



Good morning. My name is Kevin Dugan, and I am the Government Affairs Director for the New York State Restaurant Association (NYSRA). We are a trade association representing food and beverage establishments in New York City and State. We are the largest hospitality trade association in the State, and we have advocated on behalf of our members for more than 85 years. Our members represent a large and widely regulated constituency in New York, and our industry continues to be disproportionately hurt by the lingering impact and losses of the Covid-19 pandemic.

Our industry relies on having a good and productive relationship with the State Liquor Authority (SLA). In most restaurants, alcohol sales represent the single most important line item. A restaurant can thrive or fail on their ability to sell beer, wine, and cocktails, which is why it is so vital that the agency in charge of these sales runs at full capacity. Simply put, the restaurant industry needs a strong SLA to reach the best version of itself.

Unfortunately, we have not seen this idealized version of the SLA over the last several years. Wait times for liquor license approvals continue to be a large barrier for many in the industry. Countless restaurants have had to push back opening dates due to their inability to secure a liquor license in a timely manner. This means that these operations are having to pay staff, rent and other significant expenditures while waiting to open their doors to the public, putting them behind the 8-ball before they even start. This process needs to be accelerated.

We are however encouraged that the SLA has realized this and has appointed a group to work through the existing backlog and that Commissioner Fan has emphasized both publicly and privately that this is the agency's number one priority. Again, the ability for restaurants, bars and taverns to obtain even temporary liquor licenses in an efficient manner would go a long way in helping our industry get back to where we once were. If there is anything the NYS Restaurant Association can do to ensure that this process is being handled in an expedited manner, please do let us know.

The Restaurant Association would also like to thank Commissioner Fan, as well as Governor Hochul, for publicly acknowledging the need to pass legislation that permanently legalizes drinks to-go in New York. During the pandemic while their doors were shut, restaurants had to get creative on how they would be able to stay in business. Many of our members turned to offering the ability to purchase alcoholic beverages alongside takeout food orders to try and fill in the economic gaps. This proved to be a huge success for many, and we are happy that we have both the support of the SLA and the Executive Chamber as we try to get this measure passed this year.

Our CEO Melissa Fleischut was honored to be a part of the Commission to Reform the Alcoholic Beverage Control Law the Governor and Legislature convened last year to examine the existing

alcohol laws we have here in New York. The commission made several recommendations with the hopes of enacting real change and getting rid of the red tape that surrounds many of the issues the SLA is charged with tackling. In conversations with numerous legislators this year, we are disheartened to hear that there is pushback on some of the recommendations that this commission came out with. Hopefully, we can find a way forward and not let the hard work of this commission fall on deaf ears and be all for naught. Specifically, the ability for restaurants to purchase small quantities of liquor from liquor stores and the elimination of the 200 and 500 -foot rules would be of great benefit to the small businesses that we represent.

Since COVID, every dollar has taken on increased importance. Labor, food costs, and insurance have increased dramatically putting additional pressure on the need for increased liquor sales to help offset these unprecedented raises in other areas. We look forward to working with both the legislature and the SLA to find solutions to help aid in some of the problems we have highlighted here today.

Respectfully Submitted,

Kevin Dugan

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