



BY LINDA DOHERTY
COMMENTARY

The State Legislature will consider a proposal to ease half-century-old restrictions on the ability of neighborhood supermarkets to sell alcoholic beverages. The "New Jersey Supermarket Economic Development Act" would gradually permit the Garden State to join the 45 other states in the nation and incrementally raise the current cap of 2 licenses to 10 over a 10-year period for supermarkets. It is time for New Jersey to enter the 21st Century.

The New Jersey Food Council strongly believes this measure will promote the free flow of commerce, add more convenience to the customer, provide greater enforcement to prevent underage sales and promote growth in the supermarket industry that has seen flat sales recently in New Jersey. Supermarket companies employ almost 250,000 N.J. residents, provide quality health coverage to the workforce and are the anchors of the community. Many are eager to grow in New Jersey, creating more jobs and spurring additional economic development.

There is no question the measure is supported by the public. In fact, a recent Monmouth University Polling Institute survey showed that more than three out of every four (76%) shoppers who purchase alcohol beverages would like to see sales at their local supermarket. A strong majority (56%) of all New Jersey residents supports the change in law. (The complete survey can be found at www.onestopshopnj.com .)

So what is the problem and why hasn't this simple change in the state's liquor laws been made

already? The answer is simple: The "chosen few" — a protected class of New Jersey packaged goods owners — such as Buy Rite with 50 licenses — are working day and night to influence legislators and protect their monopoly.

Their opposition is transparent as they tell legislators that passage of the bill will harm their sales. The question for legislators, however, is why should THIS particular class of citizens receive protection over so many others? Many supermarkets now have pharmacies. The chain pharmacies compete. Many supermarkets have in-store bakeries, pizza shops, flower shops and deli counters. Local bakeries, pizzerias, florists and delicatessens receive no protection. What makes liquor store owners so special?

And yet every drug chain, big box store, warehouse club and dollar store all sell milk, bread and other groceries items. Liquor stores sell food stuff, too. Where is the outrage? Simply, it is called competition.

In order to protect their monopoly, liquor store owners have gone so far as to say that supermarket stores would be lax in enforcement of underage sales. FBI studies demonstrate that policies and procedures to prevent underage sales to minors are much more successfully enforced by supermarkets than small corner liquor stores. In fact, a New Jersey OPRA request showed no violations over a two year period by grocery stores in comparison to over 550 violations in the same time period by liquor stores that predominantly include underage sale of alcohol. This is because supermarkets have security features on cash registers and stricter carding policies to prevent underage sales.

We suggest New Jersey join 45 other states that have competitive liquor laws and open a revenue stream that is being strangled by the packaged goods and wholesale liquor lobby. This would result in more competition, convenience for shoppers and a windfall of revenue for the state.

For most grocery stores, lifting the current cap of two retail packaged goods licenses to ten over a ten year period would fix a closed and anti-competitive liquor system and create a new and much needed source of funding to the State Budget. Currently, there are dormant liquor licenses throughout the state that sit unused. Unlike other states that have open and transparent liquor markets, the anti-competitive N.J. liquor system leaves money on the table as these licenses sit idle and the sales tax revenue that goes with them is unrealized in the State's coffers.

In lifting the license cap and activating some of these dormant licenses, the state would generate millions of dollars in new revenue. During a time when our state revenues have plummeted, we believe that the option for supermarkets to sell beer and wine is a reasonable one as it is in almost every state in the nation.

New Jersey prides itself as being progressive on public policy issues. NJ consumers clearly want change and need to demand why liquor licensing laws are protected and uncompetitive.

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