

Hendel's Petroleum

February 8, 2011

Members of the General Law Committee:

I am testifying today on behalf of Hendel's Inc., a third generation family-owned business based in Waterford. We have 175 employees, most of whom work at our 22 Henny Penny convenience stores (which also sell gasoline) that are located throughout Connecticut.

I urge you to support **S.B. 864**, an act concerning grocery store beer permits.

Laws should protect the public well being, not impose anticompetitive restrictions on certain segments of the marketplace simply to benefit a different segment of the marketplace. The only safety interest being protected by preventing beer from being sold in small grocery/convenience stores are the bank accounts of package store and supermarket owners—which is simply not an appropriate reason for perpetuating the anticompetitive law preventing grocery/convenience stores from obtaining beer permits.

Preventing grocery/convenience stores from selling beer results in a loss of tax revenue to our State at a time when Connecticut faces an immense deficit. Since Connecticut is a geographically small state, a significant portion of our residents live in communities which border other states. Why when our state is financially hemorrhaging should our tax-generating grocery/convenience stores be at a competitive disadvantage since most New England states as well as New York state allow the sale of beer at convenience stores where gasoline is sold? Why should we be encouraging Connecticut residents to generate tax dollars for our neighboring states and deprive our own state's coffers of revenue it badly needs? And it isn't just the loss of tax revenue on beer sales which S.B. 864 would stop. The Connecticut taxpayer who purchases beer at a neighboring state's convenience store may then purchase gasoline or lottery tickets as well, further hurting Connecticut's revenue stream.

What economic & fairness justification is there for allowing large supermarket retailers like Stop & Shop to sell gasoline and beer, but to prohibit small local businesses who sell gasoline from doing the same? There is none.

What economic & fairness justification is there for package and liquor stores being allowed to sell most of the core products of convenience stores (cigarettes, lottery tickets, newspapers, etc.) but to prohibit the neighborhood convenience store from selling beer? There is none. Unless inconsistency, unfairness and anti-consumerism are justifiable regulatory ends. I submit that in America, they are not.

Legislation righting an anticompetitive wrong by leveling the playing field which results in MORE tax revenue for the State? It certainly seems to me that S.B. 864 is a good prescription for helping to address Connecticut's budget deficit ills.

Thank you.

Doug Hendel