfair situation to grocery store clerks throughout the state.

Finally, HB 1644 is another case of giving advantages to large, multi-state, wealthy retailers over small mom-and-pop businesses throughout our Commonwealth. For our members in the Wine and Spirits stores, I reviewed the potential consequences of this legislation along with the other bills that exist. But for beer distributors and other family-owned businesses in Pennsylvania's alcohol market, HB 1644 is another piece of legislation that leaves them behind and puts them at a competitive disadvantage. Act 39 of 2016 did some nice things in terms of modernization for the PLCB, but one of the unintended consequences of that legislation that occurred was the tremendous competitive disadvantage beer distributors and true restaurants now suffer from. R Licenses used to be for restaurants. But now as we incentivize grocery stores, Sheetz, convenience stores and others to purchase R licenses away from entrepreneurs and allow for the auctioning of "zombie licenses" in an arena that only the chain retailers can compete, we are effectively pushing true restaurants and beer distributors out of Pennsylvania's alcohol retail market. We should be looking to reverse that trend, but unfortunately, HB 1644 will only speed up the decline of those small mom-and-pop businesses.

For all these reasons, we oppose House Bill 1644.

We appreciate the opportunity to testify today. Again, the public vetting of legislation is important piece of what makes our government work for the people of Pennsylvania.