



STATEMENT OF TIMOTHY STRICKLER
BEFORE THE SENATE LAW & JUSTICE COMMITTEE
ON HB 291 (PN 2326) JANUARY 26, 2010

Good morning Chairman Pippy, Chairman Logan, and members of the Senate Law and Justice Committee. I am Tim Strickler, a partner in Ace Distributing, located in York Pennsylvania. We employ eighty seven people. We represent over forty domestic and international suppliers of malt and brewed beverages. We distribute these products to retail licensees throughout six counties in south central Pennsylvania. If possible, I would like to reserve two minutes of my time at the end of today's hearing to respond to matters brought up by other witnesses.

It is important for us to begin by noting that the Pennsylvania Beer Alliance, on its own, does not "get" anything from the passage of House Bill 291, known as the Granholm Compliance Act. Passage of the bill protects the Commonwealth's ability to regulate alcohol, which protects the system in its entirety. This is an issue of importance across the business and social spectrum, from our members and industry partners to other industry control and public health advocates.

It is clear that Granholm is more than just an issue for the Pennsylvania Beer Alliance; it is an issue for every stakeholder. In fact, the most likely and greatest beneficiary of Granholm reform will be the state. Without Granholm reform, alcohol could begin to flow into the state through direct shipment. This will lead to a loss of revenue for the Commonwealth, as it will be costly and difficult to collect any taxes on these transactions, if possible at all.

Passage of House Bill 291 will ensure the continuation of the extremely successful system of control Pennsylvania has enjoyed for three quarters of a century under the three-tier system. This system is the gold standard in monitoring and safeguarding the product. Additionally, this system allows beer manufacturers and wholesale distributors to quickly locate and remove any product that may have packaging or quality issues. This is an issue of major concern considering the recent episodes of tainted produce, and the system's inability to source the problems quickly.

Once passed, Granholm reform will ensure that taxes continue to be collected in a timely and orderly fashion, consumers will continue to enjoy the broad variety of choices we offer at great value, and most importantly, we will continue to be diligent in our task of keeping the product in the right hands.

That is the biggest danger of failing to pass House Bill 291 soon -- the danger that more alcohol will get into the wrong hands through the unregulated direct shipment of alcohol. It is an unavoidable fact that we are not far away from underage individuals ordering beer over the internet. The Pennsylvania State Police will be overwhelmed trying to control the influx of alcohol into the state.

The Pennsylvania Beer Alliance looks forward to continuing to work with you, our industry partners, public health advocates, and our local communities, to pass this vital legislation and to protect the effective system of control that has served us well the last seventy six years.

Thank you.