

Testimony of Mike Martone  
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Sr. Regional Manager  
Cumberland Farms, Inc.

Governors Bill No. 6363 (Lottery Commission Cut)

1. Introduction

Mr. Chairman, Honorable members of the Appropriations Committee, and members of the public, my name is Mike Martone and I am Sr. Regional Manager for Cumberland Farms, Inc., based in Canton, Massachusetts. Cumberland Farms currently has 61 locations in the state of Connecticut, including 2 new locations, which have opened in the past month. Our stores and employees help fuel Connecticut's economic engine.

2. Cumberland Farms is a Significant Employer in the State of Connecticut.

Cumberland Farms currently employs over 600 employees in the state and serves thousands of customers each day. As stated earlier, we continue to grow within the state, allowing us to offer additional jobs during a time where most states have record numbers of unemployment.

3. The Reduction in Lottery Commission will have a Negative Impact on the Lottery's Income.

Retailers such as Cumberland Farms that carry lottery tickets already continue to make less money each year. We commit more and more resources to lottery sales, including labor costs, record keeping and loss control efforts. Wages and benefits for our employees who handle lottery sales also increase every year. Due to the nature of lottery and the chance for a big payout or win, lottery tickets in particular present an on-going challenge because they are one of the greatest sources of theft and robbery. Regardless of whether such tickets are lost or stolen and the costs we must bear for those losses, the state lottery commission gets its money.

By reducing our commission, there will be less incentive for retailers to devote prime space, provide free advertising, and put more labor into a product that will be generating less profit for the space it occupies and other resources lottery sales require. Less incentive from your retailers to devote those resources will result in fewer sales of lottery tickets and less income for the state.

In addition, in some cases, lottery sales are what make some locations profitable. Our industry operates on very low margins. The lottery

commissions we receive help offset those low margins and allow many locations to continue to stay in business. With less income from the lottery, more locations would be unprofitable and forced to close. Closing locations will mean fewer jobs for Connecticut wage earners and will just add to the already high unemployment rate in the state. Closing stores will also hurt those Connecticut communities that depend upon convenience stores for easy access to consumer products.

In conclusion, Cumberland Farms is a proud and committed member of the Connecticut business community. Rising business costs, including labor, wages, benefits and taxes, are making it more expensive to do business in Connecticut. If enacted into law, House Bill 6363 will only make it more difficult and expensive to do business here. As a result, Cumberland Farms might have to shut down stores instead of investing in new ones and lay off employees, which would be bad not only for Cumberland Farms and its employees, but for Connecticut as well.

Thank you for giving me this opportunity to present testimony before you on an issue of critical importance to both Cumberland Farms and other retailers in the state.