

MAJORITY POLICY COMMITTEE
PUBLIC HEARING ON DIVESTITURE OF THE RETAIL SALE OF WINE
AND HARD LIQUOR
Wednesday, April 18, 2007

Testimony presented by the Independent State Store Union
Ed Cloonan, Executive Director

Thank you for the opportunity to testify. My name is Ed Cloonan. I've been involved with the Independent State Store Union representing state store managers for many years.

The state store system has worked for the good of all communities and citizens of Pennsylvania by moderating practices of sale and availability. This union has been very critical of the operation of the PLCB when it has tried to create a carnival atmosphere of alcohol in Pennsylvania – particularly over the last 5 years. Today we are going to share some of our admonitions for Pennsylvania. We heard earlier today some of the alcohol related consequences. The PLCB announced that it has spent 13 million dollars over the last four years with the support of Governor Rendell to protect Pennsylvania's youth from underage drinking. During the same time, the PLCB has initiated the first statewide radio, newspaper and billboard advertising campaign to support the greatest increase in liquor and wine expansion in Pennsylvania over the last sixty years.

The industry doesn't like to hear it but alcohol, the legal drug, is the most used and abused drug in Pennsylvania and in the United States. It causes more harm than all the illegal drugs combined. Only cigarettes impose more harm.

On February 12, 2007 – WJAC-TV (article attached)¹ of Altoona/Johnstown reported **DRUNK DRIVING CONTINUES TO WORSEN STATEWIDE** – DUI crashes were up 3.1% from 2003 to 2004 and 3.8% from 2004 to 2005. State College – *Centre Daily Times* (article attached),² January 4, 2007 – **POLICE SMASH DUI RECORD IN 2006**. *Centre Daily Times* (article attached),³ January 29, 2007 – The (Penn State) class of 2006-2007 shows a 40% increase in underage drinking citations among eighteen year olds and a 33% boost among nineteen year olds. The *Pittsburgh Post-Gazette* (article attached),⁴ March 15, 2007 – **UNDERAGE ARRESTS MAY DOUBLE THIS YEAR** – reported that a Pittsburgh suburb, Mt. Lebanon, is on pace to double underage drinking arrests. The police department says beer is still the intoxicant of choice followed by vodka.

Since state stores have set record sales in State College over the last four years, alcohol related emergency room visits to Mount Nittany Medical Center by Penn State students have increased and the age of the students making the visits has decreased; and in

¹ Drunk Driving Continues To Worsen Statewide

² Police Smash DUI Record

³ Freshman Class Netting More Drinking Citations

⁴ Underage Arrests May Double This Year

the same visits, the blood alcohol concentration (BAC) has escalated according to the Penn State education website itself (attached). If you add the genius of free-market entrepreneurship through divesture with increased advertising and predatory pricing specials into the mix of selling liquor, wine and beer in the town with the lowest median age (twenty-two in State College), you only throw more gasoline on the fire.

We are not making these charges for the first time today to bolster our arguments. On July 7, 2006, the ISSU office sent a letter to State College Borough Council outlining how state store sales skyrocketed in State College particularly after Sunday sales. ISSU made suggestions to change the alcohol environment.⁵

Alcohol related emergency visits have climbed as have BAC levels of even younger aged students in connection with the explosion of alcohol sales.

An ISSU February 10, 2004 news release showed graphically how one state store alone, open on Sundays, increased 71,383 bottles in one year – a three bottle increase per every student over and under 21.

Let's look at two collages of headlines of the *Centre Daily Times* beleaguered by the ongoing Penn State war on alcohol abuse and the newspaper accounts extolling the LCB record sales boom.⁶

On June 15, 2005 in a joint hearing of the PA Senate Law and Justice and House Liquor Control Committees, we chronicled the total units of liquor and wine sold in the state store system from 2003-2004 - an increase of 6,536,358, a 6.56% increase. While population decreased in 31 of the 67 counties, liquor and wine sales for the first time in the history of the Commonwealth increased in every single county in 2003-2004.⁷

On April 6, 2006, the Independent State Store Union Board sent a letter to the 3-member PLCB outlining all their concerns including the *Harrisburg Patriot-News* report that the number of Pennsylvanians **in 2004 who sought treatment for alcohol addiction rose from 30,148 to 33, 266 – a ten percent increase.**⁸ All the while the PLCB Chairman was touting in 68 news releases the glories of record liquor and wine sales.

⁵ Color Salmon

⁶ Color Yellow

⁷ Color Lavender

⁸ Color Blue

In that letter, we made five recommendations to the three Board members. We never received a response. But our criticism has not fallen on deaf ears. It has led the PLCB, at this very time, to plan the destruction of this union and give these jobs to the union who lavishes praise on the PLCB operation.

On March 5, 2007, we sent a letter to the legislature outlining a study of increased alcohol related crashes and alcohol related crash fatalities after packaged alcohol sales became available in 1995 in New Mexico on Sundays. The study concludes there are consequences to increasing alcohol availability, convenience and revenue that is detrimental to the common good which increase alcohol related harm.⁹

In a letter to the legislature on March 12, 2007, the union cited a paper from Robin Room, an international alcohol policy researcher and lecturer, which gives *the reason to be* for the state store system.¹⁰

“The fundamental rationale for maintaining a state monopoly of the retail sale of alcohol is in terms of the public order and public health benefits it can bring” says Room.

Room concludes with *“The balance between the private pleasure from drinking on the one hand, and the private and public harms from it on the other, can be determined by the interests of the broad public rather than the interests of commerce.”*

As long as state stores are part of a community as an active ingredient to the formulation of an alcohol policy for the common good, and not merely a profit maker in the local mall, state stores have a cogent need to exist.

The PLCB has a responsibility that goes far beyond the regulation and the economic interests of the alcohol beverage industry. Pennsylvanians are citizens first in families and communities whether they drink or not. The PLCB responsibility to the non-drinker as citizen must be maintained as stridently as any responsibility to the drinker as customer.

In 1994, the PLCB produced and distributed a brochure *“Why it Works: Pennsylvania’s approach to Discouraging Alcohol Abuse.”*

We are including the fact sheets from the brochure:¹¹

1. PA consumed less alcohol per capita than other states.

⁹ Color Pink

¹⁰ Color Cream

¹¹ Color Green

2. There were fewer underage drinking & DUI arrests in PA than nationally.
3. There were less alcohol related harms in PA than the average in the rest of the nation.
4. Fewer youths were killed in automobile accidents in Pennsylvania.

This state store system for 70 years has always produced public benefits when it is operated for the common good.

Thank You.