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Package Reform in House Bill 11 Robs Retail Licensees: Tavern owners call for fairness

Harrisburg, PA- The Pennsylvania Tavern Association, the statewide trade association for retail licensees, is urging lawmakers to take a closer look at the Package Reform outlined in House Bill 11 to ensure that any final legislation is fair to taverns and restaurants.

Currently, beer distributors are able to sell cases of 24-packs up to a keg of beer, while retail licensees have a cap on their sales of six-packs to go. Taverns and restaurants today pay higher licensing fees so they can sell six packs.

The current bill significantly alters the current three-tiered beer system in Pennsylvania. House Bill 11 would allow distributors to "break" cases and sell six-packs. The bill also would allow distributors to purchase enhanced licenses to sell wine. Retail licensees, such as taverns and restaurants, would be granted the ability to sell up to a 30-pack of beer, a provision that the Malt Beverage Distributors Association has publicly denounced.

Amy Christie, executive director of the Pennsylvania Tavern Association, said lawmakers should proceed cautiously and treat taverns and restaurants fairly as they craft this legislation.

"Our members purchased their retail licenses based on a certain set of rules. If the law is changed to allow distributors to expand the options they make available to customers, then similar consideration must be made for our members, too. The legislature shouldn't help one group at the expense of another."

Christie said that if lawmakers allow distributors to expand their offerings but do nothing for taverns and restaurants, the value of a retail license will drop

significantly, putting at risk the future of many family-owned taverns and restaurants.

"We want to make it more convenient for customers by allowing them to purchase wine to go from our businesses, as well as larger packages of beer. Allowing our members to compete on a level playing field with distributors will preserve all small businesses and jobs in the industry," Christie said. "Our members' licenses and business value will decrease radically, however, if the General Assembly does not recognize that the alteration of one-tier must include the alteration of all tiers to save small businesses and the jobs of the 200,000 Pennsylvanians who work in our taverns and restaurants."

Christie agrees with the perspectives of the president of the Malt Beverage Distributors, who said that "everyone got in to the business, took out mortgage and loans, based on rules that were in place."

"Like the distributors, our members made significant investments in their licenses and their businesses and they are playing by the rules. If the lawmakers are going to change the system to allow distributors to sell wine and six-packs, they also should allow our members to sell wine and 30 packs, at a minimum. If the legislature only allows an expansion of products for distributors, it's not only unfair, it's also detrimental to our members, their businesses, and the Pennsylvanians they employ."