

# *Hendel's Petroleum*

February 28, 2012

Members of the General Law Committee:

I am submitting testimony today on behalf of Hendel's Inc., a third generation family-owned business based in Waterford, CT.

I urge you to **support Bill number 5021**, an act concerning competitive alcoholic liquor pricing and hours of operation for permittees and specifically section 7 that deals with the sale of beer a convenience stores.

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 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 convenience stores from obtaining beer permits.

Preventing convenience stores from selling beer results in a loss of tax revenue to our State at a time when Connecticut faces a 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 strapped should our tax-generating 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? 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 H.B. 5021 would stop. The Connecticut taxpayer who purchases beer at a neighboring state's convenience store may then purchase other products, further hurting Connecticut's revenue stream.

What economic and 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, ice 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 H.B. 5021 is a good prescription for helping to address Connecticut's budget deficit ills.

Thank you.

Doug Hendel