

October 31, 2023

Heidi Humphreys, Executive Director CO Department of Revenue Michelle Stone-Principato, Director CO Liquor Enforcement Division Via email to: dor led@state.co.us

RE: ADSA opposes Proposal #31 – Repeal of Drug Store liquor license type

Dear Executive Director Humphreys, Director Stone-Principato and Members of the Liquor Advisory Committee,

I am writing on behalf of the American Distilled Spirits Alliance (ADSA), a group of industry leaders in manufacturing, importing, and marketing of distilled spirits in the United States. Our Alliance represents hundreds of spirits brands and over 70% of all distilled spirits sales in the US, including CO's own Stranahan's and its parent company.

We appreciate the dedication and body of work the Liquor Advisory Committee (LAC) has accomplished thus far. However, in this case, we must oppose Proposal #31 and the efforts to eliminate the drug store liquor license.

Time and again, poll after poll, all around the country, what we hear from our customers is that they want more store access, not less; more convenience, not less; more selection, not less. Eliminating this particular license type will be less convenient for your constituents - those that are responsible consumers of all types of spirits-based alcoholic beverages.

Less convenience often results in less selection and higher costs. The costs can be measured in the price of the product itself, but also in additional costs of time, money and these days, fuel, in needing to make addition stops when one stop might otherwise do.

We stand with the Colorado Retail Council, the Distilled Spirits Council of the US, and others to oppose efforts to eliminate the drug store liquor license. Though the proposal considers grandfathering current drug store licenses, is it the Department's intent to grandfather them into perpetuity even though the license type would no longer be available? This is sure to create marketplace confusion under future Revenue Department and/or Enforcement and Licensing Divisions' leadership.



To the extent that package liquor store owners are currently restricted in statute, let's work on easing the restrictions that are hampering their growth and success, instead of repealing someone else's valid license type.

The Governor's letter of October 30, 2023, recognizes the Liquor Advisory Committee's work on modernization, enhanced consumer choice and providing greater business opportunities. Eliminating this liquor license type does exactly the opposite of what the Governor just recognized.

In my public comments on 10/30/23 at the LAC meeting I urged the Committee to vote no on Proposal #31, thus leaving the drug store license in place. With the LAC approving the proposal (without consensus), we will continue our opposition to that particular component of LAC's legislative report.

Thank you for your consideration and for the opportunity to participate.

Sincerely,

Tom Perrick

Director of State Affairs

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