

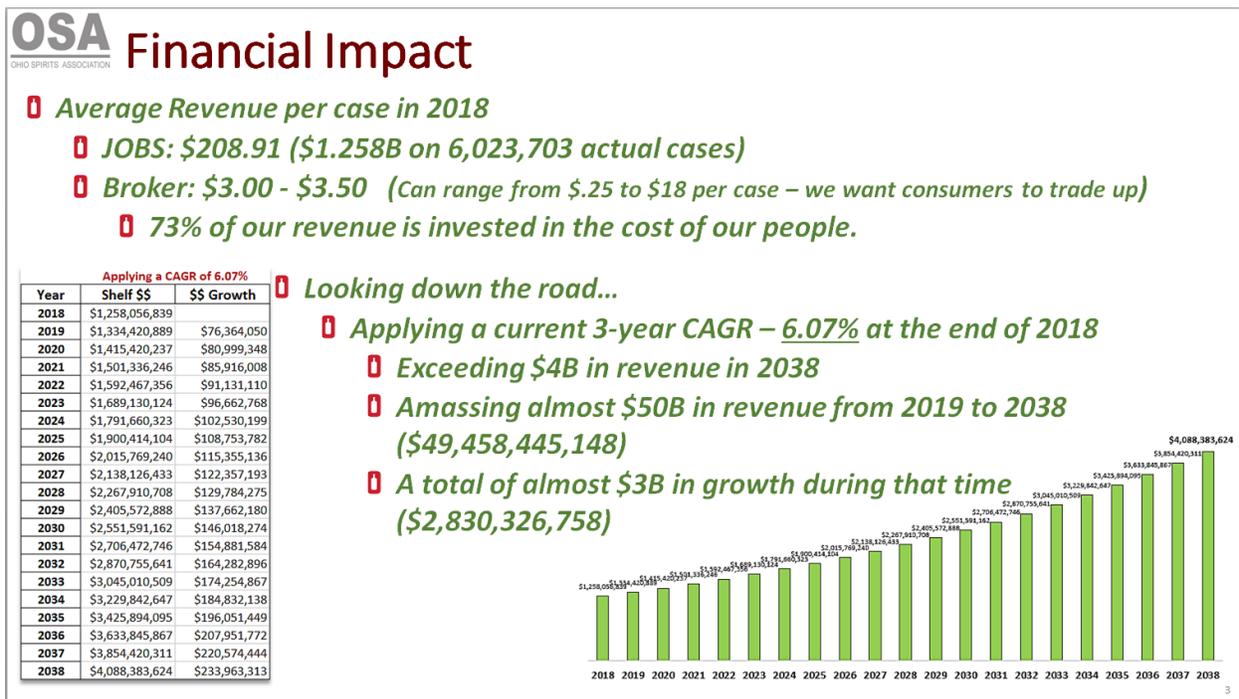
**Testimony of Mark Porter, Customer Development Manager,  
Southern Glazer's Wine & Spirits  
before the  
Ohio House Commerce and Labor Committee  
in support of HB 219**

Chair Manning, Vice Chair Dean and Ranking Member Lepore-Hagan thank you for the opportunity to testify in support of HB 219.

My name is Mark Porter and I am the Customer Development Manager for Southern Glazer's Wine & Spirits. I am also a member of the Ohio Spirits Association, which is made up of the Spirituous Liquor brokers in Ohio. To begin, I would like to call attention to the name attached to HB 219—"The Sunday Alcohol, Liquor, and Especially Spirits Act" or "SALES Act". I would like to focus in on the "Especially Spirits" portion of the name.

My company and the other members of the Ohio Spirits Association sell the "Spirits", which is anything over 21% Alcohol by Volume, named in the bill. We deliver product to one of 2 Jobs Ohio Beverage System warehouses in the state. They in turn deliver the product to 481 state agency stores with 6 more currently in contract. Of those agency stores, 320 of those are wholesale agents who sell to bars, restaurants and other on-premise permit locations at wholesale prices. Unlike beer and wine, where the state only makes money on the taxes remitted, spirits sales profits go directly to Jobs Ohio.

As you can imagine, we are a data driven organization. I would like to share some data that we pulled together last month when we sat down with JobsOhio. Last year, Jobs Ohio made \$1.25 Billion dollars on the sale of spirituous liquor. The Jobs Ohio's contract for the spirituous liquor enterprise runs through 2038, and our projections based on recent growth numbers are that Jobs Ohio will make another \$50 Billion between 2018 and 2038 on spirituous liquor sales.



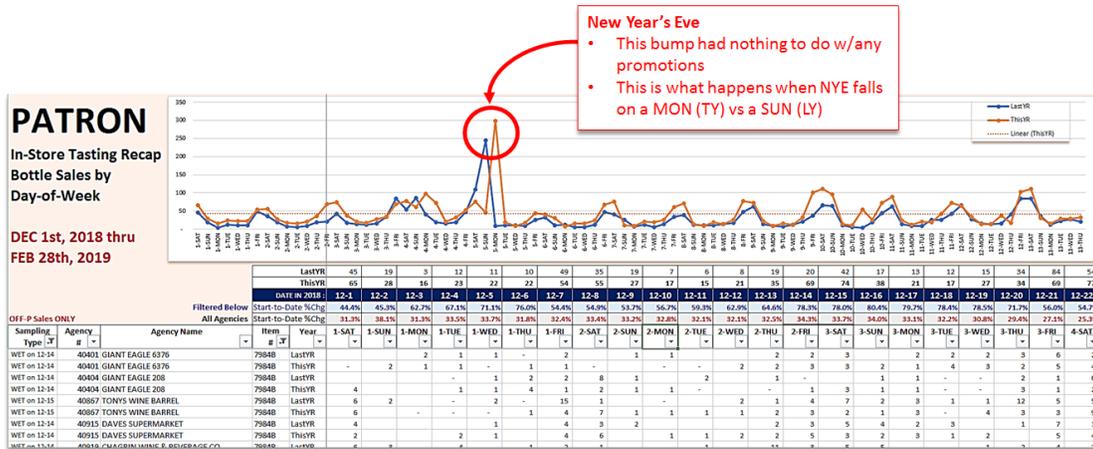
That number will be accelerated even more if Sunday were a regular sales day.

Another way we look at data as an industry is by sales days. This chart demonstrates sales by days of the week. As you can see Sunday is the slowest day of the week. We believe this is because of limited access on Sunday.

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
\$97,177,575.47	\$147,813,013.06	\$163,595,017.45	\$180,792,363.62	\$227,746,472.90	\$295,023,845.62	\$245,033,294.45
7.16%	10.89%	12.05%	13.32%	16.78%	21.74%	18.05%
\$86,847,024.04 '18	\$142,671,464.48 '18	\$159,280,091.61 '18	\$176,286,755.42 '18	\$197,694,210.92 '18	\$307,632,665.19 '18	\$232,737,209.22 '18
6.66% '18	10.95% '18	12.22% '18	13.53% '18	15.17% '18	23.61% '18	17.86% '18

The third chart directly compares sales performance on “Like Days”. This chart drills down to the individual day and for the specific product, in this case Patron. The blue peak is New Year’s Eve 2017, which fell on a Sunday. The taller orange peak is New Year’s Eve 2018 which fell on a Monday.

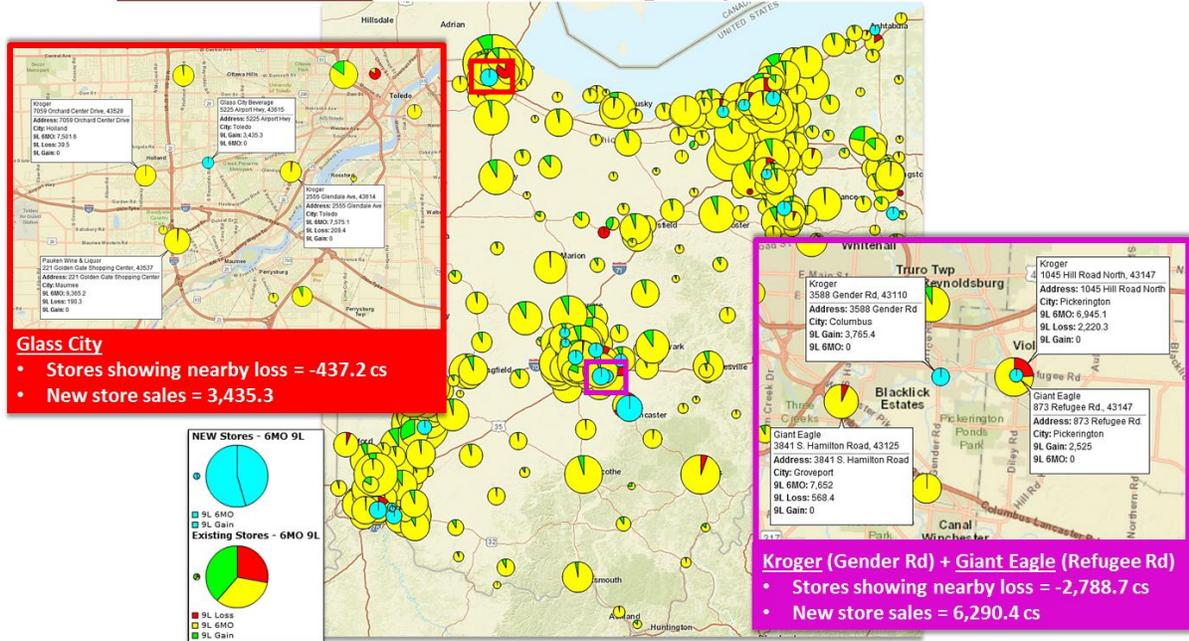
**OSA** **Daily Data – Sales Performance – “Like Day” Sales**  
OHIO SPIRITS ASSOCIATION



Keep in mind, this chart tracks agency store sales only, not other retail outlets like restaurants or non-agency grocery stores. At the individual store level, thousands of retailers had no sales because they were not open at all.

The question could be asked if expanding Sunday sales would indeed grow sales or would existing consumers simply switch from locations where they are currently purchasing. A recent example to illustrate how overall sales are likely to grow would be the recent addition of new liquor agencies in 2018. While some nearby existing agencies did see slight declines, the new agencies overall sales more than compensated for those declines leading to an overall increase in sales for the State.

# New Stores – Surrounding Impact vs Net Success



Simply stated, we believe Ohio is leaving money on the table. Our projection is that the liquor enterprise will grow by roughly \$76 million in 2019. If Sunday sales were available to all retailers, that number would be even higher. We would also support an increase in the transfer amount to the Division of Liquor Control to offset any potential revenue losses.

Thank you for the opportunity to testify. I am happy to answer questions.