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# Empire State Restaurant & Tavern Association

*Report From The Executive Director...Scott Wexler*

## October 2017

SLA Considers Removing Limit on Split Case Charges - The State Liquor Authority has published a proposed change to the price posting regulations that will eliminate the “split case” charge of \$1.92 per case and will allow wine and spirits wholesalers to charge whatever fee they want for ordering less than a full case of a product. The Liquor Authority’s stated reason for revising the regulation’s treatment of split case charges is that the SLA was not enforcing the split case charge regulation so it was no longer needed.

The “regulatory impact statement” that accompanies the proposed change claims that this should not increase costs for small retailers, but the facts show the exact opposite. According to advertisements wholesalers have placed in industry publications, split case charges have increased substantially since the SLA stopped enforcing the rule. The two major wholesalers, Empire Merchants and Southern Glazer Wine & Spirits, are charging as much as \$28 per case. And while the Liquor Authority is considering a change to allow unlimited split case charges, this proposal does nothing to address the increasing delivery charges and minimum order requirements the wholesalers are imposing on retailers – also a part of the same regulation.

We’ve communicated our opposition to this proposal to the Liquor Authority and have been assured that once this process is complete they will re-visit the split case charge and address delivery charges. But we don’t think wholesalers should be allowed to impose unlimited split case charges, even for a short period of time. A better approach is to reject this proposal and then have a discussion about split case and delivery charges.

We need your help to get our message across. All state agencies have to consider the public comments they receive and if the SLA hears from enough retailers they’ll re-consider this proposal. So, if you’re ready to speak up for your business send your comments by email to [paul.karamanol@sla.ny.gov](mailto:paul.karamanol@sla.ny.gov) and tell the SLA:

- You oppose elimination of the cap on split case charges
- Eliminating the cap on split case charges will increase your costs
- Delivery charges and minimum orders keep going up
- The SLA should prohibit delivery charges and minimum orders

You can also send your comment in by mail to Paul Karamanol, 80 South Swan Street, Suite 900, Albany, NY 12210. Use your own words and provide examples of your higher costs where possible. Make sure to reference ID No. LQR-35-17-000-P in your email or letter. The deadline for submitting comments is October 30<sup>th</sup> so time is of the essence.