



Doug Rankin  
Managing Member  
Missing Link Wine Company  
1068 North Farms Road, Bldg 2, Unit E  
Wallingford, CT 06492

RE: Testimony against the adoption of the liquor amendments  
proposed in SB946 (2015)

Senator Leone, Representative Baram and members of the General Law Committee, thank you for hearing my testimony today. My name is Doug Rankin. My wife Ann and I are the owners of Missing Link Wine Company, a seven person wine and liquor wholesale company founded in 2010, and based in Wallingford. I've been in the business for eleven years, first working for a similar company out of New York. I will share some insights from this time to help you feel confident in rejecting the proposed changes to our liquor laws put forward in SB946.

Well, here we are again trying to change one of the industries in Connecticut that is healthy and thriving. This bill seeks to 1) increase a retailer's hours of operation; 2) lower the minimum bottle cost down to the wholesale acquisition cost, and 3) increase the number of retail permits available to a single owner from three permits to six. These changes will directly benefit out-of-state big box retail and grocery chains at the expense of our local businesses, but they will not lead to lower liquor prices or keep people from shopping in Massachusetts. And if enacted, we can say goodbye to many small retail and wholesale companies in Connecticut, like ours, that cater to the thousands of craft producers in the U.S. and around the world.

And that is bad for Connecticut, since demand is very, very strong for these items.

If the Governor and the legislature are truly looking to lower average retail liquor prices, let's get right to it. Yes there are some large liquor and wine brands in Connecticut that in places and at times are priced higher than in surrounding states, but that's primarily because our excise and sales taxes are higher than those in neighboring states. That's a big deal. And let's not discount reasons like the growing amount of untaxed wine being sold direct to Connecticut consumers from unlicensed out of state wineries, retailers, and fulfillment houses, an issue that other states are contending with, and in some cases, like Illinois, taking action to remedy. And let's also not overlook Connecticut's league-leading brand label registration fees, a cost always passed onto the customer and at times onto the small wholesaler.

Connecticut's minimum bottle pricing laws are not the cause for regional price discrepancies. What the bottle pricing laws do is form a firewall that prevents large chains from clubbing small and mid-sized package stores out of business. Without these laws, well-financed chains have the power to maintain artificially low prices on certain key items long enough to beat a local competitor out of business, whereby of course prices will then increase. (And how would we ever enforce this new minimum bottle standard?). Then we compound this problem by allowing these big boxes an additional three permits and expanded alcohol sales hours, making the burden on the small and mid-sized local business many times worse. And then begins a large transfer of profits from Connecticut owned businesses into the coffers of these out-of-state big box retailers and big brand producers who have been drooling over Connecticut for years. They want to own their next state. That is really what we are talking about when we use the phrase 'modernizing Connecticut's liquor laws'.

And once we give into big-boxification of this industry, we will get in return less competition, less selection, and fewer industry jobs - a race to the bottom for residents and local business. Nowhere in here do I see the scenario where we have lower prices for our residents, higher revenues for the state, or an industry as healthy as the current

one. Speaking of less competition, how's your cable bill these days? How about the customer service?

We all know the benefits to us as customers when we are serviced by a competitive, knowledgeable and diverse business community. If we are going to get serious about Connecticut's economy, the only non-gimmicky solution to raising revenue and quality of living for the long term is to foster a sustainable and diverse tax base, and not misdiagnose our problems and undermine what works. We must support Connecticut businesses run by Connecticut residents, and keep tax dollars and profits here. You certainly don't do it by giving away the farm to well-monied out-of-state corporations. The upside again this year is that Connecticut has another chance to not repeat the mistakes of most other states.

I was in three large chain stores in Phoenix a few years back looking for decent wines for a wedding reception, and while these stores were many times larger than just about any store in Connecticut, the selection was eye-openingly terrible. Had I not been used to the selection in Connecticut and New York, I would not have realized just how bad it was in Phoenix. You get what you pay for.

Thank you for your time and I urge you to again reject all of these proposed changes to our current liquor laws.