

Senator Colapietro, Representative Shapiro and members of the General Law Committee.

My name is Ed Crowley; I am the President of Dichello Distributors. Dichello has been a privately owned and operated beer wholesaler in Connecticut for over 75 years, we employ over 200 people who service 3200 retailers in New Haven, Fairfield and Middlesex counties.

I am here today to testify in opposition to House Bill 5276 An Act Concerning Connecticut Based Microbreweries.

House Bill 5276 as drafted would allow after twelve months a brewery to terminate the relationship with a wholesaler without cause. Prior to 1971 when the Connecticut General Assembly adopted franchise protection .....a brewery had significant control in the market place. If a brewery wanted to terminate one distributor to give that distributorship to a friend that wanted one they could just do it.

With the passage of the franchise law it gives everyone protection against termination without cause. It is important to provide and protect small and medium size family business from such practices.

This protection allows Dichello to employ 100 teamster drivers; invest in trucks, equipment and facilities. With out such protection for distributors it would be very difficult to establish a relationship with small craft breweries leaving them to without marketing or promotional assistance.

Representative Urban's specific concern was craft breweries.... not eliminating the just cause provision from Connecticut's franchise law. Just for the record Dichello has a relationship with seven craft breweries. In 2007 there was a 44.28% increase in sales, in 2008 a 31.87% increase, 2009 a very difficult year there was an increase of 21.92 % and in 2010 ytd 25.5%. It is important to state for the record in most cases if a craft brewery would like to terminate their relationship with Dichello we release the brand. It does not benefit either party to remain in a relationship that is not mutually advantageous.

For the reasons I've stated in my testimony today I would ask the committee to reject the provisions in House bill 5276. Thank you, for your time and I would be happy to answer any questions.