

Senate Bill 6: Privatization of Liquor Stores - Article 2

<https://www.pennlive.com/opinion/2021/12/pennsylvania-leave-the-dark-ages-of-prohibition-and-privatize-sales-of-wines-and-spirits-opinion.html>

Pennsylvania, leave the dark ages of prohibition and privatize sales of wines and spirits

Updated: Dec. 27, 2021, 5:47 a.m. | Published: Dec. 26, 2021, 9:14 a.m.

By Sen. Mike Regan

Since 1933, Pennsylvania has run an archaic system for the sale of wine and spirits. At the time, Gov. Gifford Pinchot, taking action after the repeal of prohibition, established the current state store system run by the Pennsylvania Liquor Control Board (PLCB). After nearly 90 years of this state-run monopoly, now is the time to end government control of the sale of wine and spirits.

Gov. Pinchot, a Republican, faced opposition to his plan from the other side of the aisle for fear it would create a “political machine” and “a second era of prohibition for Pennsylvania”. These statements have certainly come to fruition, and now it is members of Pinchot’s own party that are calling for a stop to this costly system that only remains in place because of the political influence of the unions that represent state store workers.

One of these organizations in particular, the United Food and Commercial Workers Union (UFCW), is led by a man being compensated over \$400,000 a year between salary and benefits. Keeping this hefty paycheck is his priority, not the interests of consumers or taxpayers. On top of that, UFCW pumps millions of dollars into the coffers of political candidates, including a half a million just to the governor, and they use the threat of a primary challenger to strong arm sitting legislators into voting against issues that UFCW opposes – like privatization.

Sadly, all of this flies in the face of one of Gov. Pinchot’s key goals of keeping liquor and politics separate.

Of course, keeping politics separate from any issue these days is near impossible. What isn’t impossible though, is separating our state government from the actual business of alcohol. It is one thing for government to regulate the sale of a product such as alcohol. It is quite another for government to be both the wholesaler and retailer of that product.

The PLCB continues to tout its supposed increased profits, but what they fail to disclose is their arbitrary markups on products, the more than \$1 billion in pension liabilities for the thousands of employees, including state store workers, and the amount spent for the leasing of roughly 600 liquor store locations.

This state-run business is a very expensive one to operate, and the touting of profits is both laughable and disturbing. The PLCB and UFCW both use the argument that privatization will essentially lead to the downfall of society by providing easier access to alcohol. All the while, the PLCB is using marketing materials to get consumers to buy more – even using discount incentives that licensees are prohibited from employing under the Liquor Code.

Protecting Pennsylvanians from accessing alcohol is not a pillar of the PLCB, especially considering the state stores don't even have to card customers, as is required of all other retailers. The bottom line is, the PLCB is a business aiming to make a profit, and they will continue to fight to maintain their monopoly in the Commonwealth. Unfortunately, they fail to recognize consumer demands for convenience and product selection, something successful businesses do every day.

Convenience in today's world of online shopping and curbside pickup should not be viewed negatively with regard to alcohol. I very much recognize the importance of protecting young people from having access but restricting responsible adults on where they can purchase liquor and what they can purchase is exactly what it sounds like – a system that was born out of prohibition.

And the people advocating for protecting this antiquated system, including Gov. Tom Wolf and the UFCW, are some of the same people pushing to permanently allow for mixed drinks to-go. Recall, restaurants were allowed to sell such beverages during the governor's COVID shutdowns. Anyone who claims privatization will have negative impacts by providing easier access to alcohol should not be advocating for people to leave a restaurant with a to-go cup filled with an unknown amount of liquor and a piece of tape over the straw hole.

What they should be recognizing is that the PLCB system is losing money by limiting the products they are willing to sell in our state stores. In turn, this keeps both small, Pennsylvania-based and large-scale, international companies from garnering shelf space and doing business in the Commonwealth. This then forces residents to cross state lines to find in-demand products, filling those states' coffers and under our current laws, making criminals out of those residents who transport alcohol back into Pennsylvania.

As we go into 2022, it is time to emerge from the dark ages of our prohibition-era system and once and for all, privatize liquor sales in Pennsylvania. I strongly support my colleague, Rep. Natalie Mihalek's efforts to do so and encourage other members of the legislature – and the public – to join me.

Senator Mike Regan serves as Chairman of the Senate Law and Justice Committee and represents Pennsylvania's 31st Senatorial District covering parts of Cumberland and York Counties.