

Testimony of John McGinley

VP Wilson-McGinley, Inc.

Before the Senate Law & Justice Committee

June 4, 2013, Harrisburg

Good morning Chairmen McIlhinney and Ferlo and members of the Senate Law and Justice Committee. My name is John McGinley. I am the Vice President of Wilson-McGinley, Inc. and currently chairman of the executive committee of the Pa. Beer Alliance. Wilson-McGinley Inc. is a malt beverage wholesaler located in Lawrenceville, Pennsylvania, which was found by my grandfather and Fritz Wilson in 1949. We service an eight county area in Western Pennsylvania. We employ approximately 70 full time and part time employees, and our drivers and warehouse employees are members of the Teamsters Local #250 union.

What is the job function of a Pennsylvania wholesaler? Simply stated, we build brands. We do much more than quickly and efficiently deliver product. Building brands in the beer industry is done the same way as in any other industry. It requires a great deal of creative thinking, planning, financial commitment, training, face to face selling and capital expenditures to develop a brand in the very competitive beer marketplace.

We partner with 24 different brewers. They include international corporations such as MillerCoors, Heineken USA, and also new local Pennsylvania brewers such as Full Pint Brewing Company and Rivertowne Brewing Company in Westmorland Pennsylvania. We currently service 39 café's in grocery stores, including Giant Eagle and Shop and Save; 264 independently owned home distributors such as Brew Thru in Kennedy Twp., and 4837 taverns in our geographical territory.

As the wholesaler, Wilson-McGinley is responsible to locally distribute and market the brewer's products within a geographical territory designated by the brewer. As I've already mentioned, we assist the brewers in building brands and taking them to market.

I am not present today to debate whether Pennsylvania should be in the business of selling alcohol. My concern, and that of the members of the PBA, is to express our concerns about the harm that House Bill 790 will cause to current licensees in the beer industry and request you to consider the implications that regulatory changes on the alcohol industry will have on the beer industry. We are not opposed to change. It is natural and inevitable. However, in making your regulatory changes, I request that you consider the following:

1. The beer industry in Pennsylvania is already private.
2. In Pennsylvania, consumers have more beer choices than in any other state. Whether a PA consumer is purchasing a case of beer from an international brewer, such as MillerCoors or from a local brewer from Erie Pennsylvania, consumers can find it.
3. Pennsylvania has the 4<sup>th</sup> most off premise licensees in the country.  
Consumer availability for alcohol is not an issue. Pennsylvania does not need more licenses.

In conclusion, beer is already distributed and sold by private businesses, many of which are second and third generation Pennsylvania residents. While many outside of Pennsylvania find the system unique, it has worked well since prohibition. I request that you seriously consider the impact that the legislative changes you make have upon PA consumers and businesses, in particular within the beer industry, when considering your next steps.