



April 24, 2019

The Honorable John Lively
Chair, House Committee on Economic Development
Oregon House of Representatives
900 Court St. NE
Salem, OR 97301

Dear Chair Lively and members of the House Committee on Economic Development,

I am writing to express Alaska Airlines' support for forthcoming amendments to SB 590, which among other things would amend ORS 471.182, thereby allowing for the delivery and storage of alcohol in a designated premise off-airport property for onboard passenger sales.

Alaska Airlines, Inc. currently holds a full on-premises sales license at Portland International Airport (PDX), licensed under ORS 471.182. This license allows us to store and load alcohol at the airport for sale onboard commercial aircraft.

As a result of our increased capacity at PDX airport in recent years, Alaska Airlines now requires additional warehouse space to store alcohol for onboard passenger sales. Unfortunately, a facility large enough to meet our storage needs is unavailable on airport property. In an effort to solve this challenge, our catering vendor LSG Sky Chefs has obtained a warehouse off airport property, approximately 1.5 miles from our current facility. However, current state statute does not provide for storage at a separate premise to the address shown on the license, making use of this new space prohibited for alcohol storage under state law.

Representatives from Alaska Airlines and LSG Sky Chefs met with Oregon Liquor Control Commission (OLCC) representatives to discuss the issue on April 3, 2019. The OLCC indicated its support for a solution achieved through an amendment to ORS 471.182. Alaska Airlines has worked with the OLCC and other stakeholders like the Beer & Wine Distributors Association and the Oregon Brewer's Guild to help craft a proposal that would allow for commercial air carriers to store alcohol for onboard passenger sales at a designated premise other than the location listed on the license. Under the proposed amendment, such storage facilities would still be subject to the OLCC's prior written approval. The proposed amendment to SB 590 provides the flexibility we need to effectively operate and serve the needs of our guests at Portland International Airport.

We respectfully ask that you support the proposed amendment to SB 590.

Regards,

A handwritten signature in black ink, appearing to read "Scott Kennedy".

Scott Kennedy
Manager, State & Local Government Affairs
Alaska Airlines

PO Box 68900, Seattle, WA 98168-0900
P 206-433-3200

