

**DISTILLED  
SPIRITS  
COUNCIL  
OF THE  
UNITED  
STATES**

MEASURE: Proposed Revisions to OR  
Liquor Control Comm.  
Retail Store Rules  
EXHIBIT: 2  
2012 SESSION H BUSINESS & LABOR  
DATE: 2/15/12 PAGES: 1  
SUBMITTED BY: Paul Cosgrove

The Distilled Spirits Council of the U.S.  
Proposed Revisions to OLCC Retail Stores Rules  
February 15, 2012

My name is Paul Cosgrove and I represent the Distilled Spirits Council of the U.S. in the state of Oregon. DISCUS is a national trade association representing the makers and marketers of distilled spirits sold in the United States. Thank you for giving me the opportunity to speak on the proposed revisions to the Oregon Liquor Control Commission retail stores rules. We support the OLCC's effort to modernize their retail practices. We applaud the OLCC for recognizing that states around the country are modernizing their business models and this is especially important in this difficult economy.

The retail proposal currently under consideration is a consumer-friendly approach that will generate revenue through increased customer convenience rather than taxes. Additional satellite locations will ensure customers are being well-served by the Oregon system and allow the system to adapt more easily to market demands. Currently, Oregon has 246 off-premise retail outlets for spirits and over 4,000 outlets for beer and wine. This obviously puts distilled spirits at a competitive disadvantage to beer and wine. The proposal to allow corporations to apply for a "store-within-a-store" permit to sell spirits not only enhances consumer convenience, but also levels the playing field in terms of market access for spirits, beer and wine, which could result in additional revenue to the State.

Last but not least, we would like to thank the OLCC Chair Cassandra SkinnerLopata and her colleagues for their leadership in running the department. They have taken great steps to not only sell beverage alcohol in a responsible manner, but to modernize the current system, which ultimately benefits the state and the consumer.

