



March 18, 2020

The Honorable Tom Wolf Office of the Governor 508 Main Capitol Building Harrisburg, PA 17120

Dear Governor Wolf:

We are writing to you on behalf of the Distilled Spirits Council of the United States and the American Distilled Spirits Association, national trade associations representing producers and marketers of distilled spirits sold in the United States, regarding the difficult decision to close all Fine Wine & Good Spirits stores in response to COVID-19.

We understand state leaders like yourself are struggling with the careful balance of protecting the health of citizens while also protecting the financial health of state and local economies. We'd like to offer some alternatives to completely shutting down all state stores that take into account these dual needs and share how other control states are handling the issue.

Control states, including Alabama, North Carolina and Virginia, have adopted emergency rules to reduce the risks to patrons and workers while also trying to keep afloat hospitality businesses and continue to serve the public. For example:

- In <u>Alabama</u>, the state has reduced the number of open ABC stores and shifted personnel to open locations. The state ABC has also outlined guidelines to protect customers and employees including limiting the number of customers allowed in a store at any given time; having store personnel retrieve customers products; encouraging credit card purchases; and requiring employees to wear gloves.
- In <u>North Carolina</u>, local counties continue to operate their off-premise spirits stores but might consider scaled back hours of operation. Distilleries may still sell bottles for off-premise consumption.
- In Virginia, stores remain open with reduced operating hours at certain stores. The <u>VABC</u> guidance states, "As the sole retailer of distilled spirits in Virginia, we are dedicated to filling our role in providing product to our licensees and the public."
- Utah and New Hampshire continue to keep their state stores open.

To date, Pennsylvania is the only state to completely close down all stores that provide consumers with access to distilled spirits products. Pennsylvania's hospitality industry, including craft distillers, is already under enormous strain due to the U.S. tariffs on EU spirits and wine products. We respectfully request that you reconsider your decision to close all state stores. It is the only channel of distribution that Pennsylvania consumers have to distilled spirits.

If you are unable to re-open all or select PLCB stores, an innovative alternative would be to temporarily allow "R" licenses that currently sell beer and wine to also sell spirits until PLCB stores are re-opened. Many restaurants are now selling take away food only and the loss of patrons is financially harming their businesses. These restaurants are already licensed to sell spirits and already are trained in proper ID verification. As restaurants across the state are suffering huge financial losses due to lack of business, the ability to also sell distilled spirits would help offset their losses and could potentially prevent permanent restaurant closures.

The spirits industry stands ready to assist you in exploring innovative approaches to protect Pennsylvanians while easing the burden on consumers and the hospitality industry.

We are all in this together and we are committed to doing our part to support our communities during this difficult time. For example, distillers <u>in Pennsylvania</u> and across the country are converting their distilling operations into production lines for hand sanitizer to help communities combat COVID-19.

We look forward to working with you and the PLCB now and in the future.

Thank you for your leadership.

Very Best Regards,

Chris RSwinger

Chris R. Swonger President/CEO Distilled Spirits Council of the United States

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Matt Dogali President/CEO American Distilled Spirits Association

CC: Chairman Tim Holden, Pennsylvania Liquor Control Board