



January 29, 2015

Dear Representative / Senator,

On behalf of the approximately 3,500 employees of Pennsylvania's Fine Wine and Good Spirits Stores, whom we are proud to represent, we look forward to working with you in this legislative session to modernize these stores to improve customer convenience and build on the Pennsylvania Liquor Control Board's (PLCB) record-setting financial performance in recent years.

The PLCB is a valuable, profitable asset that has delivered a significant return year after year to all taxpayers. In Fiscal Year 2013-2014, PA's Wine and Spirits Stores contributed more than \$566 million to Pennsylvania taxpayers – a record transfer for the PLCB. This total includes payments to the Pennsylvania State Police, drug and alcohol programs and local communities. In the last five years, the agency has provided more than \$2.51 billion to the Pennsylvania Treasury, \$111.1 million to the Pennsylvania State Police, \$9.8 million to drug and alcohol programs and \$22.5 million to local communities. The agency's profitability grows every year, and the return to taxpayers has continued on an upward, steady trajectory.

In fact, just this past week, the PLCB released their mid-year financials for Fiscal Year 2014-2015. In the first six months of this fiscal year, sales, revenues and profits have substantially increased compared to the first six months of last year. The PLCB is on course to deliver a record amount of revenue to the State Treasury once again.

By supporting PLCB modernization proposals, such as HB 228 introduced by Representative Gene DiGirolamo (R-Bucks), the General Assembly can significantly increase the value of the PLCB, as well as provide greater convenience and better pricing for Pennsylvania consumers. In the first year of enactment alone, HB 228 will add an **additional \$185 million in new revenue**, with increases in revenue every year after as the legislation is fully implemented. The members of UFCW Local 1776 and UFCW Local 23 encourage you to support this legislation as it is in the best interest of Pennsylvania's taxpayers and consumers.

Rep. DiGirolamo's modernization legislation calls for the following:

1. **Remove Sunday Sales Limitation on Store Openings and Hours of Operation:** Removes the 25 percent cap on percentage of stores allowed to open Sundays and allows convenient hours of operation for the Sunday consumer.
2. **Pricing/Customer Relations Management:** Allows the PLCB to use best retail pricing practices to secure the very best price for the customer. In addition, this legislation would remove the statutory limitations on loyalty programs.
3. **Right-Locating Fine Wine and Good Spirits Stores:** Recommends the PLCB look at right-locating Fine Wine and Good Spirits Stores to help enhance consumer convenience. The PLCB should look to expedite the process of re-locating stores to more convenient and consumer-heavy locations to provide Pennsylvania consumers more accessibility to stores.

4. **Expedited Review of PLCB Leases by the Department of General Services:** Mandates a 45-day review window on all leases approved by the Department of General Services. Proper location of PLCB stores for the benefit of customer convenience would take place in several months rather than years.
5. **Direct Shipment of Wine and Spirits:** Permits Pennsylvania residents to receive shipments of wine and spirits in Pennsylvania and also permit the PLCB to ship out of state.
6. **Lottery Sales:** Enables the PLCB to work with the PA Lottery to place self-attended lottery machines in more than 600 new outlets for the benefit of the consumer and the enhanced revenue for lottery programs.
7. **Consortium Product Buying:** Allows the PLCB to take the lead in joining some of the other 18 control states, like Michigan, Virginia, Ohio and New Hampshire, in buying product in unified fashion to help secure the very best price for the PA consumer on the PLCB store shelf.

If the General Assembly were to enact all of these components, it would open the door to more revenue options for the General Assembly to consider when addressing Pennsylvania's budget problems.

**Monetizing the incremental revenue gains of the agency would allow the state to secure a bond worth several millions of dollars to help plug any budget gap in upcoming years.** Securing a bond on increased profits as a result of modernization – not the tax revenue— is very attractive to investors, since the agency has continued to deliver increased revenue annually to the State Treasury, during good and bad economic times. The risk is low and potential for reward high.

We believe both modernization and monetization initiatives are a win for taxpayers, consumers and working families here in Pennsylvania.

Please feel free to contact our offices if you would like to discuss these proposals in more detail. We look forward to working with all lawmakers and the Wolf Administration in this legislative session. We are confident our members who work in PA's Wine and Spirits Stores can help provide more revenue and better service to consumers, unlike privatization proposals that have been introduced the past four years.

Please contact either of us directly (Wendell Young, President of Local 1776 at 610-940-1805 or Tony Helfer, President of Local 23 at 724-514-3228, ext. 126), or UFCW Local 1776's Political and Legislative Coordinator, Chris Naylor at 610-940-1828.

Thanks again, and we look forward to working with you.

Sincerely,

*Wendell W. Young, IV*  
President, UFCW Local 1776

*Anthony M. Helfer*  
President, UFCW Local 23