

**Written Testimony of Slocum & Sons, North Haven, CT – General Law Committee**

*HB 6361, An Act Concerning Fair Alcohol Pricing*

February 26, 2013

Dear Senator Doyle, Representative Baram, and members of the General Law Committee. Please accept this written testimony on HB 6361, An Act Concerning Fair Alcohol Pricing.

Slocum and Sons has been in the fine wine and spirits distribution business in Connecticut for over 30 years. On behalf of our 100 employees and the loyal customers and consumers we serve throughout the State of Connecticut, we wish to express our grave concerns over the elimination of the minimum pricing structure in this bill.

While on its face this appears to be a consumer friendly provision, its consequence will lead to large box stores selling any item below cost, causing many small “Main Street” retailers to go out of business. Once large box stores control the marketplace, they will be able to raise prices at the expense of consumers. Additionally, important safeguards against underage drinking when sales take place between a package store owner and his or her customer will be sacrificed.

Furthermore, this proposal will actually *reduce* consumer choice, as smaller retailers who are able to somehow stay in business will not be able to compete on name brands with large box stores. We believe that current wine and liquor pricing is competitive as evidenced by the price of name brand wines and liquors in Connecticut versus neighbors such as New York, Massachusetts and Rhode Island, despite our higher taxes here in Connecticut. It is not logical to have a discussion about alcohol pricing in Connecticut without first addressing the combination of high sales and excise taxes, which were both increased in 2011 (a 20% increase in the excise tax). The result of these high taxes is that Connecticut consumers are paying more in taxes on alcoholic beverages than our neighboring states.

Make no mistake; the deregulation of the alcohol marketplace under this proposal will have a huge negative impact on our business and industry, without creating the alleged benefits of additional competition or lower prices. We ask the members of the General Law Committee to consider this proposal in light of the State’s obligation to regulate the distribution, sale and dispensing of alcoholic liquor, along with the significant industry displacement and upheaval it will cause across the State should it go forward as only large box stores stand to gain under this proposal at the expense of hundreds of “Mom and Pop” retailers throughout the State. We urge you to not adopt this proposal.

We look forward to continuing this discussion with the members of the General Law Committee in the days and weeks ahead.

Thank you for your consideration.

Lester Eber, Chairman  
Wendy Eber, President  
John Slocum, Executive VP/General Manager

Slocum & Sons  
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