



**TESTIMONY of TOTAL WINE & MORE
Before the Connecticut General Assembly's General Law Committee
February 28, 2019**

REGARDING:

Raised Bill. No. 7184 AN ACT CONCERNING THE LIQUOR CONTROL ACT

Senator Fonfara, Representative D'Agostino, Senator Witkos, Representative Cheeseman, and members of the General Law Committee, my name is Edward Cooper and I serve as the Vice President, Public Affairs for Total Wine & More.

At Total Wine & More our focus is entirely on the customer. Our stores are brightly lit with wide aisles that feature over 8,000 wines, 3,000 spirits and 2,500 beers. Our team members are the best trained in the business and, while we offer all the leading national brands, we embrace local and regional products—featuring Connecticut and New England wines, beers and spirits on our shelves and at our tasting stations. In short, we strive to give our customers that which they deserve: outstanding service, phenomenal selection, the best prices and an unparalleled customer experience. An integral part of our core business is Total Wine & More's philosophy of engagement in the communities in which we operate and our support for local charitable efforts.

On behalf of Total Wine & More I am pleased today to present this testimony in support of those sections of H.B. No. 7184 AN ACT CONCERNING THE LIQUOR CONTROL ACT that eliminate Connecticut's unfair and anti-competitive practices. **Specifically, we SUPPORT Sections 3, 4, and 12 of the bill.**

Section 3 increases from five to ten the number of alcoholic beverage retail permits that an individual or entity may hold. While under current law, a package store owner in Connecticut may only hold five retail permits, in fact, there are permittees that have actual control of more than five permits. This practice is unlawful. We believe that increasing the legal number of permits that an individual may hold will make licensing more transparent and increase the value of the businesses of current permittees.

Furthermore, increasing the number of permits will lead to more local job creation in the state and the benefits that additional jobs bring to the state's economy in terms of taxes.

Throughout the country, states are actively modernizing their alcohol systems to meet consumer demands. In the last several years, Massachusetts and South Carolina have tripled and doubled, respectively, the number of licenses that any individual or entity may hold in those states. Consumers have responded positively to these changes by shopping locally and

repatriating to those states revenue that would otherwise go elsewhere.

Section 4 increases from one to ten the number of beer items that a retailer may sell at a below-cost discount each month and permits a retailer to sell up to ten items of alcoholic liquor other than beer at a below-cost discount per month. This increase will allow retailers the flexibility they need to move inventory, manage shelf and display space, and ensure that they are able to maintain the appropriate stock of products for their customers.

Section 12 modernizes marketing opportunities for package stores by removing existing restrictions that prohibit retail permittees from engaging in the common-place promotional activities that other retailers routinely use. Today's retail environment is changing at a very rapid rate with competition coming from out of state retailers and on-line platforms. Package stores must be allowed to compete in this ever-changing retail environment. Alcohol retailers in Connecticut are severely restricted in the use of coupons, on line incentives, and customer loyalty opportunities that retailers in other states and on-line retailers can employ. Brick and mortar package stores must be given the tools to compete in this ever-changing market place.

Finally, while there is much to recommend in this bill, **we must express our opposition to Section 10 of the bill.**

Section 10 would allow alcohol retailers from outside of the state to sell and ship directly to consumers in the state. This provision raises serious concerns about the public's safety, local jobs and local and state taxes.

Permitting out-of-state retailers to sell alcohol via the internet and ship it directly to Connecticut residents will make it extremely difficult for state law enforcement officials to properly ensure that alcohol stays out of the hands of underage persons. Unlike Connecticut's bricks and mortar beverage retailers, who are best equipped to prevent sales to minors, online out-of-state retailers would be outside of the reach of local police and the state's Department of Consumer Protection's Liquor Control Division (DCP), complicating enforcement efforts by DCP to prevent sales to minors and intoxicated persons and maintain product integrity.

From small, independent, neighborhood stores to larger retail establishments, Connecticut-based alcoholic beverage retailers employ Connecticut residents. As an example, a typical Total Wine & More store requires more than fifty team members to effectively and efficiently serve our customers. Allowing out-of-state retailers to do business in the state would put those jobs, and countless others throughout the state, in jeopardy. The loss of jobs would result in less taxes – income (from employees), excise on alcohol and retail sales – collected in Connecticut.

In conclusion, **I urge the Committee to move the bill forward with the provisions of Sections 3, 4, and 12 of the bill intact, and to remove Section 10 from the bill.**

Thank you for the opportunity to submit this testimony and your consideration of its contents in your deliberations on this bill.