

Beating the Odds: Convergence of Tactical Government Relations, Lobbying, and Legal Reasoning Persuades Lawmakers to Change Course, Granting Client Breathing Room

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Where we started: Our long-time client, the grocer Winn Dixie, encountered a barrier to the way it has done business for decades. A very powerful lobby, the Beer Industry League of Louisiana, convinced the Louisiana legislature to remove a provision of a state law that allowed Winn Dixie to distribute alcohol from its warehouse to its stores for retail sale – an operation that most states do not allow. The Louisiana Alcohol and Tobacco Control rescinded the company’s distribution permit, and its commissioner contacted the company and asked when it was shutting its facility. Confronted with this business crisis, our client called us for help.

Our strategy – plus more: We suspected that the alcohol lobby, which makes significant campaign contributions and exerts a lot of influence, engaged in some chicanery to insert an amendment in a state statute and push it through the legislature at the 11th hour. That move effectively removed the provision that allowed this distribution-sale arrangement, which had been in place since the 1960s. Now, suddenly, our client would be forced to overhaul its business operations, which would significantly cut into revenues and profits. At the very least, it needed enough time to transition into a new business framework.

This matter landed at the core of government relations and lobbying, and squarely within our team’s wheelhouse. But we only had two weeks to convince the commissioner to reverse course and reinstate our client’s license. We took the position that, once issued, a permit becomes a property right. The permit holder has a vested right to that permit, and it would be a violation of due process to take the permit from our client. While we had every angle of the legal calculus lined up, we knew we faced tough odds of even winning sufficient transition time.

Upshot: The commissioner was so convinced upon reading our letter, which articulated our legal reasoning, that she canceled a potentially troubling hearing on the matter, called our client, and essentially said, “I want to

meet with you. You don't need to bring your lawyers. You win." But we had to keep the pressure on because the state government still had a say in the matter. Soon a deal cut by the governor's office gave Winn Dixie a license until the end of the year, as well as a runoff period of two months thereafter – a significant time extension. Our client was thrilled that we were able to pull the proverbial rabbit out of the hat.