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**AUTHORITY ANNOUNCES WRITTEN PERMISSION FOR PRICE ADJUSTMENTS RELATED
TO THE UNITED STATES' ANNOUNCED AND EXPECTED IMPOSITION OF TARIFFS ON
CERTAIN ALCOHOLIC BEVERAGES BEGINNING OCTOBER 18, 2019**

October 18, 2019

The New York State Liquor Authority (the "Authority") is in receipt of requests from wholesalers for relief from posted price schedules for certain products due to the pending tariffs/import duties to be imposed by the United States on certain alcoholic beverages from specific countries including French wines (not over 14% alcohol-by-volume) and Scotch single malt whiskies (the "Tariffs"). The Tariffs went into effect October 18, 2018.

Pursuant to Alcoholic Beverage Control Law ("ABCL") Sections 101-b(3)(a) and 101-b(3)(b), the Authority, "upon good cause shown and for reasons not inconsistent with the purpose of this chapter," can grant written permission to sell alcoholic beverages at other than the prices posted pursuant to ABCL Section 101-b. On June 26, 2019, the Members of the Authority at a Full Board meeting, among other things, delegated to the Counsel to the Authority the power to act on requests for written permission.

Pursuant to that Delegation of Power, Counsel to the Authority hereby finds that the unexpected imposition of Tariffs effecting the sale of certain alcoholic beverages between the date of the imposition of such Tariffs, October 18, 2019, and the end of the posting period (November 30, 2019) constitutes good cause to provide written permission to allow sales of certain affected alcoholic beverages at other than the currently posted prices and in the manner described herein.

- (1) This written permission shall apply only to actually imposed Tariffs, which as currently announced and expected would apply to:
- Single-malt (or straight) Irish and Scotch Whiskies imported from the United Kingdom;
 - Liqueurs and cordials from Germany, Ireland, Italy, Spain, or the United Kingdom; and
 - Wine other than Tokay (not carbonated), not over 14% ABV, in containers not over 2 liters imported from France, Germany, Spain, or the United Kingdom;

- (2) This written permission is granted to all licensed wholesalers and importers of liquor and/or wine whose price postings are implicated by the Tariffs;
- (3) All such licensed wholesalers are hereby permitted to add to their posted prices and charge (a) other wholesalers, and/or (b) retailers an amount equal to, but no greater than, any import duties actually assessed on them upon importation of affected products into the country;
- (4) All such licensed importers are hereby permitted to add to their posted prices and charge wholesalers an amount equal to, but no greater than, any import duties actually assessed on them upon importation of affected products into the country;
- (5) This written permission to charge above prices posted shall apply only to sales of alcoholic beverages between October 18, 2019 and November 30, 2019;
- (6) Prices higher than the posted price can only be charged on bottles or cases that were actually subjected to the Tariffs;
- (7) For any item of liquor or wine that a licensed importer or wholesaler wishes to charge at an amount above the currently posted price pursuant to this written permission, current orders for such items must be filled on a first come-first served basis with available stock upon which no Tariff has been imposed before selling any Tariff-affected stock at a higher than posted price;
- (8) All licensed importers or wholesalers who increase prices based on this written permission, in addition to statutorily required recordkeeping requirements under ABCL Sec. 104(10), shall also maintain books and records permitting the Authority to assess whether the requirements imposed in point (6) of this written permission have been followed, including: the exact number of cases in inventory for each day of October and November, 2019, and the dates and volume of inventory of said items cleared through U.S. Customs and Border Protection during October and November, 2019, if any.

Attached please find Federal Register volume 84, no. 196 which details the implementation of these import duties, [\(here\)](#). Further questions regarding this written permission for price adjustment may be directed to Paul Karamanol in the Office of Counsel at: 518-474-3114, or via email at: legal@sla.ny.gov.