



Testimony of Edward Cooper
Vice President, Public Affairs and Community Relations for Total Wine & More
Before the General Law Committee regarding SB 14
February 23, 2016

Sen. Leone, Rep. Baram, Sen. Witkos, Rep. Carter and honorable members of the General Law Committee, thank you for the opportunity to offer testimony in support of Governor Malloy's Bill, SB 14, "An Act Ensuring the Regional Competitiveness of Connecticut's Liquor Prices."

Let me begin my testimony by thanking the Governor for proposing and the committee for its willingness to hear this issue. Anytime when the state can pass a bill that lowers costs to consumers, it is a good thing. But please note that this is not a new issue in Connecticut. In fact, as I've said in previous years, the current protectionist policy you are contemplating eliminating today costs citizens of Connecticut millions of dollars each year and drives business to our surrounding states.

I am offering this testimony because Total Wine & More is proud to be a growing member of Connecticut's business community. We have three great stores in Connecticut and are very excited to open our fourth store in West Hartford later this year. Our team members who work in our stores are second to none. They receive over 100 hours of training before they go on to the floor to serve our customers. Over 75% percent of our team members are full time employees with health insurance, pension plan and full benefits. We know our team members are our secret weapon, and *service* is what we have built our business on. We love competition, and it is our belief that competition is what makes our country the greatest country in the world. Unfortunately, Connecticut does not presently allow for competition in the marketplace of alcohol sales, and the real losers in this protectionist scheme include the two components we should be most concerned about—they are, first, Connecticut consumers and second, revenue to the General Fund.

Why is this proposal important to both consumers and to the General Fund of the State of Connecticut? The artificially high prices package store retailers MUST charge inflates costs to consumers and places Connecticut package stores at a competitive disadvantage with stores in our neighboring states that do not have such additional costs imposed on them. This creates an obviously negative and unnecessary situation which is bad for consumers and bad for Connecticut businesses who watch their would-be consumers flee to out-of-state retailers to purchase liquor at lower cost.

I will repeat this part of my testimony from last year: Connecticut is the ONLY state in the country that imposes this pricing system on its retailers. The impact of these artificial prices is truly significant to consumers. Specifically, this requirement drives price differentials between Connecticut and our neighboring states of between \$5.00 and \$8.00 on a 1.75L bottle of alcohol in numerous examples. It is not hard to see why consumers would choose to purchase in other nearby states when faced with this cost difference.

The loss of sales to other states also hurts revenue to the General Fund. Certainly I don't need to tell you how important each dollar is towards balancing Connecticut's budget. Now more than ever I would encourage lawmakers to consider the importance of eliminating antiquated measures from Connecticut's liquor pricing laws.