

MBDA NEWSLETTER

MBDA MEMBERSHIP—

“STRENGTH, SERVICE, VALUE”

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MBDA—THE FORCE BEHIND 12 PACK SALES BY DISTRIBUTORS

History was made this year! As a result of advocacy by MBDA and litigation filed on behalf of a Pennsylvania brewery, Rivertowne Brewing in Export, and two Allegheny County distributor members, Pistella Beer Distributor and Save-Mor Beer & Pop Warehouse, the Pennsylvania Liquor Control Board issued an advisory opinion on March 6, 2015, authorizing distributors to sell package sizes down to a 12-pack of at least 128 ounces. This successful outcome was not a legislative change to the Liquor Code, but rather an interpretation which MBDA had advocated for based upon existing language in the Code, as researched by Association Counsel Charles Caputo. As a result of this monumental and exciting change for our industry, distributors are reporting excellent sales of these smaller packages, and are pleased to be able to provide consumers with even more choices and options. It shows how successful we can be when distributors work with and give their support to MBDA.

PRIVATIZATION LEGISLATION—HB 466

It's astounding that what started out four years ago as a process by Governor Corbett and House Majority Leader Mike Turzai (R-Allegheny) to eliminate the state store system transformed into an all-out attempt to dismantle the already privatized beer distributing industry by expanding beer sales into convenience stores/gas stations and big-box stores.

Our meetings with Governor Wolf show that he is sympathetic to small business, and we appreciate the time he and his staff took to understand our issues and hear our concerns. While budget talks have stalled between the Governor and Republican leaders, MBDA is cautiously optimistic that with Wolf's veto of the ill-advised House Bill 466 no legislation will be enacted that is detrimental to beer distributors.

While Republicans control the Senate, 30-20, and the House, 119-84, and the bill passed the Senate and House primarily along party line votes, it is doubtful that the legislature has the necessary votes to override the Governor's veto.

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Turzai's HB 466 would have devastated our industry, as its provisions would have destroyed the market niche upon which our 1,200 distributors and their 10,000 employees have relied. It would have hurt consumers by giving them higher prices, less selection and minors greater access to alcohol.

A ranking Republican senator predicted that a markup by private retailers, on top of the state's current tax rates on wine and liquor, would drive up prices. The experience from the State of Washington, privatized in 2011, shows that supermarkets would be marketing only those brands that are fast-moving.

MBDA extends our appreciation to all Democratic State Senators and House Members as well as Republican Senators Michele Brooks, Stewart Greenleaf and Mario Scavello and Republican House Members Gene DiGirolamo, Mark Gillen, Tom Murt and Martina White who voted against HB 466.

Distributors—Please contact the Governor's office as well as your legislators who opposed HB 466 to express your appreciation for their support of small business. See page 14 of this newsletter for director Ron Sherwood's letter to legislators, thanking them for standing up for the interests of Pennsylvania's beer distributors and consumers.

GOVERNOR'S MESSAGE ON PRIVATIZATION

In his veto message to the General Assembly regarding HB 466, Governor Wolf said, "It makes bad business sense for the Commonwealth and consumers to sell off an asset, especially before maximizing its value. During consideration of this legislation, it became abundantly clear that this plan would result in higher prices for consumers. In the most recent case of another state that pursued the outright privatization of liquor sales, consumers saw higher prices and less selection."

Organizations who sent the Governor letters in support of his veto include: *Penn State Police*, "I applaud Governor Wolf for vetoing the privatization legislation recently passed by the legislature. Without his veto, communities across the Commonwealth, especially college communities like State College, would have undoubtedly experienced a significant increase in dangerous drinking that often results in persons being arrested, getting injured, and unfortunately, at times, dying." *MADD's National President*, "Mothers Against Drunk Driving supports Governor Wolf's decision to veto this legislation as transferring current state alcohol control to private control is counter to MADD's mission of eliminating drunk driving and preventing underage drinking."

Pennsylvania Recovery Organizations Alliance (Pro-A), "We are concerned about making alcohol more available in our communities—which would occur with privatization. Increasing the availability of alcohol in our communities is generally associated with an increase in consumption." *Commonwealth Prevention Alliance*, "Part of CPA's efforts focus on reducing alcohol abuse. As drug and alcohol prevention professionals, our main concern is the effect on public health and safety related to underage drinking, alcohol addiction, and alcohol-related crimes such as driving under the influence." *DAS-POP*, "We the Drug and Alcohol Service Providers Organization of Pennsylvania thank the Governor for vetoing HB 466. Here is why. Pennsylvania has the lowest alcohol-related morbidity in America. That's not an accident."

DUI Association's Executive Director, "Research has shown that privatization leads to increased availability of alcohol, increased availability leads to increased consumption, increased consumption leads to an increase in alcohol-related problems such as increased assaults, alcohol-related automobile crashes and deaths. Studies showed an average increase of 42% in alcohol sales after privatization." *UFCW PA Wine and Spirits Council President*, "Governor Wolf made the responsible decision. As a businessman, the governor recognized that this legislation made absolutely no sense. It was a sham bill driven by narrow special interests. It's time to focus on modernizing this asset and moving our Commonwealth forward."

MBDA'S ACTION PLAN

Our goal is to have you prosper as a specialty retailer in a stable market. We support an alcohol modernization plan that ensures greater consumer choice and convenience while also protecting the investment you have made in your business.

It is important to note that distributors are highly relevant in Harrisburg. A majority of legislators understand our needs and concerns, and they want to help us. MBDA will use this momentum over the summer, as we continue our outreach to Senators and House Members at their district offices and prepare for the legislature's return to Harrisburg in the fall.

The relationship that MBDA members develop and maintain with their House Members and Senators is of equal importance. Please continue your great work.

Together we have established a strong advocacy presence for beer distributors in the General Assembly. If we stay on course, we will greatly improve our chances to get to the finish line.

MBDA MEMBER TALKING POINTS

When talking with your legislators, please stress to them that any bill that allows convenience and big box stores to sell beer is a serious threat to your livelihood. They do not need beer to survive—but we do! It does not matter if beer distributors are given an additional product such as wine to sell to consumers—you will not be able to compete against large, corporate supermarkets, big box and convenience stores if they are given the same alcohol products to sell in addition to their 50,000+ items.

Make your story personal. Tell them how many years you have been in business, how you've invested your savings, earnings and retirement in a business that provides a very efficient system of distributing 80-85% of the beer sold for off-premises consumption. We are a huge source of revenue for the Commonwealth and our local communities.

Advise them of how many Pennsylvanians you employ—good-paying jobs that would not be recouped by grocery, convenience and big box stores should you be forced to close your doors. Talk with them about your involvement in community events and your excellent record in not selling to minors.

You should also share with your legislators the problems occurring in the State of Washington after they allowed grocery stores to sell alcohol, and how Pennsylvania's supermarkets are not complying with PLCB's regulations. Please see the articles below for direction on reporting supermarket violations and more information on Washington State's failed privatization.

REPORTING SUPERMARKET VIOLATIONS

We've received reports from MBDA members regarding supermarkets conducting illegal beer promotions, reconfiguring their licensed areas and storing alcohol and/or adding service areas outside their Board approved licensed premises, removing the 4' permanent partition separating licensed and unlicensed premises, or not having the required seating for thirty (can include counter seating) as required for R or E licensees.

Suspected violations of the Liquor Code or Regulations should be directed to the Pennsylvania State Police Bureau of Liquor Control Enforcement (BLCE) for investigation. **All complaints submitted to the BLCE are confidential and complaints may be submitted anonymously.**

You have the option of calling the BLCE's complaint hotline 1-800-932-0602, filing an electronic complaint at www.lce.state.pa.gov by selecting "Reporting Violations", or reporting the suspected violation to your local BLCE district office with a copy to the PLCB Office of the Chief Counsel, Northwest Office Building, Harrisburg, PA 17124. A list of the BLCE district offices is available on its website.

The complaint should contain as much information about the grocery store as possible, including its name and address, liquor license number and actions taken by the store which you believe to be in violation. Photos would also be helpful. The BLCE should investigate the complaint and make sure the grocery store is operating in accordance with the law and any additional conditions imposed by the PLCB as part of its licensing process. Depending upon the nature of the complaint, the PLCB may also investigate to determine if the licensed premises are still in compliance with the regulatory requirements. Please advise MBDA of the complaint submitted and the outcome.

WASHINGTON STATE LIQUOR PRIVATIZATION

The State of Washington voted to change its system in 2011 following a referendum in which the consumers were falsely promised better prices and selection in a \$22 million plus campaign financed by Costco. It has taught some valuable lessons:

- Neither price nor selection improved. In fact, grocers now admit the economics of their industry forces them to limit varieties to fast moving brands. Prices increased 11% over two years, according to *The Seattle Times*, unless one wants to buy at Costco and "pay for a membership and are fond of very large bottles".
- In the words of one media outlet, grocery stores "can't hold their liquor". Since shoplifting became rampant, the Washington legislature passed a new law to sanction their inability to prevent in-store thefts, primarily to young people. The stores—facing weekly losses up to \$800 to \$1,000 per week—started locking up their liquor, forcing consumers to request it at check out.

SHEETZ ALTOONA

A hearing before a PLCB examiner was held on July 22, 2015 for a second Sheetz location in Altoona that filed an application to sell beer. MBDA gave testimony on how the alcohol/liquid fuel issue prohibits the issuance of this license. MBDA will keep members updated on future developments.

SHEETZ HUNTINGDON LICENSE REJECTED BY TOWNSHIP

On June 16, 2015, township supervisors voted 2-1 to reject a request by Sheetz to transfer a liquor license from another municipality to their store in Smithfield Township. MBDA members appreciated our assistance.

WEIS MARKET LICENSE REJECTED BY TOWNSHIP

At their July 20th meeting, the Lebanon Township Board of Supervisors rejected a request by Weis to transfer a liquor license from another municipality to their store at 1651 E. Cumberland Street. As one supervisor said, "I have only heard residents speak against this and have not heard one speak in favor of it..."

We thank longtime member, Jay Deshpande of E & E Discount Beer Warehouse, for attending the meeting and speaking in opposition to the transfer. After consulting with MBDA counsel, he challenged Weis attorney's allegation that municipalities must approve a request unless it finds that doing so would adversely affect the welfare, health, peace and morals of the municipality or its residents..." The township solicitor and supervisors were impacted when Jay showed them the section of the Liquor Code which disputed that claim.

WAWA APPLIES TO SELL BEER

The Concord Township Board of Supervisors will vote on August 4th on an application to sell beer by Wawa on Naamans Creek Road in Chadds Ford. If approved by the township supervisors, MBDA will file a petition with the PLCB to intervene when Wawa files for its license transfer. This is the company's second attempt to sell beer in Pennsylvania. In 1986, they were licensed to sell beer at their west Philadelphia location. But, its license renewal was **denied** in 2003 after the location was repeatedly **cited for sales to minors**.

THANK YOU MBDA MEMBERS

We extend our deepest appreciation to each of you for taking the time to make your opinions known to our Senators and House Members. You effectively conveyed MBDA's message that we are already a private enterprise and that HB 466 was not developed for consumer convenience but to benefit big corporations at the expense of small, local businesses. Our industry has 1,200 specialty beer retailers who employ more than 10,000 Pennsylvanians. We provide consumers with great prices, excellent choice, unparalleled service 7 days per week, and are—in the final analysis—the best value for the purchase of malt and brewed beverages.

IMPORTANCE OF A STRONG TRADE ASSOCIATION

MBDA's success in securing distributor 12-pack sales and lobbying against the enactment of legislation to put beer in convenience and big box stores reinforces the significance and influence of a strong trade association and the importance of its role in guiding its membership.

Countless hours are spent evaluating legislation, communicating the pros and cons of legislation to our members, testifying at public hearings, issuing news releases, visiting lawmakers in Harrisburg, and organizing our membership base to call on their legislators both at their Capitol and district offices. **We ask all Pennsylvania distributors to please come on board and support your organization!**

DUES ARE DUE— PLEASE JOIN

MBDA membership gives you a decided advantage in running your small business. Our collective efforts help reduce your operating costs, provides you with invaluable legal, legislative and other services and gives you expert guidance on the many issues affecting your business. **We urge you to please return the enclosed MBDA membership invoice with your dues payment as soon as possible.** We guarantee that the cost of your dues will be more than offset by the savings you realize by participating in our member benefit programs. Membership can save you thousands of dollars a year in business insurance costs, credit/debit card processing fees, and electric utility rates. See pages 8 & 9 of this newsletter for more detailed information.

MBDA ELECTS OFFICERS

At their July 12th meeting, MBDA directors unanimously elected the following slate of officers to serve for the fiscal year, July 1, 2015 to June 30, 2016.

President—Tom Mehaffie, Breski Beverage Distributor, Harrisburg.

1st Vice President—Frank Pistella, Pistella Beer Distributor, Pittsburgh.

2nd Vice President—Matt Viens, Keller's Beer, Selinsgrove.

3rd Vice President—Jim Goldinger, Beer Zone, Lyndora.

Secretary—LeAnn Supeck, Wheatland Distributors, Lancaster.

Treasurer—Ed Klunk, Thorndale Beverage, Thorn-dale.

Tom Mehaffie was elected to his second term of office as MBDA president. He has owned and operated his distributorship since 1993, and has served on MBDA's board of directors since 2007.

Tom thanked the directors for their vote of confidence, and said, "Grocery, convenience and big-box stores continued assault on the beer distribution industry and our small, family-owned and operated businesses remains our top priority. Thankfully we have a governor with small business experience who understands our issues and appreciates the many contributions we make to the state's economy. We face greater competition in the market plus serious political challenges, but our family-owned distributors are still the retailers that offer consumers both the best price and the largest selection."

He also extended the Association's appreciation to long time treasurer and director Paul Farthing, Chal-Brit Beverage, Chalfont, for his many years of dedicated service to the organization. Farthing has retired from the beer distributor business.

We are pleased to report that past presidents and current directors Dave Shipula of Beer Super in Wilkes-Barre and Mark Tanczos of Tanczos Beverages in Bethlehem will continue in their appointments as members of the MBDA executive committee. We are honored to have their continued commitment and dedication. Please go on line to www.mbdapa.org for a listing of Association directors and their contact information. Feel free to call on them for assistance.

MBDA CONTINUES OUR AFFILIATION WITH ABL

The food merchants' movement contending that Pennsylvania's laws are antiquated is exactly what is being said in every other state where alcohol sales are not dominated by large and predatory corporate retail chains.

Just as it is important for Pennsylvania's beer distributors to band together and join MBDA, we continue our membership with the national trade association that represents individual alcohol retailers—the American Beverage Licensees (ABL).

In working with the ABL we combine our resources with theirs and do not have to reinvent the wheel to find tactics and practices that have been successful in other parts of the country and learn from those to strengthen our efforts here in Pennsylvania.

All MBDA members are automatically enrolled as members of the ABL, and each will receive their quarterly membership magazine "The ABL Insider", featuring news and views about the industry, and their monthly legislative update, offering the latest on legislation and policy issues.

As a way to stay current of Pennsylvania and nationwide alcohol issues, you can sign up for the ABL weekly email update and more at www.ablusa.org.

Membership in ABL is another benefit of MBDA membership.

LEGAL UPDATE

While we continue to pursue legislative solutions, we must also work on legal resolutions to protect the market niche that our license represents. As previously reported, MBDA is engaged in critical legal challenges to non-specialty retailers obtaining R (restaurant liquor) and E (eating-place retail dispenser) licenses on the grounds that state law specifically prohibits the sale of alcohol and gasoline from the same property and location.

We continue to retain two law firms—Caputo, Caputo & Regan, experts in the Liquor Code, and Conrad O'Brien, recognized statewide for their expertise in complex legal-political fights, to stop grocery and convenience stores with gas pumps from selling alcohol.

On June 15, 2015, the Pennsylvania Commonwealth Court heard oral argument in the Sheetz (Shippensburg) and Acme (Philadelphia) liquid fuel cases. Both cases were heard by a 3-judge panel of the Commonwealth Court. We're expecting to have their decision within several months' time. But, these cases will not end the matter. We know this fight will end up in our Supreme Court.

The Pennsylvania Liquor Control Board has agreed to a stay (delay) of six pending liquid fuel cases, including four Weis Markets in Danville, Ephrata, Kutztown and West Lawn; a Giant Food Store in Mechanicsburg; and a Giant Eagle-owned GetGo in Pittsburgh, until the Commonwealth Court renders its decision in the Sheetz and Acme cases. However, there are several traditional gas stations, including Valero, who are aggressively seeking licenses in the wake of the PLCB's decision to license Sheetz and Acme. We must continue to challenge these gas stations on a case-by-case basis until the Supreme Court provides clear direction on how to interpret the Liquor Code.

PLEASE MAKE YOUR LEGAL DEFENSE FUND CONTRIBUTION

MBDA won an initial legal-political victory and achieved 12-pack sales. But, unless we have the money to stay on track, we can lose it all. The Sheetz and Acme cases are important test cases for our entire industry, as the decisions rendered could have significant impact upon the spread of beer sales to grocery and especially convenience stores with gas stations. Should we be successful, we can essentially shut down the licensing process for any retailer also selling gasoline, thus mitigating the threat that convenience stores, gas stations and some grocers currently pose. Should we lose the challenges however, the doors for grocery, convenience and gas station R licensees will be thrown wide open.

MBDA continues these battles to safeguard the interests of every distributor in Pennsylvania. This is an expensive endeavor, but one that must be done. We need every distributor in the state, large or small, MBDA member or not, to contribute today. **Please contribute \$500, or more if you can do so, to the MBDA Legal Defense Fund and mail your business or personal check to 230 S. Broad St., Suite 903, Philadelphia, PA 19102. Please contribute generously today—the future of your business depends upon it.**

THANK YOU LEGAL DEFENSE FUND CONTRIBUTORS

As we go to press, we thank the following distributors for their generous 2015 contributions to the MBDA Legal Defense Fund:

B & B Bevs, Bald Eagle Dists., Barkley Beer, Bean Bev., Beaver County Bev., Beer & Pop Discount Warehouse, Beer Belly's Bev., Beer Brothers, Beer Express (Harrisburg), Beer Express (Pittsburgh), Beer Mart (Morrisville), Beer Minimum, The Beer Shak of Minersville, Bensalem Beer & Soda, Beverage Warehouse, Bottle House, Bound Bevs., Brady Street Beer, Brew Avenue, Brewers Outlet (Chadds Ford), Brew-Thru, Breski Bev., Brian's Brew'ry Outlet, Joe Burns Bevs., Captain Jack Dist., Carnegie Beer, Case & Keg, Cassidy's Brew Zoo, Cattani's U.S. 1 Beer, Chal-Brit Bevs., V & L Cicione Bev., City Dist., Clarks Summit Bev., Coventry Beer Station, Wayne Crouse, Crown Bev., Denver Beer, Duffey's Beer & Pop Warehouse, Dunbar Bottling, Edinboro Bev., Ellis Beer, Ephrata Bev., Essex Beer, Exton Bev., Flannery Case Bevs., Flynn Bev., Franklin Takeout Bev., Goshen Bev., Grandview Beer, Green Valley Beer, Greensburg Bev.,

Home Service Beverage, House of Brew, Iron Run Bev., Jeannette Dist., Kabel's Dist., Keller's Beer, Link Bevs., Lionville Bev., Dean Y. Little Beer, Mac's Bros., McBroom Dist., Mechanicsburg Bev., Mid-State Bev., Montour Bev., Mount Union Bev., C.H. Newman Beer, Nicoletti Bev., Northern Beer Traders, North Penn Beer., North Pocono Bev., P & B Bevs., Paxinos Beer Shoppe, Pete's Beer, A. Piermani & Son, Pistella Beer Dist., Quality Bev., Root Beer, Ross Bev., Sacco Beer, S.A.N. Bev., Save On Beer, Self Serve Bev., Shangy's, Shannock Valley Beer, Sherry Dists., Silver Spring Bev., Southampton Bev., South Mountain Beer, Spaz Bev., Strickler's, Stubler Drive Thru, Summit Bev., Tanczos Bevs. (Bethlehem), Tanczos Bevs. (Northampton), Tionesta Bev., Titusville Bev., Towamencin Bev., West Lake Beer, West Lawn Bev., Westy Beer Dist., Wet Your Whistle Bev., Wheatland Dists., Windsor Dist., Wise Guys Beer Depot.

BE ON THE LOOKOUT FOR GROCERY & CONVENIENCE STORE APPLICATIONS

We are asking our members to be vigilant about looking for new applications by grocery stores or convenience stores *where liquid fuel may be sold*. The only way to monitor filings by convenience stores, grocery stores and others for liquor licenses is to be watchful for public hearing notices (for inter-municipal license transfer requests) and PLCB notice placards posted in your community.

PLCB regulations require that applicants for new liquor licenses or for the transfer or extensions of these licenses must post notice of the filing. The posting must be in the form required by the PLCB, which is a bright orange notice placard. Since the purpose of notice posting is to notify the public that an application has been filed with the PLCB, regulations require that the PLCB placard must be posted at or near the main entrance to the premises in a conspicuous place where it can be readily observed by the public.

If you see a PLCB notice placard in your area, be sure to note the applicant's name, address, the date of the notice posting and the liquor license number that is the subject of the application. It is also a good idea to take photographs if you notice irregularities with the posting. In the case of a vacant lot, posting must be on a post or stake of permanent material, at the midpoint of the largest boundary fronting on a public thoroughfare at a point not more than 10 feet from the sidewalk (or roadway in the absence of a sidewalk).

We ask that you contact MBDA with information about any new filings as soon as possible. We must either file a protest or petition to intervene (depending on how far your business is located from the site) if you wish to contest an application by a grocery or convenience store to sell alcohol and liquid fuels from the same location.

Timing is critical because you only have 30 days from the date of the notice posting to file a protest or petition to intervene to contest the license application and late filings could be denied by the PLCB. If you fail to contest an application, the grocery or convenience store in your area may be able to continue selling alcohol and liquid fuels even if we receive a favorable court ruling in the pending Sheetz and Acme cases.

If you are a current member of MBDA, we can assist you with filing your protest or petition to intervene with the PLCB.

FREQUENTLY ASKED QUESTIONS

The following are answers to questions that MBDA members regularly present to our Executive Office. You can also download the “Digest of Malt Beverage Laws” from our web site, mbdapa.org:

When Can Distributors and Importing Distributors Sell Beer:

To Non-Licensees (Consumers)—Monday through Saturday 8 am to 11 pm. D’s and ID’s who purchase a Sunday Sales Permit from the PLCB may sell beer on Sunday from 9 am to 9 pm.

To Special Occasion Permit Holders—From 2 am Monday until 12 midnight of the following Saturday. D’s and ID’s who purchase a Sunday Sales Permit may sell beer on Sunday from 9 am to 9 pm.

To Other Licensees and Permit Holders—From 2 am Monday until 12 midnight of the following Saturday. D’s and ID’s may not sell beer to other licensees or permit holders on Sunday.

When Can Distributors and Importing Distributors Deliver Beer:

To Non-Licensees—Monday through Saturday 8 am to 11 pm. D’s and ID’s may deliver beer on Sunday between the hours of 9 am and 12 noon by “prior arrangement”. Prior arrangement means that the sale price of the beer must be more than \$250 and have been ordered, invoiced and paid for in full at the seller’s licensed premises before the Sunday of delivery. No Sunday Sales Permit is needed to deliver beer to non-licensees by prior arrangement on Sunday.

To Special Occasion Permit Holders—From 2 am Monday until 12 midnight of the following Saturday, and on Sunday between the hours of 9 am and 12 noon by “prior arrangement” as explained above.

To Other Licensees:—From 2 am Monday until 12 midnight of the following Saturday. D’s and ID’s may not deliver beer to other licensees on Sunday.

Can D’s and ID’s Advertise Price: Yes, but there are some restrictions as set forth in Section 498 of the Liquor Code. Ads may not contain any statement that is false, deceptive or misleading; any statement disparaging of a competitor’s product; any statement referring to monetary comparison between brands; and prices advertised on the licensed premises must be those in effect at the time of the ad or display.

There are other restrictions that apply to ads for alcoholic beverages in general at Section 498, and further explained in PLCB Advisory Notice #15. By Advisory Opinions #234 of 2007 and #009 of 2006, the Office of the Chief Counsel has found acceptable distributor ads stating the distributor would “match” the prices listed in any other distributor’s print ad within a certain geographic area.

Minimum Age Requirement to be an Employee of a D or ID: In general, the minimum age requirement is 18 years, and there is no exception for family members or temporary employees. PLCB Regulation 5.14 does recognize that a 17 year old who is a high school graduate or who is declared to have attained his academic potential by the chief administrator of the school district within which the minor resides is deemed to be an 18 year old for the purposes of employment. However, when employing such individuals, D’s and ID’s must keep on the licensed premises a certified copy of the diploma or certificate of graduation, or a letter on the official stationery of the school district and over the signature of the chief administrator of that district declaring that he/she has attained his/her academic potential.

Collecting Identifying Information: Distributors and importing distributors are no longer required to collect and file the name, address or other identifying information of the private individual purchasing four or more cases or other large volume of malt or brewed beverages. This provision also applies to kegs, as “quantity of cases or volume” of malt and brewed beverages is all inclusive. Licensees may wish to continue to collect such identifying information for purposes of section 495 of the Liquor Code, including the establishment of a defense to a citation for selling alcohol to a minor. (47 P.S. §4-495). (continued on page 10)

THE FOLLOWING DISCOUNTED PROGRAMS AND SERVICES

Association membership numbers translate into **group buying power**. MBDA offers the following benefits and services to our dues-paying members to **make and save you money**. **Your savings will pay for your MBDA membership dues many times over**. Members who are interested in enrolling in a program should contact Stephanie Eckert at our Executive Office by email mbdassn@aol.com or phone 215-732-6258.

Credit/Debit Card Processing Program: Association members are assured of receiving the lowest possible fee schedule to process credit and debit card transactions through our Interchange Plus Program with *PNC Merchant Services*. Distributors who process through another processor can send us their statement and we'd be happy to do a rate comparison.

- Your debit transaction cost based on Visa's *regulated* interchange plus .10 cents plus 5 basis points = only .30 cents per transaction based on a \$27.00 average ticket. Debit transaction cost based on Visa's *unregulated* interchange plus .10 cents plus 5 basis points = .47 cents per transaction based on a \$27.00 average ticket. 65% of our MBDA merchants' transactions are debit cards, so this represents a huge savings.
- A member's cost to process the Visa Rewards I credit card is \$1.34 based on an average \$62.00 ticket. 23.6% of our MBDA merchants' transactions are rewards cards.
- For a consumer bank issued Visa credit card, a member's cost to process an average \$41.00 transaction is .92 cents. 8% of our MBDA merchants' transactions are consumer bank issued credit cards.
- 3.4% of our merchant members' transactions are Business/Corporate/Purchase type cards. A member's cost to process a \$71.00 average Visa Business Card transaction is \$1.90.
- Low pricing to lease or purchase the latest equipment. Reprogram existing equipment free of charge.
- No fees for set up, statements, reporting, account maintenance, batch, ACH, etc.
- Receive supplies free of charge.
- Dedicated Account Manager for MBDA merchants. Customer help desk 24 hours a day/7 days a week.
- Continue to do business with your existing bank. Monies are deposited into your business checking account within 2 calendar days; 1 day for PNC bank customers.
- Fee collection is monthly, not daily.
- Increase your customer base with our Gift Card Program.

Business Insurance Program: Our comprehensive package is sponsored through *Penn National Insurance*, and is available through all Penn National agents. We encourage you to "Tap Into The Savings" with MBDA's unique business insurance program designed specifically to meet the needs of beer distributors:

- Competitive pricing on automobile, casualty, property, umbrella and worker's compensation coverages.
- Low cost liquor liability.
- 10% credit on auto, business owners & worker's compensation.
- 10% credit on liquor liability if you use an electronic scan device.
- Dividend opportunity based on our group's loss ratio. This year, distributors saw a 13% return.

Electronic ID Scanning Program: *Ray Swerdlow* offers a choice of the following equipment to protect your license and help prevent citations for underage sales:

ID-e2001—reads magnetic strip: MBDA member price \$375 (retails @ \$429—save \$54).

ID-e2004-S—reads magnetic strip, 1-D & 2-D Bar Codes: MBDA member price \$900 (retails @ \$1,100—save \$200).

ID-e2004-P—reads magnetic strip and 2D Bar Code: MBDA member price \$950 (retails @ \$1,150—save \$200).

ID-e-Seek 300—Wireless Option & New Digital Photo Feature: MBDA member price \$1,400 (retails @ \$1,600—save \$200).

ATM Program: Our ATM Program, sponsored in partnership with *CORD Financial Services*, gives you the benefits of having an ATM in your store at minimal cost to you:

- Machines are brand new and ADA compliant.
- You'll earn money on every transaction paid monthly to your account by EFT or check.
- All cash withdrawn is deposited into your account within 48 hours.

ARE AVAILABLE EXCLUSIVELY TO MBDA MEMBERS

Energy Program: MBDA is proud to partner with *Kinetic Energy Associates*, our energy consulting firm, to save members money on the generation portion of their commercial electricity:

- Use the power of group purchasing by combining your energy usage with other MBDA members to attain the lowest possible kWh rate.
- Savings are guaranteed for the length of the contract.
- Each member will continue to receive their own bill, be responsible for their own payment of the bill, and each member's local utility company will continue to maintain and service the wires that carry electricity to their businesses.

Promotional Items Program: Our advertising specialist, *Networker Promotions*, offers you an excellent and inexpensive way to promote your business, and invoicing takes place only after delivery:

- Advertising and novelty items are imprinted with name, address and wording of your choice.
- Very low pricing on all items, even on minimum quantity orders.
- Free catalog with 1000's of advertising specialties from which to choose.

Automatic Enrollment in American Beverage Licensees: ABL is the leading national trade association for beer, wine and spirits retailers. You'll receive their quarterly membership magazine "The ABL Insider".

Legal Services by *Caputo, Caputo & Regan* offer specialized advice on industry-related questions.

Government Affairs Lobbying by *Stevens & Lee* gives MBDA a strong advocate in Harrisburg.

Our Public Relations Campaign through *RanKing Communications* by way of website features, social media channels and other marketing activities is directed to consumers and state lawmakers.

Any Questions? Need Advice? Our *Executive Office* is only a phone call away. MBDA's experienced staff is always ready, willing and able to help our members on any industry issue or problem.

Board of Directors. MBDA's officers, district vice presidents and directors are not paid employees of the Association, but give generously of their time throughout the year to attend board, industry, and legislative meetings and receptions. Members should feel free to call on them with questions and suggestions. Visit www.mbdapa.org/documents/officers_directory.pdf for contact information.

MBDA Committees: Association directors further volunteer their time and talent to serve on committees to help make the best possible decisions on behalf of our members. MBDA members who are interested in serving on one of the following committees should contact the Association's Executive Office—Legislation, Finance, Membership, Convention, Fundraising, Public Relations, Legal.

Newsletters, Releases & Emails are regularly sent to members to keep you up-to-date on administrative, government, legal, legislative and regulatory issues. Please contact the Executive Office with your email address to make sure you receive this important and timely information and continue to visit www.mbdapa.org for the latest up-to-the-minute industry developments.

Convention Registration Discounts are offered to participate in the Sunday business & hospitality sessions.

Responsible Alcohol Management Program (RAMP) participation is offered at a discounted rate to distributor member employees at MBDA's annual convention or visit www.mbdapa.org to register for MBDA's online RAMP training as approved by the PLCB.

Attend Board of Director and Membership Meetings. We urge each member to become involved and active.

MBDA Welcomes Suggestions From Our Members. Let us hear from you as to what changes should be made to benefit and improve the beer business.

(continued from page 7) **Licensees have ten days to make good on a bad check:** If a Malt Beverage Compliance Officer receives notification that a licensee issued a worthless check, the officer shall give the licensee written notice that the licensee has ten days from the date the notice was mailed to honor that check. Should the licensee fail to honor the check within ten days from the date the notice was mailed, the matter shall be turned over to the Enforcement Bureau for citation.

RAMP training is mandatory for managers: Unless successfully completed prior to appointment, a manager appointed by any restaurant, eating place retail dispenser, hotel, club, limited distillery licensee or distributor licensee shall be required to complete the man-owner RAMP training within one hundred eighty days of approval of appointment by the Board. This provision applies only to manager appointments occurring after February 20, 2012.

Lettering size on vehicles: The minimum sized lettering bearing the name and address and license number of a licensee painted or affixed on each side of a vehicle used to transport or deliver malt or brewed beverages has been reduced from four inches to two inches in height.

Period to keep records on licensed premises: The records from the most recent six-month period must be maintained on the licensed premises. Records from the remainder of the two-year period may be kept off the licensed premises as long as the records are returned to the licensed premises within twenty-four hours of a request by the Board or Enforcement Bureau. A licensee may remove the records for the most recent six-month period from the licensed premises only for a lawful business purpose provided that they are returned to the premises when the business is completed.

Sale Below Cost: PA licensees can sell alcoholic beverages below cost. There are restrictions on giving it away free, but there are no restrictions on minimum pricing, as long as they comply with discount pricing rules.

Coupons: Distributors are not permitted to offer or give anything of value to induce the purchase of malt or brewed beverages. Generally, only manufacturer rebates/coupons redeemed by mail are permissible.

Match Competitor Prices: Distributors and importing distributors may charge whatever they wish for malt and brewed beverages, and price reductions and incentives may be applied selectively.

Sale of non-alcoholic beverages to minors: The PA Liquor Code does not address this issue, but Section 6310-7 of the PA Crimes Code prohibits anyone from intentionally and knowingly selling or furnishing non-alcoholic beverages to any person under twenty-one (21) years of age. Section 6310.7 defines a non-alcoholic beverage as any beverage intended to be marketed or sold as non-alcoholic beer, wine or liquor, having some alcohol content but which does not contain more than 0.5% alcohol by volume.

Acceptable forms of payment for a distributor: D's and ID's can accept the following as payment for malt or brewed beverages if the buyer is licensed by the PLCB: (1) A check or certified check if the payer of the check is the licensed entity purchasing the malt or brewed beverages and the payee of the check is the distributor or importing distributor selling the malt or brewed beverages. (2) Cashier's check. (3) Money order. (4) Debit card. (5) Electronic transfer of funds so long as the transfer occurs prior to delivery. (6) Pre-payment in cash so long as it occurs prior to delivery.

D's and ID's can not accept the following as payment for malt or brewed beverages if the buyer is licensed by the PLCB: (1) cash on delivery. (2) credit cards. (3) A check or certified check if the payer is someone other than the licensed entity purchasing the malt or brewed beverages or if the payee is someone other than the D or ID selling the malt or brewed beverage. (4) On credit.

Tastings vs. Samplings:

A sampling promotion is intended to introduce consumers to a manufacturer's product. Samplings must adhere to the following criteria: (1) samples may be provided by the manufacturer's representatives and distributor or importing distributor licensees to licensed and unlicensed customers. (2) samples must be in unopened containers of the smallest commercially available size (i.e., 12 oz. can or bottle); (3) the providing of such samples cannot be conditioned upon any purchase requirement; (4) samples are limited to one (1) container per patron in any offering; and (5) samples may not be opened or consumed on a distributor premises.

Tasting or tasting events are defined in the Board's Regulations as presentations of alcoholic products to the public for the purpose of market research, disseminating product information and education to the public as to quantity and availability. Tastings may be conducted by licensed brokers, distributors, importing distributors, and manufacturers or their agents upon unlicensed or unlicensed premises. Any products used

must be properly procured and registered, and taxes on the products must be paid. There can be no purchase requirement associated with such tasting. Finally, no more than one (1) standard-sized alcoholic beverage of each product shall be provide to each tasting participant. A standard-size serving of beer is twelve (12) fluid ounces. Therefore, offering unlimited number of drinks to attendees would not be permissible.

ITEMS DISTRIBUTORS CAN SELL IN ADDITION TO BEER

At the request of our members, MBDA worked with the PLCB to acquire additional items for sale by distributors to benefit their businesses and better serve the needs of their customers: Those items are listed in PLCB Advisory Notice No. 9 (5th Revision) released by the PLCB on April 25, 2012. The notice can be accessed through the PLCB web site at www.lcb.state.pa.us/. Go to “legal” in the upper right hand corner, click on “advisory notices”, and then click on “advisory notice 9”.

To sell items not listed in the advisory notice, distributors must make a written request to the PLCB, Northwest Office Building, Harrisburg, PA 17120, Attn: Office of the Chief Counsel.

MBDA ENERGY PROGRAM

MBDA is pleased to report that 100 members, our largest group to date, have signed up for our latest money-savings electricity program in sponsorship with our consultant Kinetic Energy. The no-hassle or hidden fee program ensures a very low 6.9 cents per kWh rate for three years for participating members, providing the peace of mind of fixed operating costs.

MBDA members who missed the program’s cut-off date, but are interested in lowering their commercial electricity costs, should contact Stephanie Eckert of our executive office, and we will do our best to accommodate you.

INSURANCE DIVIDEND DECLARED

Our partnership with Penn National Insurance has brewed another dividend. MBDA members, who placed their business insurance in our program with Penn National, earned a 13% dividend this year—the largest since the program began in 1997. This marks the eighth out of the last nine years that this special member benefit has returned money to insures.

Specifically designed for beer distributors, Penn National’s package includes broadened property and liability coverages, liquor liability protection and umbrella coverage—all at competitive rates. Dividend-eligible lines include Businessowners, Property, General Liability, Inland Marine, Commercial Auto and Workers’ Compensation. As the program grows, dividend potential increases.

To get a quote, contact a Penn National Insurance agent near you. A list of agents is available at www.PennNationalInsurance.com.

WHAT YOU SHOULD KNOW EMV-COMPLIANT CARDS

October 1, 2015 is the deadline for merchants to become EMV compliant so that they do not bear the cost in the event of a fraudulent transaction. EMV stands for Europay, MasterCard, and Visa. EMV authentication uses smart chips embedded in EMV-complaint debit and credit cards to authenticate transactions. This greatly reduces the opportunity for fraud.

MBDA members who process through PNC Merchant Services are urged to please call our PNC Relationship Manager Jammie Jones at 717-597-4786 to talk with her about terminals that support EMV.

DEFENSE AGAINST SALES TO MINORS

Licenseses are reminded that they have three proven “good faith” defenses against the sale of beer to persons under 21 years of age: (1) Have a suspected minor sign the PLCB declaration of age affidavit. (2) Take a photocopy or photograph of one of the following forms of identification—valid driver’s license with photo, ID card with photo issued by the Department of Transportation, military ID or valid passport. (3) Use an electronic scanning device. Keep all records on your licensed premises. Discounted scanning devices are available through MBDA’s endorsed vendor, Ray Swerdlow of Protect Your License.

RAMP CERTIFICATION

Act 141 of 2001 established a voluntary Responsible Alcohol Management Program (RAMP) certification that provides incentives for licenseses who participate. RAMP certification consists of 5 components: Owner/Manager Training, Alcohol Server/Seller Training, New Employee Orientation, Signage, and Certification Compliance Appointment and Visit. Certification is valid for two years.

Benefits to the licensee who meets the requirements of Act 141 include possible reduction in fines and penalties for sales to minors or visibly intoxicated persons issued by the Administrative Law Judge if the licensee has received no citations for the previous four years. Distributors should also ask their insurance company if being RAMP certified will help lower their liquor liability rate.

Act 28 of 2006 mandates RAMP for any licensee found guilty of sales to minors or visibly intoxicated persons.

The PLCB offers free training to owners and managers while employee training is provided by certified trainers for a nominal fee. MBDA encourages you to call the PLCB's Alcohol Education Specialist, Lori Rizzo, 717-558-2160 for more information. Or go on line at www.lcb.state.pa.us.

MBDA OFFERS PLCB APPROVED ONLINE RAMP TRAINING

It makes good business sense to have your employees well trained not to sell to minors. For only \$25 per person, your entire staff can complete their certification ANYTIME, ANYWHERE! Users have 30 days to complete the two-hour online test, so there is no need to finish in one sitting, and a live Help Desk is available to them Monday through Friday from 9:00 AM to 5:00 PM. Employees print their certification upon completion of the test, and the results are immediately sent to the PLCB. If an employee fails the test, the first re-take is automatic and free of charge.

To have your employees RAMP trained, visit www.mbdapa.org.

MBDA BUYER'S GUIDE NOW AVAILABLE ON LINE

MBDA is honored by the support given by our associate member suppliers, and we have established an On-Line Buyer's Guide of Associate Members who provide a variety of products and services that help our members' businesses run more efficiently and economically. Their membership support of MBDA warrants our support and we urge you to consider them when addressing your business needs.

THANK YOU 2015 ASSOCIATE MEMBERS

MBDA thanks the following firms for investing in the future of the beer distributing industry by becoming associate members: **Anheuser-Busch** #781-224-1133. **Atlantic Systems** (POS System) #732-280-6616.

Burns Industrial Equipment (Forklift Trucks) #412-856-9253. **Cervion Systems** (POS System) #845-727-1200. **The Church Brew Works** #412-688-8200. **Flightware Solutions** (POS System) #816-774-3500. **Gerbron Wholesale** (Tobacco, Candy, Paper Products) #610-347-0440. **Lancaster Brewing** #717-391-6258. **Harold Levinson Associates** (Tobacco, E-Cigs, Snacks) #631-962-2400. **The Lion Brewery** #570-823-8801. **Longley Insurance Agency** (Insurance) #610-524-1940. **Micro Matic USA** (Beverage Dispensing Equipment) #610-625-4464. **Networker Promotions** (Promotional & Novelty Items) #800-485-4461. **North American Breweries** #412-780-5367. **Penn National Insurance** (MBDA Endorsed Insurance Company) #717-234-4941. **PNC Merchant Services** (MBDA Endorsed Processor) #888-466-0369. **Rivertowne Brewing** #724-519-2145. **Straub Brewery** #814-834-2875. **Super Value Beverage Stores** (Snacks, Beverages, Tobacco) #215-423-6916. **Yards Brewing Co.** #215-634-2600. **D.G. Yuengling & Son** #570-622-0153. Suppliers who are interested in applying for associate membership should go on-line to www.mbdapa.org or call our Executive Office.

THANK YOU 2015 CONVENTION PARTICIPANTS

MBDA, its distributors and suppliers enjoyed a great Convention at the Sheraton Station Square in Pittsburgh. Hundreds of distributors gathered in the hospitality room, where our exhibit space was sold out. Our thanks go out to the following firms whose participation made our 79th Trade Show a huge success: Anheuser-Busch, Atlantic Systems, Burns Industrial Equipment, Bush Refrigeration, Cervion Systems, Cider Brothers, Dogfish Head Brewery, Dotmark Promotions, ECR, Excellence in Beverages, Flightware Solutions, Great Lakes Brewing, Heineken USA, Lancaster Brewing, Harold Levinson Associates, The Lion Brewery, Micro Matic, Mike's Hard Lemonade, MillerCoors, Modern Store Equipment, mPower Beverage Software, North American Breweries, Penn Brewery, Pittsburgh Brewing Co., PNC Merchant Services, Rivertowne Brewing, Straub Brewery, Tri-Vet Design & Fabrication, Troegs Brewery, United States Beverage, Victory Brewing, Yards Brewing, Yuengling Brewery.

SAVE THE DATE

MBDA's 80th Annual Convention & Trade Show is scheduled for April 23 & 24, 2016 at the Crowne Plaza Hotel, King of Prussia, PA. Newsletter and registration forms will be mailed to all distributors and suppliers in February 2016.

PLEASE CONTRIBUTE TO DISPAC

This message is brought to you by your DISPAC Chairman, Larry Hatter: If we are to protect our interests and the long-term viability of our businesses against the expansion of beer sales in grocery, convenience and big-box stores, we must be engaged in the legislative process.

MBDA created the Distributors Political Action Committee (DISPAC) to serve as our channel for supporting those legislators who serve as our advocates and to promote our cause to those who are not. Your contributions enable Association officers, directors, staff and members to attend legislative fundraisers and participate in breakfasts and receptions to discuss with our Senators and House Members issues that are of critical importance to our industry.

Your generous contributions to DISPAC have enabled us to impact many legislators. But we all know that we need to do better. Sheetz, Weis, Giant, Costco, and Walmart have deep pockets, and they are committed to absorbing our market niche. But we can stop them, and that's why we need you to please step up today!

A \$250, \$500 or \$1,000 (or a smaller amount if that is more affordable) contribution to DISPAC by every distributor who wishes to stay in business will enable us to expand our sphere of influence on Capitol Hill, and preserve and enhance the future of our businesses.

Please help MBDA with your DISPAC investment. Make your personal or partnership (no corporate) check payable to DISPAC and mail to 230 S. Broad St, Suite 903, Philadelphia, PA 19102.

In the meantime, if you have a legislative event in your area that you believe warrants a DISPAC contribution, please don't hesitate to contact the MBDA Executive Office.

Thank you and I look forward to our continued association for many years to come.

THANK YOU DISPAC CONTRIBUTORS

As we go to press, we thank the following distributors for their generous 2015 DISPAC contributions: Roger Ackerman, Mike Adelizzi, Jeff Barber, Joe Bound, Mark Boyce, Scott Branthoover, Tony Colangelo, Alex & Lisa Cortezzo, Shawn David, Bob DeBone, Martin Denial, Tom Derr, Dave Dripps, Joe Ellis, Paul Farthing, Ryan Federbusch, Brandon Gill, John Grunden, Larry Hatter, Don Heim, Ray Kasunick, Steve Klein,

Michael Kondak, Charles & Rebecca Lambert, Tom Lynch, Shawn March, Hugo Mazzalupi, John McElroy, Charity McNeill, Tom Mehaffie, Chris Miller, Rodney Miller, Brett Millett, Sandy Muller, Scott Nelson, Pete Petousis, Alex Piermani, David Piermani, Keith Rutt, Kathleen Sacco, Nicholas Sacco, Matthew Schmidt, Kevin Schoenberger, David Scott, Don Short, Jere Shultz, Pete Sirianni, Bob Spaziani, Michael Spaziani, Mark Tanczos, Lenny Treat, Joe Tssario, Rick Vanevenhoven, Jessica Wheeland, Jim Yapple, June Yapple.

MBDA'S PROFESSIONAL STAFF

Lobbyists: MBDA is well represented in Harrisburg by Bob Archibald and Chip Brightbill of the government relations firm—Stevens & Lee.

Public Relations: MBDA retains Randy King of the public relations firm RanKing Communications to give us an added presence in the Capitol newsroom and to assist us in getting our message out to consumers, the legislature and the media.

Executive Office: MBDA's Executive Office is your primary source for information. Executive Secretary Stephanie Eckert corresponds with distributors on a daily basis, and is only a phone call away to answer member questions on any industry issue or concern. Executive Director John Burch brings a diverse and accomplished skill set to MBDA, as we strive to meet the needs of our member distributors and exceed their expectations.

Counsel: Charlie Caputo, Esq. of Caputo, Caputo & Regan serves as MBDA counsel. Charlie is responsible for analyzing legislation, appraising and managing litigation, and reviewing association contracts.

DIRECTOR VACANCIES

Director vacancies exist in Districts #1 (Philadelphia), District #4 (Allegheny, Beaver, Fayette, Greene, Washington & Westmoreland), District #6 (Columbia, Montour, Northumberland, Snyder & Union), District #10 (Delaware & Montgomery), District #11 (Bucks & Chester), and District #12 (Bradford, Clinton, Lycoming, Potter, Sullivan & Tioga).

MBDA members who are interested in serving should call the Association's Executive Office. Directors are asked to attend quarterly board of director meetings and our annual convention. They assist MBDA in relaying information back to their area members.

DIRECTOR THANK-YOU LETTER TO LEGISLATORS

Distributors—Please read the following letter that MBDA director Ron Sherwood sent to Senators and House Members who opposed HB 466. It may be of assistance to you in communicating your appreciation to your legislators.

I am reaching out to you today as a beer distributor owner thanking you for opposing the current liquor privatization proposal. In its current form it not only affects the state store system but it also, severely impacts existing retailers acting as small businesses across the Commonwealth.

Some would argue our system is outdated and that may be so. We are one of the few states in the country where the state controls the sale of wine and spirits and that may present inconveniences for some that are used to, or would like to, pick up their Jack Daniels with their Captain Crunch cereal. However, what liquor privatization proposals like this fail to focus on in addition to moving the state out of the liquor business is, the intention to create an environment for big corporations and chain stores to replace existing small businesses as alcohol retailers.

Existing retailers have invested in a system that was created to provide alcohol to the public in a responsible fashion. It is a system intentional about not subjecting minors along with others electing not to consume alcohol, to alcohol as well as the advertising associated with it. In a day when we are removing cigarette advertising from our stores recognizing the effect advertising of tobacco has on our youth, it is clear to me that legislation that makes alcohol more accessible is a total disregard for public health and safety at the expense of satisfying the greed of large corporations and chains that will stop at nothing to get into the business of selling alcohol and is hypocritical at best.

Could our system use some modernization? Perhaps but, we don't need to "throw the baby out with the bath water" to modernize a system that was put in place over 70 years ago. The current proposal forces over 5,000 state employees and over 10,000 employees of small businesses into the unemployment line due to the highly anticipated inability for existing retailers to compete in a diluted market with new retailers in the form of high traffic grocery, convenience stores and gas stations that would be selling alcohol under this proposal which would ultimately force 1200 existing small businesses across the Commonwealth to close their doors.

Once again, I would like to take this opportunity to thank you for opposing the current liquor privatization proposal. My hope and prayer is that as modernization to our current system is considered, that other legislators will join you and consider the effects of modernization to existing retailers as opposed to using modernization as a tool designed to annihilate small businesses at the expense of satisfying the greed of large corporations and chains that simply want to sell alcohol at any cost.

MBDA DISTRICT MEETINGS

In the coming months your Association plans to present district meetings throughout Pennsylvania. MBDA will send you advance notice of when a local meeting will be scheduled near you.

Our first district meeting was held on July 15th at the Allentown Brew Works, and more than twenty local distributors were in attendance. They heard the latest information on the Association's legislative and legal efforts on their behalf.

Government relations specialist Bob Archibald updated everyone on the most recent activities within the Capitol. Legal counsel Charlie Caputo outlined our various efforts to stop the flow of beer sales to grocery and convenience stores. Communications director Randy King spoke on our public relations efforts before the legislature and consumers.

District vice president Skip Link welcomed all and donated raffle prizes of fine boxed cigars and a gift card for use at Allentown Brew Works, which netted \$170 for the Association's Legal Defense Fund.

District director Jeff Barber urged attendees to help get non-member distributors to join, citing the inequity of member distributors paying the costs for the benefit of all distributors.

Our appreciation is also extended to executive director John Burch and past president Mark Tanczos for their assistance in organizing the event.

We look forward to seeing you at a future MBDA district meeting so that you can hear the latest updates on legal and legislative issues that affect your business.

MBDA'S RECORD OF ACCOMPLISHMENTS

MBDA is your voice in Harrisburg, and provides you with legal guidance, lobbying, trade and public relations services. We are committed to our members and proud of the achievements that have promoted and safeguarded your interests. The following is a list of some of our successes. Please give careful consideration to the positive impact they have made to your business when determining if you should join MBDA as a dues-paying member!

- Secured 12-pack sales for beer distributors, the most significant package reform in 75 years.
- Without MBDA's concerted opposition, there would be thousands of non-specialty retailers selling beer from the aisles today.
- Stopped Governor Corbett's proposal for issuing thousands of new beer selling licenses.
- Secured passage of the Quota Law to ensure the value of your license.
- Defeated repeated legislative efforts that would have raised prices, decreased selection and lowered the value of your license.
- Substantially reduced the amount of on-premises records you are required to maintain.
- Stopped efforts to make distributors pay thousands in mercantile taxes on their yearly gross receipts.
- Secured Sunday sales with extended hours to help distributors better compete with other licensees.
- Helped defeat efforts to increase the state excise tax on beer.
- Had legislation enacted to allow on-premise beer tastings.
- Secured passage of legislation allowing beer distributors to accept credit cards.
- Obtained a far greater inventory of items that distributors are permitted to sell, in addition to malt beverage products.
- Have intervened in multiple license transfer requests to stop the sale of beer and fuel sales from the same location.
- Added member benefit programs and services that help distributors save thousands a year in operational and other costs.

MBDA MEMBERSHIP—AN INVESTMENT IN YOUR FUTURE

A membership invoice is enclosed for your use. We urge you to please return it to MBDA with your dues payment at your earliest possible convenience.

Joining MBDA is a smart business decision. Whether it's our success in enabling distributors to sell 12, 15 & 18-packs in addition to cases and kegs, keeping a close eye on proposals and how it could affect your business, defeating legislation that would seriously hurt your ability to make a living, or obtaining the right for distributors to sell additional items, your Association is on the front lines of promoting and protecting the interests of Pennsylvania beer distributors.

While our most important functions are in the legislative and legal arenas, our member benefit programs will help you make and save thousands of dollars a year in insurance costs, credit/debit card processing fees, ATM transaction revenue, and electric utility rates. MBDA members learn quickly that the cost of their membership is more than offset by the savings they realize from participating in these programs. **So before you say you can't afford to join, ask yourself, "Can I afford not to join?"**

Supermarkets, convenience stores, and big box stores will continue to push to sell beer in their aisles, right next to their other consumer goods, with no limit on the number of licenses they can own, and with no restrictions on the quantity of beer they can sell. They must be stopped time and time again, and your Association is prepared to do just that!

It's crucial that you support the organization that is working to promote and protect your interests as small business people. There is strength in numbers, and the more members we have, the louder our voice is on Capitol Hill.

We accept payment by check or credit card. To pay by check, simply return the enclosed invoice with your dues payment. For credit card payment, please go to www.mbdapa.org.

Please join today to ensure the future of all our businesses. We look forward to your support and our continued association for many years to come. Our best wishes for happy, healthy and prosperous summer season!

DISTRIBUTORS—PLEASE BE REMINDED TO:

**REACH OUT TO YOUR SENATORS & HOUSE MEMBERS.
YOU'RE A VOTING CONSTITUENT AND THEY
WANT TO HEAR YOUR VIEWS & CONCERNS.
YOUR GRASSROOTS EFFORT IS EXTREMELY IMPORTANT
AS WE PREPARE FOR WHEN THE LEGISLATURE RETURNS
TO SESSION IN SEPTEMBER.**

**RETURN THE ENCLOSED MBDA MEMBERSHIP INVOICE
WITH YOUR DUES PAYMENT.**

**IT'S THE BEST INVESTMENT YOU CAN MAKE
TO PROMOTE & PROTECT YOUR BUSINESS
AND PRESERVE THE VALUE OF YOUR LICENSE.**

**MAIL YOUR PERSONAL CHECK TO DISPAC.
YOUR DONATION ENABLES US TO CONTRIBUTE
TO THE CAMPAIGNS OF LEGISLATORS
WHO ARE FAVORABLE TO OUR ISSUES.**

**MAKE A CONTRIBUTION TO MBDA'S LEGAL DEFENSE FUND.
THESE COURT BATTLES WILL HAVE A SIGNIFICANT IMPACT
ON THE FUTURE OF YOUR BUSINESS.**

**SAVE MONEY AND JOIN MBDA'S
DISCOUNTED MEMBERSHIP PROGRAMS.**

**PLEASE PROVIDE MBDA WITH YOUR EMAIL ADDRESS
SO WE CAN KEEP YOU UP-TO-DATE
ON INDUSTRY NEWS AS IT'S HAPPENING.**

**VISIT MBDA'S WEBSITE, WWW.MBDAPA.ORG
TO GET THE LATEST INDUSTRY DEVELOPMENTS.**