

March 27, 2009

To Appropriations Committee Members:

I request that you re-visit the decision to cut the agents commission by 20%. The 1% percent change in commission sounds like a potential savings, but the possibility of a long term loss is much larger. Currently most agents display the point of sale in a very visible manner and close to the front of the store. Their display monitor is a very viable advertising tool also. We expect the Connecticut Lottery Agents to pay debt card fees, be responsible for all theft of instant tickets, and cash theft for employees playing lotto and instant games. We also expect the CT Lotto Agent to pay: employee costs to operate a machine, utilities, power for the store and machine, health benefits, workmen's comp, unemployment benefits, license fees, local tax, state tax, and federal tax out of a 4% commission.

If we were to compare the size of a lotto machine to an ATM machine footprint, the typical fee for an ATM transaction is \$2.00 – \$3.00. According to National Data, over 30% of the cash withdrawn is spent at the location withdrawn at. There is no employee assistance to complete an ATM transaction, however, there is employee assistance required to complete a Lotto transaction. How can we expect an Agent to pay a debit card transaction fee for a \$1.00 Lottery ticket that will pay the agent .04 cents gross before he pays a debit card transaction fee and percentage?

If the Connecticut Lottery's gross sales drop 2%, the state will lose twice the amount it assumes it will be saving. The agents will have lost half of that amount in commissions.

It appears as though the Connecticut Lottery is a monopoly which makes one question the legality of the agents commission percentage decrease.

Although I am not a lottery Agent, I feel it is critical that I express my concern regarding this matter. I have over 30 years of experience selling to, managing in, and consulting for Grocery and Convenience store channels and do not see any potential value\advantage to this especially when the Lotto Revenue shortfall will have to be paid for by Connecticut tax payers. We need to be fair to CT Lotto agents who help generate Lotto sales. They should be looked upon as partners who will help you find a way to increase the CT lottery income.

Peter Atchison

Guida's Milk and Ice Cream