



Testimony to the
Joint Committee on Ways and Means
Subcommittee on Transportation and Economic Development
In support of HB 5018
February 22, 2021

Good morning Co-chair Senator Beyer and Representative Gomberg and members of the Joint Committee on Ways and Means Subcommittee on Transportation and Economic Development. My name is Marshall Coba and I represent the Associated Liquor Stores of Oregon, a trade association of private sector store owners who contract with the OLCC to sell distilled spirits. I am pleased to support the 2021-23 Oregon Liquor Control Commission budget for a number of reasons but our focus is on Policy Option Package 108 and the Retail Agent Compensation Modernization Plan.

First, I'd like to thank Governor Brown for including POP 108 in her budget for 2021-23. If she's watching this hearing, I remember the story she told me many years ago about her interaction with some of her liquor agent advocate friends. I've used that story as a guide for our activities and am so thankful for her leadership on this budget at this time.

Thank you to Ways and Means Committee Senate Co-chairs Senator Betsy Johnson and Senator Elizabeth Steiner Hayward who pulled Director Marks and me into an hour long meeting in 2019 and allowed us to talk freely about where we've been but kept us focused on the future. They instructed us to work together to develop a plan that works. I believe that plan is before you today.

Also, I'd like to thank the OLCC staff who has shown such great professionalism, competence, willingness to engage and to look outside the box for solutions while maintaining an awareness and focus on the politically doable. I think POP 108 and the statutory change in HB 2740 are an outstanding reflection of the great work that they were able to perform. Director Marks, Chris Mayton, Bill Schuette, Will Higlin and the newest staff member, Rosetta Shatkin, are the right team for this dynamic time at the OLCC. The OLCC staff did a wonderful job on Wednesday of detailing the plan and how the additional base will work along with the escalators for wages and rents.

I am so pleased to have this opportunity to support POP 108. I almost feel giddy Mr. Chair if that's allowable at 8:00 AM on a Monday morning in February. I'm here supporting the Governor's budget on a policy that her agency worked to refine, and I think we found the sweet spot of policy and appropriate investment. I am not up here promoting feel good aspirational concepts about compensation nor am I running solo. It is a great moment in time to know we

have the support of the executive branch, distillers locally and nationally, the OLCC and the Commission and many others who support a viable retail system to maintain a strong control state system. Believe me, it wasn't always this way.

HB 2740 is not before this Committee today but is in the House General Government Committee. We are hopeful that it will be sent to Ways and Means soon after a very positive hearing two weeks ago. HB 2740 simply codifies what is in the Governor's Recommended Budget.

POP 108 does a lot of positive things but one major benefit is the economic development driver that it will become. By adding assurances that 280 stores can invest in the infrastructure that consumers want in a modern retail environment and that 1,500+ liquor store employees can be hopeful of better wages and benefits is economic development. Economic development is a good paying job leading to a good quality of life and offer opportunities for advancement.

We believe that Oregonians want their communities to be vibrant, of interest, with good food, beverage and unique scenes. We can't believe that Oregonians would want these stores to struggle when major business decisions are out of their control. Distilled spirit prices are set at the OLCC, sales commissions and base monthly payments are set in this Committee and we all know that the legislature and local boards and commissions can at times raise the costs of doing business. Each of these debits impacts these small businesses. The hurt can stop here, now, with your support.

In conclusion Co-chair Beyer and Representative Gomberg and members of the Committee, Oregon is in the liquor business. This is a \$1.5 billion sales machine with growth of nearly 10% per biennium. It needs to be treated as such and any prudent management team would invest to ensure that the golden goose can continue to deposit cash into the state Treasury daily. Yes, even during a pandemic.

I encourage this committee to enthusiastically include POP 108 in the 2021-23 OLCC budget and do so with the comfort that it hits the sweet spot of fairness, economic development, return on investment and that it is long overdue and is the work product of many respectful professionals.

Thank you for your consideration of this budget and for your service to all of Oregon during these trying times.

Be well.