



S.9005A/A.9005A (PPGG) Part O, Subpart D

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BILL S.9005A/A.9005A (PPGG) Part O, Subpart D
SUBJECT Channel Pricing
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SUPPORT

The Business Council of NYS supports the Governor's original language in S.9005A/A.9005A (PPGG) Part O, Subpart D which would aims to modernize the alcoholic beverage control laws (ABC laws) to allow the practice of channel pricing.

Channel pricing allows manufacturers and wholesalers to be flexible with pricing of products depending on the needs of different customers. This will largely benefit those with on-premises (bars and restaurants) and off-premises licenses (liquor retailers) for alcohol sales as their needs differ by both sale volume, storage capacities and wide variety of other variables. The use of this method would help address the inequities in market differences by allowing prices to adjust and reflect current consumer trends by allowing wholesalers and manufacturers to treat on-premises and off-premises license holders differently.

The Governor has made affordability and modernizing ABC Law a priority in this year's budget, channel pricing helps accomplish both of these goals. Often times many manufacturers and wholesalers will have discounts if purchasing a certain volume of products, however, most on-premises license holders do not have the need or storage capacity to take advantage of these sales and are forced into buying smaller volume of product without the discount price, putting them at competitive and economic disadvantage. This will inevitably drive up the prices in their business and have impact on how much the consumers pay.

Furthermore, channel pricing will help reduce the prohibitive costs of inventory and allow business owners to have more flexibility to reinvest in their operations and continue serving their communities. At a time when many businesses are still facing high costs across the board, this would serve as a much-needed relief to many businesses and communities.

Allowing manufacturers and wholesalers to be flexible in pricing would a be a major step in modernizing ABC Law and would be a step towards solving the current market inequities, bringing relief to small businesses and driving

economic growth.

For these reasons, The Business Council of NYS supports the Governor's original language in S.9005A/A.9005A (PPGG) Part O, Subpart D.