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**Contact: Wendi Leggitt
(212) 681-1380 or (301) 247-0528**

COALITION BLASTS PATERSON PLAN TO SELL WINE IN 19,000 NEW OUTLETS
Phony Compromise would Shutter more than 1,000 Mom-and-Pop Shops, Cost 4,500 jobs

NEW YORK, NY January 19, 2010 – The Last Store on Main Street joined small business owners and independent wine sellers from around the state today to blast Governor Paterson’s reckless plan to legalize wine sales in every deli, corner store, gas station, bodega and grocery store in New York.

No State in 28 years has approved this dangerous idea, while New York joined Tennessee, Kentucky and Colorado in rejecting this dangerous idea last year.

“This misguided plan would put money in the pockets of Big Box stores without creating even one new job, while imperiling Main Street businesses across the state and the thousands of jobs they provide,” said Jeff Saunders, founder of the Last Store on Main Street coalition and president of the Retailers Alliance. “In the worst economy since the Great Depression, Governor Paterson is proposing a job-killing plan that would crush small businesses across New York. It’s outrageous and wrong.”

In a cynical attempt to soften his proposal, Governor Paterson has adopted the phony compromise plan pushed by Big Box stores that would allow wine stores to sell potato chips and other items. Big Box lobbyists falsely claim this lame idea would offset the loss of wine sales.

“This is a phony compromise that only provides cover for the Big Box stores in their quest to destroy our business and squeeze out more corporate profits,” said Stefan Kalogridis, a coalition leader and president of the New York State Liquor Store Association. “New Yorkers can spot a phony idea every time and there is nothing phonier than a Big Box store that claims it wants to help small businesses.”

Just last month, the Governor’s own Law Review Commission on the State Liquor Authority said the Governor should put the idea on hold because it required a significant and independent economic review. The same report recommended a series of changes for wine and liquor store regulations, but did not recommend allowing stores to sell food ideas as proposed by Paterson.

In addition, a Cornell University study also issued last month found that wine stores would lose nearly 30 percent of their profits on average – a devastating blow that would close stores across the state.

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According to an economic impact study completed for the industry prior to the collapse of the state's economy, nearly 40 percent of the wine stores in the state would be forced out of business if the sale of wine were legalized in every deli, corner store, gas station, bodega and grocery store in New York. As a result, more than 4,500 people would be forced out of work in the worst economy the state has experienced in generations.

“Our stores are already struggling with significant losses as a result of the economic slowdown, and taking away nearly 30 percent of their profit would put even the strongest stores at risk,” said Michael Correra, a coalition leader and executive director of the Metropolitan Package Store Association. “It’s amazing that Governor Paterson simply ignores the Law Review Commission report and its recommendations. It’s that same attitude that emboldens bodegas to sell nutcrackers to kids. You have to wonder what Governor Paterson is thinking.”

In addition to the economic toll, legalizing the sale of wine in thousands of new outlets around the state would carry significant social costs. In its September 30th report, the Law Revision Commission determined that “the SLA is unable to make prevention of underage drinking a statewide priority” and noted that it has just 38 enforcement officials dealing with 70,000 license holders.

Law enforcement agencies across the state, along with substance abuse experts, have opposed legalizing the sale of wine because they believe it will lead to an increase in underage drinking. New York State spends \$3.2 billion annually to deal with the impact of underage drinking currently, according to the State Office of Alcoholism and Substance Abuse Services.

No State in more than 28 years has approved legislation legalizing the sale of wine in grocery stores, with Kentucky, Tennessee and Colorado joining New York in the last year in rejecting efforts by Big Box stores to take over this business. Massachusetts voters rejected the idea in a referendum in 2008.

“This idea is only dangerous to our young people and costly to New York taxpayers. It makes absolutely no sense to push a bad policy with long-term negative implications for speculative short-term gains,” Saunders said. “New York should be doing more to fight underage drinking and job loss. Governor Paterson’s proposal is one idea that should be tossed on the trash heap for good.”

The Last Store on Main Street coalition is a group of small business advocates, local wine store owners and wholesalers working together to defeat Governor Paterson’s reckless plan to legalize wine sales in every corner store, mini-mart, deli, bodega, grocery store and supermarket.

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