

Testimony of Thomas Strahle Representing Pepsi Cola of Bristol

In Opposition to Senate Bill HB6033

Good Morning, Senator Kennedy, Rep. Albis and members of the Environment Committee, my name is Tom Strahle. I run a small business in Bristol, CT. Please consider the following as reason to reject HB6033:

- Pepsi Cola Bristol laid off 6 people, 10% of our workforce after the Bottle Bill was expanded to include water. All of these employees had medical benefits and 401K profit sharing with 8 Holidays and 4 weeks of vacation after 5 years.
- Pepsi Cola Bristol had 11% decreases in sales of bottle bill packages from 2009 and 2014 after the Bottle Bill expansion.
- Stop & Shop, the largest retailer in CT, can no longer price carbonated products and water at the same prices as they do in non-bottle bill states. We discuss this difference EVERY DAY!
- Transshipped or bootlegged products, soda & water, are in excess of 106,000 cases and growing in our territory. We have identified 250 accounts that have purchased these products.

CT never gets a penny for these cases because they go against the escheats. If we are 5% of the states carbonated soft drinks business, the state is losing unredeemed on 480,000 cases yearly. The bottlers are paying for what they don't collect and the state is out the escheats on this volume. If the state got 30% of the nickels the industry would pay the state \$172,800.

Since the bottle bill changed and expanded to water, the transshipment rate is up ten-fold.

The 106,000 cases in Bristol are the ones we have found. We don't have the staff to be the enforcer of this law and go behind every door in our market.

This tax on top of all the other taxes that we pay makes the trans-shipper competitive with no responsibility for handling fees or originating the 5 cent deposit. We cannot survive with this cottage industry of trans-shippers flourishing outside of the current law. Expansion to other drinks will enrich the trans-shipper.

Please reject HB6033. This is another tax on state businesses that can ill afford it.

Thank you,

Thomas Strahle
VP,COO