

A L L A N S.
GOODMAN
INCORPORATED

Distributor of fine Wine & Spirits since 1933

Testimony of Roger Loeb
In Opposition to:

H.B. No. 5276 (RAISED) AN ACT CONCERNING CONNECTICUT BASED
MICROBREWERIES

General Law Committee, Public Hearing, March 2, 2010

Good afternoon, Chairman Colapietro and Chairman Shapiro, my name is Roger Loeb and I am the Chairman, of Allan S. Goodman, a licensed Connecticut wholesaler of wine, spirits and beer, located in East Hartford. I am here today to provide the committee with an overview of the roles and functions licensed alcohol wholesalers play in Connecticut as part of the explanation as to why Bill 5276 will be detrimental.

But first let me say a few words about my company, not because it is unique, but because it is representative of many alcohol wholesalers in Connecticut and, indeed, through out the United States. Allan S. Goodman was founded shortly after prohibition by my stepfather in 1934. I have worked for the company for more than fifty years and we are now in the process of turning the management over to the third generation of my family.

We employ more than 200 employees at two facilities, both located in East Hartford. Our employees include, as one might assume, warehouse workers, truck drivers and clerical office staff. However, we also employ a sales staff representing 48 of our employees as well as wine and liquor experts to educate retailers, marketing managers and graphic designers, promotion managers, and product display people. While some might perceive liquor wholesalers as mere "distributors" in fact we provide marketing and promotion services for each of the brands that we sell. For the supplier we are able to provide detailed information on how to best market and develop a brand to our 840 retail customers. For the retailers in the state we are able to bring to them information and marketing resources on any one of the 2,400 brands sold by our company. With more than 33,000 brands of wine, beer and spirits being sold in the state, it is easy for even a discerning retailer not to know which brands to buy or how to market them. Wholesalers, have the ability, knowledge and resources to provide the necessary expertise to the retailer to make a decision.

In order to provide retailers in Connecticut with the products that they need, when they need them, we have two warehouses consisting of 210,000 square feet of space. Within our warehouses we have in excess of 4,600 items of wine, beer and spirits. Each day our 50 trucks make next day deliveries to Connecticut package stores, restaurants and bars. Sometimes its is several cases of one product, more often than not, it is a few bottles of several products, produced by different suppliers. The ability of Connecticut's wholesalers to provide "just in time" inventory to Connecticut's retailers allows them to keep inventory to a minimum saving on

space and inventory costs. Additionally, we finance retailers' purchases through the extension of credit, resulting in savings to a typical package store of \$10,000.00 and a typical restaurant of \$3,000.00 in finance charges.

We are also good partners with the state. Allan S. Goodman, alone reports and pays \$4,598,313.89 in excise taxes to the State of Connecticut. While this seems like a big number, it is only part of the \$47.3 million in excise taxes collected and remitted by all Connecticut's alcohol wholesalers. At the state's request, we go beyond our legal obligation to collect and remit the excise taxes, by assisting the Department of Revenue Service in collecting the approximately \$130M in sales taxes imposed on the retail sales of beverage alcohol. We do this by supplying the DRS with our sales information on an account by account basis, which in turn allows the department to determine if a retailer has under reported its sales of beverage alcohol.

While it is difficult to summarize 50 years of experience in a 3 minute statement; hopefully, you have a greater understanding of what that alcohol wholesalers do. I am happy to answer any questions that you might have.