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**General Law Committee Testimony
By Stan Sorkin, President
Connecticut Food Association
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**Testimony in Support of HB 5021: An Act Concerning Competitive Alcoholic
Liquor Pricing and Hours of Operation for Permittees.**

Good afternoon, Chairman Doyle, Chairman Taborsak, and Members of the General Law Committee. My name is Stan Sorkin, President of the Connecticut Food Association. I am here today to testify on behalf of the members of the Connecticut Food Association in support of HB5021.

The Connecticut Food Association is the state trade association that conducts programs in public affairs, food safety, research, education and industry relations on behalf of its 240 member companies—food retailers, wholesalers, distributors, and service providers in the state of Connecticut. CFA's members in Connecticut operate approximately 300 retail food stores and 250 pharmacies. Their combined estimated annual sales volume of \$5.7 billion represents 75% of all retail food store sales in Connecticut. CFA's retail membership is composed of multi-store chains, regional firms, and single store independent supermarkets employing over 30,000 associates. The majority of CFA members are family-owned supermarkets. Our goal is to create a growth oriented economic climate that makes Connecticut competitive with surrounding states.

It's time to put Connecticut consumers first by modernizing our state's antiquated alcohol blue laws. Designed for a bygone era, these outdated laws simply do not make sense anymore. They are inconvenient, limit consumers' choices, raise prices, and cost our state millions of dollars in lost sales to neighboring New York, Massachusetts, and Rhode Island.

HB5021 is comprehensive alcohol reform legislation that would finally end the Sunday sales ban, expand hours of operation, lower prices, increase competition, and put our neighborhood grocery and package stores on an even playing field with stores in neighboring states. This package of reforms is good for Connecticut consumers, good for business, and will create jobs.

If there is one blue law that universally frustrates Connecticut consumers, it is the ban on the Sunday sale of beer wine and spirits at retail grocery and package stores. Connecticut is one of only two states in the entire country that still prohibits Sunday sales. Even worse, our local

stores lose retail sales every Sunday to stores just across the border where Sunday sales have been permitted for years.

This is incredibly frustrating for small package store owners like Dominic Alaimo, owner of the Freshwater Package Store in Enfield, just minutes from the Massachusetts border. Mr. Alaimo *wants* to be open on Sundays, but the Sunday sales ban prohibits his ability to increase sales and serve his customers. The same is true for Edwin Sanchez, owner of the family operated C-Town Supermarket in Danbury, where sales are consistently down 10-12 percent on Sundays because the Sunday sales ban prohibits his customers from buying beer from fully stocked, but closed cases.

The retail industry is a seven day a week business and is all about providing consumers with more choices and more convenience. Ending Connecticut's Sunday sales ban and increasing the hours that stores can be open will do just that. Lifting the ban and expanding hours of operation will also mean more sales for retailers -- both package and grocery stores -- which will in turn mean more hours for store employees and new jobs.

Above all else, Connecticut consumers want Sunday sales. According to a February Yankee Institute poll, by a two-to-one margin (62-32%), voters support changing state law to allow for Sunday sales of beer, wine, and liquor. Our members are tired of saying of NO to consumers. It's time to say YES and take down the blue curtains and let consumers know that Connecticut is open for business. Put simply, it's time to end the Sunday sales ban.

A lesser known but equally anti-consumer blue law is minimum pricing, which sets an artificial floor for the price of beer, wine, and spirits. This prohibits price competition and drives up costs for consumers. Indeed, simply comparing recent newspaper advertisements shows that the cost of a bottle of wine or liquor can be as much as \$8 more in Connecticut than the exact same bottle sold at a Massachusetts store. Connecticut consumers deserve more competition and lower prices, not artificial price controls. That's why minimum pricing laws should be repealed.

The proposed reforms establish a state-wide liquor license medallion system which creates value for existing package store owners. Every existing package store would be given a medallion that they would be able to sell on an open market to other package stores or grocery markets who would be allowed to operate a separate but affiliated package store.

A final element in the comprehensive alcohol reform package would increase the so called "2-store limit" to 9. Current law allows one person or business to operate only 2 package stores. Increasing the 2-store limit to 9 will allow those retailers, who have the entrepreneurial spirit, the opportunity to grow their business. This will also promote greater competition which will benefit consumers. Increasing the package store ownership limit will also place Connecticut businesses on the same footing as those in Massachusetts, which increased its limit to 9 stores in 2011.

I would be remiss if I did not comment on the wild unsubstantiated claims that passage of HB5021 would put 900 package stores out of business. A Stonebridge Research Report, "Economic Impact of Allowing Wine Sales in Food Stores in Connecticut" (copy attached), tracked the evolution of store counts over the past decade for food and package stores in a cross

section of states where alcoholic beverages can be sold in food stores. The study documents that package stores continue to operate successfully in such states and, in many cases, the numbers of package stores increase. You do not have to look further than Newington CT to see an example of this fact. Stew Leonard's, arguable the best food retailer in CT, opened a "big box" store with an attached package store a few years ago. In 2009, there were 11 package store permittees in Newington and today there are 12, the maximum permitted by current law. If you can compete with Stew's, you should be able to compete with any one.

The supermarket industry believes in the free market system and that consumers will benefit if there is open competition. These common sense reforms which increase competition are good for consumers and good for business. For Connecticut consumers they will mean more convenience, more choices, and lower prices. For Connecticut's package and grocery stores they will mean growth opportunities, more hours of operation, more jobs, and an even playing field with stores in neighboring states that have already repealed their outdated blue laws.

It's time for the General Assembly to act on behalf of Connecticut's consumers by ending our outdated blue laws and bringing our state's alcohol regulations into the 21st century. Vote Yes on HB 5021.

