

CHAIRPERSONS: Senator James Maroney,
Representative Michael
D'Agostino

SENATORS: Kissel, Osten, Winfield, Witkos

REPRESENTATIVES: Ackert, Allie-Brennan, Arconti,
Candelaria, Cheeseman,
D'Amelio, Gibson, Hayes,
Luxenberg, Riley, Rutigliano,
Winkler

REP. D'AGOSTINO (91ST): Welcome, everyone, to the public hearing of the General Law Committee of the Connecticut General Assembly. I see our Members are here. Thank you all for joining.

And just a few things, I know we've got a lot of people signed up to speak today or probably monitoring, if you haven't been through one of these before, there's an order of speakers that our Clerk has circulated that's posted online and our Clerk will - our Clerk, Samuel, will let people into the Committee meeting to speak as they're announced and he will announce each successive speaker.

And Sam, if you could let us know who's following the current speaker when you let the next person in, that would be great so they can be prepared to be online once we're done with the speakers. So, that's how it will work.

Today promises to be a -- just in one day -- I had a couple of comments I wanted to just make before we started that I hope will help streamline and focus everyone's testimony to say because I know there's a lot going on with these particular Bills. I just wanted to mention a few things before we got started. I've heard a number of different things about the Bills that we're considering today.

I want to make it perfectly clear on a few things. We are not discussing today, nor have we proposed

the sale of liquor in grocery stores or so-called big-box stores like Walmart, or Target, or Costco. That's not on our agenda, that's not on our Bill. I'm not sure where that's coming from.

With respect to the proposal of wine in grocery stores, we've heard a lot on this and I wanted to note for the Committee Members and also for the public that since we released the Bill, we've had the benefit of some further legal research that's been done, because the question has been asked about Connecticut wine in grocery stores. We cannot dictate that stores sell only Connecticut wine. That would violate the US Constitution.

However, we can consider a law that says that small manufacturers of wine, those who produce less than, say, 100,000 gallons a year, we can require shelf space for those wines -- 100% shelf space, 50% shelf space if we proceed with wine in grocery stores for those small manufacturers and of course, that would encompass our Connecticut wineries as well as others but certainly it would be easier for local grocery stores to carry local Connecticut wine should we impose that kind of volume limit on what can be sold in grocery stores.

So, the Committee is working on language that I expect to have available for this whole Committee to discuss. It's not in the Bill now, but it is being worked on that particular volume on it, in which we do think at the end of the day, would certainly help our local Connecticut vineyards. I know some of them signed up to testify today, so I wanted to flag that issue.

With respect to the big-box store proposal that's on the agenda today, I want to be perfectly clear, because it's a big Bill, and I know it's kind of in the weeds for Committee Members who know this, but also the public. The proposal in the Bill only allows a larger store like a Costco to sell beer and it's means toward if that store already has a

package store permit. There are a handful -- for example, Costco or BJ's that have separate package stores adjacent to their larger store where there's a separate entrance.

The proposal in the Bill today only allows beer to be sold in the larger footprint, the larger store if that store already has a package store permit. Nothing in Connecticut law prevents a BJ's, or a Costco, or Target from opening a package store, pursuant to our regulations. That is all that this proposal does. It's not a writ large proposal to allow beer in every large package store. That's how this is drafted.

Finally, there's a separate proposal on the agenda today that a lot of Committee Members have asked for on a bipartisan basis -- to extend, to codify the Governor's Executive Order that allows for example, restaurants to deliver along with food a sealed container of wine, or beer, or a cocktail. This has been one of those adjustments that the Governor made during the pandemic that has been well-received by certainly consumers and also the industry to help them tremendously.

The law today extends that for a certain period of time, with a Sunset provision which we can talk about whether we make permanent or not down the road. The issue has come up with respect to beer manufacturers or wineries, they've also been able to deliver as well during the pandemic -- deliver their products. And they've adjusted 12% brewing company, for example in North Haven near me, has repurposed some of its bartenders to do delivery. The requirement that those breweries and wineries all deliver substantial food is not in our law. The liquor law that we have passed does not require them to serve substantial meals, because they don't have restaurant facilities. They can do that if they want to, but they don't have to.

That requirement of a substantial meal component comes from the Executive Order. We are all acutely aware on this Committee that breweries and wineries do not typically have food preparation facilities. So, we are looking at language that will recognize that fact. And should we extend this order, enable them to continue to deliver their products wine or beer without a food requirement on that delivery. That's not in the Bill that was proposed, but it is something that we are all acutely aware of, that again, has been raised in a bipartisan basis by a number of legislators to extend these adjustments that have enabled these businesses to survive and we want to continue to do.

So, I wanted to be very clear about a number of things that are being proposed and that we are considering with amendments to this Bill and hopefully that will help sharpen some of the testimonies today. With that, let me call in our speaker which is Commissioner Michelle Seagull of the Department of Consumer Protection. Commissioner, welcome. Thank you for joining us this morning.

CMMR. MICHELLE SEAGULL: Good morning. Thank you for inviting me to testify today. Yes, to begin, thanks, Senator Maroney, Senator Witkos, Representative D'Agostino, Representative Rutigliano, honorable Members of the General Law Committee for giving me this opportunity to testify on House Bill 6101, AN ACT CONCERNING VARIOUS ISSUES RELATED TO THE LIQUOR CONTROL ACT.

This Bill does a lot of different things, many of which were requested by the Department. A lot of those are sort of minor and technical, but we thank you for including them and agreeing to raise them in your broader Omnibus Bill. The details of the changes we've requested are included in my written testimony. In the interest of time, I won't repeat all those there

Overall, most of the fixes are either intended to help fully enact Public Act 1924 from now. I guess it's been a couple of years. For example, removing some references to obsolete permits, putting in the new permit names, things like that, number of others are to help us streamline our processes or to clarify in the law some of what's already happening to make that clear. Some of the more substantive changes, extending the deadline for when investigations need to be disclosed. We want to make that consistent with disclosure deadlines and the Unfair Trade Practices Act, Freedom of Information Act allows wholesalers to offer free samples to their members or staff on their premises.

And finally, I did want to know with regard to which was just discussed, Section 69, that's the one that modifies the Executive Order related in delivery of drinks. Right now, it does -- after three years, we would just recommend removing that Sunset provision. We think it would create some confusion in the marketplace if all of a sudden in three years, all those practices [inaudible] some compliance and enforcement challenges.

But with that I will be happy to answer any questions you have either about our provisions or others in the Bill. Thank you again for having me.

REP. D'AGOSTINO (91ST): Thank you very much. We appreciate your [inaudible] the Bill. Questions from Committee Members? Senator Witkos, please.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman. Good morning, Commissioner.

CMMR. MICHELLE SEAGULL: Good morning.

SENATOR WITKOS (8TH): Just a question on the -- how does the process work now if a restaurant is delivering a closed container to a patron? And is there a sign off or a testament that they're over the age of 21?

CMMR. MICHELLE SEAGULL: Yes.

SENATOR WITKOS (8TH): How do you guys track that if you do?

CMMR. MICHELLE SEAGULL: It's similar to how we have to enforce any sort of sales to underage. So those requirements, kind of consistent with the Executive Order. There's an implementing order by the department which is posted on our website. But it is the same way. We would require supermarkets, which have always been able to deliver, you need to verify the age and identity of the person who you're delivering to.

It's obviously hard to monitor everything that's going on and just like sales to underage in physical locations. A lot of it's going to be complaint-driven is how we would learn about it.

SENATOR WITKOS (8TH): In today's day and age, sometimes people take photographs of an ID or they make them sign the form. Is any of that part of the process? Or it's just the delivery person individually verifies and that's it?

CMMR. MICHELLE SEAGULL: Normally, sort of having a sign-off I think would be part of the process. We may have not required it here just to avoid the contact of handing pens and paper back and forth and that's how it's done in physical locations, too. So, if there's any question about the ID, the person shows, you could certainly take a picture for you to prove that you had a legitimate reason to believe they were of an appropriate age.

SENATOR WITKOS (8TH): Okay, and one other follow up. When we talk about allowing the big-box stores to sell beer they wouldn't necessarily have to get a package to a permit. Couldn't they just get a grocer's permit since they're already selling food?

And the sale of beer is allowed in a grocer's permit. Is that correct?

CMMR. MICHELLE SEAGULL: As I understand and as it was explained, under the current provision in this law, they would have to have the package store permit. That's just one of the requirements to now sell the beer in the store. Normally, if you qualify as a supermarket, which is about 50% of your sales or greater, or food items, that you could qualify for grocery beer permit. What you wouldn't be able to do under current laws now sell liquor or wine with that. So, I think this would allow in these instances for big-box stores that already have a package store permit and our selling wine, beer and liquor could now include the beer in the bigger part of their store.

SENATOR WITKOS (8TH): So, in essence, it almost wouldn't be an expansion in my mind, unless you can tell me how many communities have available package to a permit. Because as we know, extra permits by population per town and if you say -- I'll use the town of Berlin, say they have 15 package dwellers allowed in that community because of the size of the population and 15 of those permits are already spoken for, then any big-box store that would like to have a package to a permit would be prohibited from getting one because the town is already maxed out. Is that correct?

CMMR. MICHELLE SEAGULL: Yes. So, it would only -- this change in law as I interpret it and as written would only be available to big-box stores that already currently have a package store permit.

SENATOR WITKOS (8TH): Do we know how many of those there are in the State of Connecticut?

CMMR. MICHELLE SEAGULL: I don't know offhand. There's not very many at all. Though there's a handful. I know there's Costco or two, maybe a BJ's. It's a small number.

SENATOR WITKOS (8TH): Could we have staff get that to the Committee? That would be helpful as we continue on the debate. That's all the questions I have. Thank you, Commissioner. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Terrific questions, Senator Witkos. Let me move to our ranking Member from the House, Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you, Mr. Chairman. Good morning, Commissioner, how are you today?

CMMR. MICHELLE SEAGULL: Good morning. Well, thank you.

REP. RUTIGLIANO (123RD): I would ask that you'd be patient as I'm trying -- I don't have electronic copies of the Bill, so I'm just scrolling back and forth. I just had a couple of quick questions. If you look at -- do you have the Bill in front of you?

CMMR. MICHELLE SEAGULL: I do, yes.

REP. RUTIGLIANO (123RD): If you go to Line 791, it says, "As amended by this Act for buy room consisting of only one room and for premises without effective separation between the bar room and the dining room. No minor shall sit or stand at the consumer bar without a parent." Basically, I understand the intent. The question I had is, are we adding a level of confusion by saying the words 'effective separation', considering that there technically isn't any effective separation anymore. I read it real fast, I understood it, but the way I read it is, if you have effective separation that a 16-year-old could sit without a parent -- and I don't know if I'm reading that right, and I wanted your opinion.

CMMR. MICHELLE SEAGULL: As I read it, I think you can sometimes have multiple rooms. So, the bar is

literally in a different room. Sometimes it's a single room, but you have effective separation. It's a row, a half-wall, or a row of plants, or something that clearly delineates, albeit not like a full wall, where the bar area is and where a normal seating restaurant area is.

So, this is applying If you have a situation where you have the bar and then the seating area, but you don't have that, like either a wall to make them different rooms or some other separation, then we don't want kids sitting at the actual bar without the parent.

REP. RUTIGLIANO (123RD): No, I appreciate that answer. I just thought two years ago, we repealed effective separation as a definition. So, I just thought those words in this sentence added a little confusion.

CMMR. MICHELLE SEAGULL: Well, I think it's because the fact that we no longer have a requirement for effective separation that we can now find these situations where there's a single room that isn't effectively separated. This is really just clarifying that even though you don't have to have effective separation, you still can't let the kids sit at the bar alone.

REP. RUTIGLIANO (123RD): Alone. Right. That's how I read it, but then when I saw the words 'effective separation', I was like okay, if they don't have it, or if they have it, sort of made it permissible on the other end. I thought those words added confusion.

CMMR. MICHELLE SEAGULL: Okay. We can take a look at it.

REP. RUTIGLIANO (123RD): And then if you go to Line 999, I did have a question about the move from six to 18 months on the investigation. It does seem like an awful long extension, an entire year and the

provision that bothers me the most is the disclosure function. The business you're investigating doesn't even know they're being investigated. Now we're adding an entire year to it. I just didn't know what the reason for such a long extension on the Department's part.

CMMR. MICHELLE SEAGULL: This is more with regard to public disclosure. So, typically if we're investigating a business, they're aware. We've reached out to them; we've told them about the complaints of the nature of our problem. Six months is often just not enough time. Investigations generally take longer and often especially with liquor investigations, there becomes media interest in other things. And it puts us in a weird spot when we haven't completed our investigation, in fairness, even to the business, we don't want to start be in a place where we're disclosing information that's not been fully-vetted or thought-through.

This length of time is really what you find in other disclosure statutes. It's just been an anomaly that liquor has this much shorter kind of thing from when it demands. So, it would put it in line with you.

REP. RUTIGLIANO (123RD): I didn't know if it was possibly a resource issue that the Department needed additional resources to get the investigations done quicker; I didn't know if there was something that we could do to speed that up for you.

CMMR. MICHELLE SEAGULL: It's not really a resource issue. Just investigation sometimes take time.

REP. RUTIGLIANO (123RD): And I'd be remiss that while I had you here, I didn't know if the Department had opinion on additional alcohol offerings in supermarkets.

CMMR. MICHELLE SEAGULL: As a high-level policy, we would defer to all of you, I do want to note, it

would require some extra resources on our part. There's a lot of -- I mean one, there's the enforcement issue, so there are a limited number of package stores in every town selling wine or other products. So, it would increase it really an unlimited amount since there aren't caps on grocery stores. But also, there's a lot of -- aside from just enforcement of who you sell to, there's a lot of economic rules in the liquor industry that we have to enforce. For example, price posting, all of that needs to be dealt with and we would probably -- with these much wider range of places that wine could be sold -- we're probably going to have a lot more other places wanting to now sell and to get into those stores and so there'll be a lot more price posting. Brand registrations will also just have increased complaints.

So, we'll leave the policy to you, but we would need resources to enforce and to deal with the added kind of work that will come with that.

REP. RUTIGLIANO (123RD): Okay. Thank you, Madam Commissioner, thank you Mr. Chairman.

CMMR. MICHELLE SEAGULL: Thank you.

REP. D'AGOSTINO (91ST): Thank you, Representative. Let's go to our former Ranking Member, Representative Cheeseman.

REP. CHEESEMAN (37TH): Thank you, Mr. Chairman. Thank you for being here today, Commissioner and Representative Rutigliano took one of my questions which would have to do with that new from six to 18 months. So, thank you for your answer to that. My other question relates to, I guess, Section 33 which removes the ability to extend a provisional permit beyond one year and you comment that if the issues relating to the permit can't be sorted out in one year, it means probably they weren't in a good place. Can you tell me offhand how many requests

you get to extend that provisional permit beyond one year? And what typically drives that request?

CMMR. MICHELLE SEAGULL: I'd have to look up those numbers. I don't think it's a huge number generally if you haven't after a year sort of figured it out. It means you may not be able to and you just need to really do more of your homework and come back to us if you need. But we can of get those numbers for you.

REP. CHEESEMAN (37TH): Yes, I'd be interested in seeing those numbers and also, if you can, any information on typically why people feel the need to extend beyond -- just relate to local issues because I can see in certain circumstances if you're dealing with a town that's not being very timely in terms of considering application, you might need that help. So, just some more background on that because obviously, we don't want these things to drag on forever. On the other hand, if they do have genuine issues out of their control -- we're in the middle of a public health crisis. Things have not happened as speedily as they have and God willing, that will change and we won't confront that, but I also don't want to rule out someone being precluded from carrying out their business when things are genuinely outside of your control.

So, any background you could have on that would be very helpful.

CMMR. MICHELLE SEAGULL: Okay.

REP. CHEESEMAN (37TH): All right, thank you. That's my only question. Thank you, Commissioner, thank you, Chairman D'Agostino.

REP. D'AGOSTINO (91ST): Thank you, Representative, appreciate that. Representative Hayes, please.

REP. HAYES (51ST): All right. Thank you, Mr. Chairman, good morning, Commissioner, and thanks for

some of your time today. Just a couple of quick questions and I'll go back to permitting if I could. If a community is maxed out on the number of permits that they're allowed, so all of the package store permits have been submitted to somebody, given to somebody, if one of those store owners decides to sell their business, what happens to that permit? Does it go to somebody in a waiting list or is there preference given to somebody that wants to open that same store?

CMMR. MICHELLE SEAGULL: It would be transferred to the new owner of the business.

REP. HAYES (51ST): Okay, are there waiting list for somebody if they're waiting for a permit? They want to open a brand-new store and there's no permits available, is there a waiting list for that?

CMMR. MICHELLE SEAGULL: No, I don't think we keep a waiting list. So, people would kind of need to keep their eye on to see if one freeze up in the community they want to move into.

REP. HAYES (51ST): Okay. And has there ever been talk about increasing the number of permits per community?

CMMR. MICHELLE SEAGULL: We've proposed. That's obviously a big policy issue.

REP. HAYES (51ST): Okay. My one last question I don't know if you can answer it, but if I decided I wanted to open businesses, so only beer and wine, is there a permit that would fit there? Or do I need a full package or permit?

CMMR. MICHELLE SEAGULL: Yes, you would need the package store. So, the beer only if you're a grocery store and then a package store is the whole range. There haven't, but a lot of them got consolidated in Public Act 1924. There used to be like, if you want to be a restaurant or someone

along depending on your business type on some of those would have only been beer and wine if you wanted to be an offsite consumption.

REP. HAYES (51ST): Okay. I'm not talking consumption, I'm talking just sale, I want to open a store to sell bottled beer canned beer and wine.

CMMR. MICHELLE SEAGULL: No, I'm not aware of a permit that would that would allow just those two.

REP. HAYES (51ST): Okay, thank you. Thank you, Mr. Chair.

REP. D'AGOSTINO (91ST): Thank you Representative. Any further questions for the Commissioner? Seeing none. Thank you very much, Commissioner. If you could get back to us with some of that information Senator Witkos requested, we'd appreciate it. Thank you for your --

CMMR. MICHELLE SEAGULL: Yes, absolutely. Thank you, all, for your time.

REP. D'AGOSTINO (91ST): Thank you. Senator Hwang, you're up next, sir.

SENATOR HWANG (28TH): Good morning. Thank you, Mr. Chairman. Good morning, Chairman D'Agostino, Ranking Members Witkos and Rutigliano, and all of my esteemed legislative colleagues of the General Assembly. Good morning. I stand before you with a few of my local owned businesses to oppose section 55 and 56 of the House Bill 6101, AN ACT CONCERNING VARIOUS ISSUES RELATED TO THE LIQUOR CONTROL ACT.

Connecticut has nearly over 1,300 package stores and their 15,000 plus employees are currently one of the most stable retail establishments during this COVID pandemic crisis, and one of the most significant contributors to our community by supporting restaurants and nonprofits, they sell only three products: wine, beer and spirits. And this proposal

under Section 5556 will take away two of the three items and give it to other entities.

These stores are what people have built their lives on, and they are owned by lifelong Connecticut residents, immigrants and generations of family owners. If the Chair and the Committee will allow, I will see the rest of my time to examples of those residents, immigrants and generational owners to offer their viewpoint. So again, I want to thank the Chair and the Committee for that indulgence.

I have Patrick Monteleone if he's on the screen and Maureen Abrahamson as well Ravish Shah. So, if I could, through you, Mr. Chair, I've allowed them to offer their testimony and we'd be happy to take any questions afterwards as well. So, thank you. We got Maureen on?

MAUREEN ABRAHAMSON: Yes, I'm right here. Thank you very much, Tony.

SENATOR HWANG (28TH): Thank you, Mr. Chair.

REP. D'AGOSTINO (91ST): We usually do this in live testimony. It's obviously something we will do for all the officials and we want to be able to continue to do that via Zoom. I would just ask the participants to not abuse the privilege and we try to keep our testimony within the three-minute timeframe -- even with elected officials, we obviously have some indulgences.

SENATOR HWANG (28TH): I understand.

REP. D'AGOSTINO (91ST): Please continue.

SENATOR HWANG (28TH): Thank you, Mr. Chair, for this indulgence. It's unusual times. So, go ahead, Mo.

MAUREEN ABRAHAMSON: Hi. My name is Maureen Abrahamson and I own Mo's Wine & Spirits in

Fairfield Connecticut with my husband Mark. We've been in business since 2003. We employ 13 people, 10 of which are full-time employees. We are a real mom and pop store and we are real-life Connecticut CEOs. To say that I was surprised after the year we have had, I would find myself speaking to the General Law Committee, yet again this year is quite an understatement.

I have been arguing, on behalf of myself and my fellow small business owners in front of this legislative body for over 10 years. It was excruciatingly painful and time-consuming during the Malloy years when the attacks seem to be relentless. But this year, HB 6101 seems to be emanating from Committee leadership when it does not seem to benefit anyone but big big-box stores and chains.

To those newly elected legislators, thank you for your commitment to our state. Each election, one of my major competitors and I meet with new Representatives in Fairfield to explain how the liquor industry works within the State of Connecticut. We have heard the rationalization that wine is allowed to be sold in grocery stores and beer in every available outlet in some states. However, the 21st amendment gave each state essentially absolute control over alcoholic beverages in their respective state and Connecticut was set up with a system where multiple freestanding stores will be allowed to sell based on population and under the three-tier system: suppliers, wholesalers and retailers in order to keep a check on each tier of the industry.

This is the system that all of us bought into and poured our sweat and financial equity into. I believe that most of our citizens in our State of Connecticut do not want to be anything like Florida or Delaware where big-box retailers' takeover, put the little guys out of business, decimate our quintessential New England streetscapes and downtowns and create concrete wastelands.

Understand that liquor consumption is finite, there's only so much that a population can consume.

So, if you want to cut up the pie into smaller and smaller slices by giving it away to big-box retailers and grocery stores, you will put the little guy out of business. There are 1,200 CEOs represented by liquor stores in the State of Connecticut and I get the idea that convenience for the customer, but Connecticut was set up to have separate stores on purpose. That's the system we bought into.

Permittees may now own six liquor stores. So, if Target, Stop & Shop, Wegmans, they want to sell booze, buy a permit and have at it. But trying to dismantle a system that works so big guys can take over just angers me. To even hint that we would profit off of our fellow restauranteurs during this pandemic is insulting. My husband and I are prior restauranteurs and we know firsthand how difficult the business is. But I say to my restauranteurs, "Hang on. For once our economies can truly reopen, I believe they will be inundated with patrons and our business will return to normal."

I for one can't wait for that neither can my customers. Liquor stores did do well this year and we held our communities together, we work through corporate protocols and guidelines, we kept our employees employed, we paid our taxes and we spent our money in our communities. And when my customers were scared and my employees were scared, we closed our doors to the public in mid-March and we did curbside only.

We couldn't work from home in Zoom like many others. We did everything we were supposed to do to get our stores up and safe. And guess what? Our customers were thankful for us as we were grateful for them, and why? Because we're a community. We care about each other. Our Fairfield Economic Development Commission, Council, Chamber of Commerce and our

First Selectwoman, Brenda Kupchick who is among your ranks for years, collectively has our small business backs. And together, we cross-pollinated our fellow small businesses on social media and launched our Love Local eGift card. My community, Fairfield has since purchased \$45,000 in eGift cards and --

REP. D'AGOSTINO (91ST): Ms. Abrahamson?

MAUREEN ABRAHAMSON: Yes?

REP. D'AGOSTINO (91ST): It's time to wrap up.

MAUREEN ABRAHAMSON: Okay. So, as a Connecticut CEO, our business model is structured around serving our customers who happened to be our neighbors and our friends and not a gaggle of wealthy investors sitting around a table in a closed room. So, I ask you why. Why would any representative of the people of this state, my state vote in favor of a Bill that would indisputably only benefit giant corporations that have no needs for support? I can only speculate on what would drive a decision at the expense of us, your Connecticut's CEOs, your small businesses. I thank you very much for your time.

SENATOR HWANG (28TH): Thank you so much. We had other people, but I want to respect the Chairman's directive and we'd be happy to take any questions. But, as you can see, the emotion that comes from so many of the business owners, that you will see later on today are very real and I will simply add that they are the very fabric of our community during this COVID pandemics. So, through you, Chairman D'Agostino and the Committee, we'd be happy to take any additional questions and help answer.

REP. D'AGOSTINO (91ST): Thanks, sir. I'm happy to have you introduce your other speaker, but if you can just keep it to a minute or so.

SENATOR HWANG (28TH): Thank you. I appreciate the indulgence. We have Ravish Shaw who is with Mo and

in this day and age of the COVID and Zoom technology, I appreciate the accommodation. So, Ravish is a small business owner and your American dream come true from an entrepreneurial and aspirational aspect. So, Ravish, please.

RAVISH SHAH: Hi. My name is Ravish Shah. I'm 38 years-old. I started this journey when I was 23 years-old. I got my first liquor store when I was 23 years-old. I have Pequot Liquor and that's the spirit in Fairfield. Fair liquor laws of Connecticut has allowed hundreds of stores like me to stay in business and keep our livelihood. I would only say one thing, that have you ever seen a Bill where liquor store asked for chips or grocery or food to sell, because we do not want to snatch away from their business.

Lastly, I would say, we are not afraid of competition. We are not afraid of competition. However, the competition has to be between two groups of equal status. Thank you.

REP. D'AGOSTINO (91ST): Thank you very much, appreciate it. I don't know if you anybody else, or --

SENATOR HWANG (28TH): You know what, with the technology, he is lost in space. It's Patrick Monteleone, but in the interim before he's able to get on if we could, we'd be happy to take on questions from the Committee Member and we will roll it as we can, sir.

REP. D'AGOSTINO (91ST): Representative Cheeseman?

REP. CHEESEMAN (37TH): And I'll be very quick, Mr. Chairman. I know we have a lot of people who want to speak. I just wanted to talk to Mo. You mentioned philanthropic support in your community. Can you give some examples of that? Because I know in my community, my package stores have stepped up

hugely to support not only local nonprofits but the restaurant community and other struggling entities.

MAUREEN ABRAHAMSON: Kind of clicked in and out. Are you there?

REP. D'AGOSTINO (91ST): We can hear you.

MAUREEN ABRAHAMSON: Okay. Terrific. Yes, I can tell you that with Patrick from Harry's who should have been on here right now to --

PATRICK MONTELEONE: I'm here now.

MAUREEN ABRAHAMSON: Oh, you are? There you are. Okay. Want to talk about what you've done with the restaurants?

PATRICK MONTELEONE: I'd love to. If I can get a couple of minutes to just speak. I apologize. I got lost in space there, but if I could get just a couple of minutes. I'd like to read some testimony. Is that okay?

SENATOR HWANG (28TH): Before you go, Patrick, if I may ask the indulgence of the Chair?

PATRICK MONTELEONE: Yes.

SENATOR HWANG (28TH): If you could, sir.

REP. D'AGOSTINO (91ST): If you wouldn't mind answering the Representative's question, that would be great. About the community support.

SENATOR HWANG (28TH): And then he's allowed to just articulate some of his viewpoints?

REP. D'AGOSTINO (91ST): I'd really appreciate it, Senator.

SENATOR HWANG (28TH): Okay. Hopefully we'll be able to ask some question. That's fine. Go ahead, Patrick.

PATRICK MONTELEONE: I'm sorry, I didn't hear what the question was. I was trying to get my technical problem worked out.

REP. D'AGOSTINO (91ST): If you can talk about some of the community support that you've done. Representative Cheeseman asked about --

PATRICK MONTELEONE: Sure. I'm happy to talk about some of the --

REP. RUTIGLIANO (123RD): I believe she asked that about Mrs. Abrahamson, though, Mr. Chair.

REP. D'AGOSTINO (91ST): Yes. I'm chiming in as best as I can.

REP. RUTIGLIANO (123RD): Understood.

PATRICK MONTELEONE: Would you like me to answer that?

REP. D'AGOSTINO (91ST): Yes, if you wouldn't mind.

PATRICK MONTELEONE: Sure. So earlier in the year, we did a promotion called Lunch on Harry's to benefit our local community kitchen, where we teamed up with 53 different restaurants, over the course of a number of months each day Monday to Friday to provide 25 meals a day from the different local restaurant in town each day. Following that, we did a promotion where we bought \$100 dollar gift certificates for our staff to a small local business if they wanted to support in town. Those two promotions cost me about \$17,500 dollars.

Following that when we did a single barrel of whiskey called the Troubled Times Barrel where we attach \$20 gift certificates from locally-owned

eateries with each bottle, giving away all of the profits that we would gain from those, from the sale of that barrel and the value of that was about \$4,000 dollars. And then, finally at the end of the year, we went back to work with the Operation Hope Community Kitchen and Pantry, the Rare Whiskey Fundraiser where we sold about 100 bottles and with our community support raised \$21,485 dollars that we donated to Operation Hope.

Those were a few of the examples of the things that we did this past year to support our own local community.

SENATOR HWANG (28TH): If I may add to that, Operation Hope is one of the largest homeless, shelter and food pantry distribution centers in Fairfield and Patrick and their organization has donated for the past two or three years in total, of access, probably close to \$40,000 dollars to the organization that help combat homelessness. And I really appreciate the work that they do and I cannot tell you how many countless schools, fundraisers, when they're able to have it, baskets and donations to our nonprofits they have been.

They're the very essence, the fabric of our community. I don't know if there's any other questions. I hope people will be able to ask Patrick's experience from the business side on this equation, and I hope Committee Members will be able to indulge in the law -- Patrick just shared that viewpoint as well. Thank you.

REP. D'AGOSTINO (91ST): Thank you. Representative Hayes? I see your hand up.

REP. HAYES (51ST): Well, once again, thank you, Mr. Chair, thank you to the four of you for coming to testify this morning. Maybe I should have asked this question when the Commission was there. I'm not sure if you can answer for me. As I go by local convenience stores, I often see a sign in the window

that says 'tobacco products sold at state minimum'. Is there a minimum price for alcohol sales in Connecticut?

PATRICK MONTELEONE: I'm happy to answer that and the answer to that is yes, there is a minimum pricing.

REP. HAYES (51ST): Okay. So, can you explain to me how that works? Is it separated by beer and wine and spirits?

PATRICK MONTELEONE: Well, it is separated by beer, wine and spirits. It's separated by individual labels and sizes. So, each size and type of product has a minimum price on it and that minimum price -- there's a lot to the Connecticut State Law for minimum pricing, but there is what they call 'post off'. These are sales on products that come up either a monthly, bimonthly, or quarterly where you buy those products in there and then, when they're off post, the cost of a bottle of wine and a case is the same as the case itself. So, if you're if you're unable to buy on sale, you won't have any built-in profit. But if you're able to buy it on sale ahead of time, hold it through the buy-in period, you are then forced, I can say it that way, to make a little bit of money.

REP. HAYES (51ST): Okay. Is it fair for me to assume that your normal package store operation would not be selling at minimum prices?

PATRICK MONTELEONE: We sell a lot of products at minimum prices. That's competition. We sell an awful lot of products at minimum pricing and then we fortify that with other products that add diversity to our industry and give us a bit of unique opportunity to be able to sell products that are available at limited number of stores.

REP. HAYES (51ST): Okay. And I guess my last question would be, is it fair for me to assume that

if a multi-million-dollar corporation was granted the right to sell beer and wine, it would be much easier for them to continue to sell at minimum prices? And if they were to do that, what would that do to your businesses?

PATRICK MONTELEONE: So, the answer is yes, I'd be able to put our feet to the fire and work with suppliers and distributors to narrow that gap and narrow it, makes it tougher and tougher. It's happening to us right now. It's been happening for a number of years in fact. You know, the top national brands, the top 50 or 100 brands works very close to cost and that makes the job a lot harder than it used to be. Does that answer your question?

REP. HAYES (51ST): It does and thank you once again for being here. Thank you, Mr. Chair. I'm done.

REP. D'AGOSTINO (91ST): [inaudible] is that it keeps price lower for the consumer. Right?

PATRICK MONTELEONE: Yes. That does keep the price lower to the consumer. We don't begrudge it. We're just thankful to have it in place, because if we didn't have it in place, these national companies would be able to say at itself at or below their costs and hold our feet to the fire for as long as they're wanted before running us out of business. It's a well shown model over time versus what big corporations do to the small guy, which was why we fought so hard for it and continue to fight so hard for year after, year after year, so the proposals continue to come up over the course of the last decade or so. It is something that helps the industry that we bought into, be able to stand with the big guys.

REP. D'AGOSTINO (91ST): Thank you. Thank you, all, for your testimony. Appreciate it. Senator, thank you for bringing them in.

SENATOR HWANG (28TH): Thank you, Chairman D'Agostino. If I may also make one last comment on 6101, is there are components of the Bill that I support, and that is the proposal advocated by Representative Rutigliano, Section 59 of this Bill, which supports our local restaurants in being able to take out liquor and I would add that the participants joining me, the local business owners all support Section 59 and we want to thank Representative Rutigliano for raising that and advocating that. We are all in this together and in support of local businesses and should be the utmost priority.

We understand it's business as usual, but unfortunately, these are highly unusual times and as our businesses in the liquor store businesses have succeeded, I have also known them, as demonstrated by Patrick's examples, and Mo could cite examples, and Ravish could cite examples, and many the other people that will testify is they have given back significantly to communities in need.

So, in this moment when we're trying to support all aspects of mainstream business, this is one that has succeeded during the COVID but continues to give back and that carries a lot of weight for me, and this is why I wanted to do that on behalf of my local businesses, but you will hear from many of those businesses that make the money, give back to the community and restore that to the funds of their respective towns that are doing business.

So, I want to thank Mr. Chair for the unusual setting. This may be the first one it's done in Zoom and I hope we will fine-tune as we move on. But thank you, Mr. Chair and I want to thank the esteemed colleagues of the General Assembly for indulging us as well. So, thank you.

REP. D'AGOSTINO (91ST): Thank you.

RAVISH SHAH: Thank you.

MAUREEN ABRAHAMSON: Thank you.

PATRICK MONTELEONE: Thank you for your time.

REP. D'AGOSTINO (91ST): Before we move to the next speaker, I just want to note for those observing that we do have Representatives and Senators moving in and out because there's other Zoom meetings and such going on today. So, if you don't see your particular Senator or Representative from where you live and they're on the Committee, they will be back during the day. Just the function of across meetings going on. Sam, who do we have now?

SENATOR HWANG (28TH): Thank you.

SAMUEL CLARK: Okay, so that concludes all public officials who want to testify. Now we can move on to public individuals. So, up next is Mr. Dave Ackert. Dave, I can see you.

DAVE ACKERT: I'm here. I had to unmute. It's always my challenge. Sorry.

SAMUEL CLARK: Mine as well.

DAVE ACKERT: Good morning. Thank you to all the Committee members for this opportunity to testify. I wish we could be together in-person for this hearing. Every time I do one of these online meetings, it reminds me of how far many of us have had to pivot over the last year. Today you're going to hear a lot from people representing two groups who have fared better than most have during the pandemic with relatively little need to pivot in order to thrive. That's package stores and grocery stores. I speak this morning in support of Section 55 of 6101 and I'm grateful for the chance to speak first, as the first member of the public because I don't testify on behalf of either of these groups.

Rather, I speak today on behalf of two groups that have been hardest-hit during the pandemic and who have very much had to pivot over the past year. I speak today as a consumer and also as a small business owner and I'm going to ask you all to remember my unique perspective today, as you consider the testimony from the perspective of package store and grocery store owners throughout the day.

As a consumer like many of you, I've had to reduce the number of trips I make to purchase goods in order to help keep my family and my neighbors safe. I find it frustrating that I can purchase nearly everything that I need to feed my family and to keep us sane in one trip to a grocery store, except for wine. Likewise, I find it frustrating when I need to pick up some wine and beer from my local package store and I'm unable to purchase snacks to fill our bellies while we drink. Current laws require me to increase everyone's health risks by entering additional stores. And to me and I think to many others, this makes no sense.

I'm also a local business owner. I started a specialty foods company called Maple Kraft Foods here in New Town in 2015. Like many small businesses, it has been really hard since the pandemic hit. Thankfully, our products are carried in Connecticut grocery stores, such as Big Y, Fitzgerald's, Caraluzzi's and Geissler's. These companies really understand the value of local brands and being there has really helped Maple Kraft Foods survive over this past year.

Gratefully we also sell our maple products to several local package stores, breweries, distilleries and wineries. I believe this proposal will allow Connecticut's farms and vineyards to grow and harvest more crops and sell more of their products. Connecticut wineries are in their infancy and they deserve legislative measures that remove competitive barriers and allow them to grow.

And when they grow, so do the small businesses that work with them like my company. And together, we're able to give back to those who need it most. For example, we were able to donate over 700 healthy breakfast meal kits to local food pantries in the fourth quarter of 2020 alone. Now, I recognize, none of this should be done at the expense of other small businesses, so I ask why not allow package stores to also pivot and let them get creative? Why not enable them to sell higher margin items like locally crafted charcuterie boards and other complimentary snacks that would make them more competitive, level the playing field and make a trip to the package store more convenient for their customers?

The pandemic has made it painfully clear that the status quo in many parts of our economy is no longer good enough. We live in the land of steady habits, but we must evolve. Section 55 of this Bill levels the playing field by opening up a restricted market, creating options for citizens and uplifting a myriad of Connecticut businesses. So, I hope that you'll embrace what could be an extremely meaningful change for our state's consumers and economy. There's opportunity here to grow the pie for everyone, so let's do this.

Thank you for your consideration.

REP. D'AGOSTINO (91ST): Thank you, Dave. You made a point -- I just mentioned in my opening remarks as well, another thing that that Committee is considering, it's not in this Bill. It is what you mentioned in terms of expanding somewhat the package store list of items that they can sell. Committee Members may not be aware and the public may not be aware. Our statute is very specific about what package store can sell. There's actually a list of non-alcoholic items they can sell. I can let you know that the Committee is looking at language now to include, for example, chocolates, which are not

on the list. Dave, I think, charcuterie board, cheese --- I think cheese is allowed, but retention of that is something that we'd be interested in.

There's even a proposal with respect to some pod machines, where you put like a curing, but it's for alcohol. The pods can be sold right now on liquor stores, but not the about the machines themselves. So, we are actually looking at exactly what you suggested sort of -- across the board, I think the comments you made off consumer choice there are really interesting. Let me open up the questions from the floor and see if anybody has any for you.

I do not see any. Dave, if you want to send us information about your products as well, I think we're more than happy to consider different proposals to get things on the board for package stores to sell, so that there's an equal playing field. But thank you for your testimony.

Sam?

SAMUEL CLARK: Next is James Pabich.

JAMES PABICH: Yes. Am I being heard?

REP. D'AGOSTINO (91ST): You're on. Thank you, sir.

JAMES PABICH: Okay, very well. Thank you, thank you. Good morning. Thank you, Senator Witkos for alerting me that this meeting is happening, thank you, General Law Committee members for allowing me to speak, and Madam Commissioner. My name is Jim Pabich. I am the owner/operator of West Street Wines & Spirits which have been for 25 years. I'm just going to make a brief statement if I would.

The expansion of wine and beer sales have will have a destructive effect on an industry still struggling to maintain healthy workforce during the pandemic. Connecticut package stores were deemed essential last year. Managers of those retail outlets have

had to oversee safety while trying to maintain consistent payroll services and associated taxes and revenues.

Product mix of those who hold Connecticut liquor permits have always been regulated and limited to alcoholic beverages, mixers, bar products and tobacco products. Supermarkets have been able to sell seemingly limited list product mixes from commercial electronics to health and beauty aids. Not to be redundant, but I'll have you ponder that for a moment.

Each time, issue has been proposed. It has been under a guise of a free market solution. That will be correct if the scales of commerce were not being tipped to the advantage of those massive retailers, while package stores are expected to make-do what has been stripped from their comparatively small customer basis. At this point in time, it is still lawful for package stores to sell snack foods to go with their customers' beverage purchases, while food retailers can already sell beer and snacks that might go along with it.

Again, that's a very good point. I think it's been raised already. I've been to most of the hearings, over the past 25 years, scheduled on changing state liquor stores, one group that's been nearly absent every time have been customer groups, consumer groups, or customers in general. If this change is not being demanded by consumer groups or actual consumers, why is this a priority during a pandemic year? To solution to a problem that doesn't exist in our time is way too valuable during this pandemic to spend with frivolity.

I won't take up your time any longer, I just wanted to weigh in, thank you and appreciate the opportunity to speak.

REP. D'AGOSTINO (91ST): Thank you, James. We'll see if there's any questions for you. Certainly, appreciate your perspective. Senator Witkos.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman. James, thanks for coming on today, thanks for all you do for the community over there in Simsbury. Do you ever hear from your customers as they come through? Do you talk to them about the pending legislation that the legislators think about allowing wine to be sold at grocery stores? What do you get for feedback from your customers?

JAMES PABICH: Fortunately, or unfortunately, depending on what side of the fence you're on, it seems inevitably that this time of year -- every year we've had to confront proposed changes with liquor laws. My pushback from customers -- and they'll speak open and freely has been -- really that they're not missing anything by not being able to buy wine in supermarkets and various other retail outlets, I think. It is something that is unique in Connecticut and folks that are Connecticut consumers generally are accustomed to supporting in their local business like myself.

SENATOR WITKOS (8TH): And one last question. On the flip side of that, how competitive or how much business would you think you would lose if grocery stores were allowed to carry wine? Because if that's just going to be a small area in their store, they certainly wouldn't be able to carry the types and the number of brands that you carry if that's one of the three -- that's beer, wine and liquors in your store. So, do you anticipate a huge loss of revenue? Or do you just think it's -- there's not going to be increase in sales. Let's get that right.

The same thing as we saw when we had Sunday sales, it just spread out over seven days. I think the same thing is going to happen here. If this Bill passes is that, we're not going to see an increase

in white sales, it's just going to be one entity will pick up more sales and the other one will lose it. But I'm just curious as to what you think the impact would be to your particular store.

JAMES PABICH: And that's correct. We were dealing with finite markets and finite amounts of consumers might particularly store, is around 60% -- the product mix is 60% wine, so the sales effect of expanding the retail base will be nothing but negative to me.

SENATOR WITKOS (8TH): Okay, thank you. Thank you, Mr. Chair.

REP. D'AGOSTINO (91ST): Let me just follow up on that. Just test out a little bit, James. Have you ever had a customer come in and say, "Gee, I tried this great bottle of wine at a restaurant, can you can you get it for me?"

JAMES PABICH: Certainly.

REP. D'AGOSTINO (91ST): You don't think that that could happen? That somebody makes an impulse purchase at a restaurant, at a grocery store and then comes to you and their regular package store and says, "You know what, I grabbed this thing at the supermarket. Can you give me a case?"

JAMES PABICH: Certainly, but you're kind of redefining how the market goes. I think generally people come to us first, because we do have the expertise. I've been at it for 25 years. The supermarket might make a positive suggestion. I challenge them to be as well informed as some of the people that are running liquor stores in Connecticut right now.

REP. D'AGOSTINO (91ST): Sure. Again, they do company first because that's where they have to go. One other point I think just on beer, I'm sure you'd agree with me we've seen an explosion in the beer

market in the last 10 years or so, different craft brewers ed beers, all sorts of different type. Isn't that right?

JAMES PABICH: That's true and that's been, I think, fantastic for Connecticut industry on the retail and wholesale end of things. I just don't understand how customers will be better-served than they are now with expansion into supermarkets. Other than you know, allowing me to offer retail electronics and health and beauty aids. It's not working.

REP. D'AGOSTINO (91ST): Well, I guess, my point is we sell beer in supermarkets, we sold beer in supermarkets, for a long, long time and everybody seems to have been able to benefit and the sales of the year, have actually grown and across the board, as you said, it benefited the retailers and the wholesalers. You tell me, I'm not aware of any study that says the sale of beer in supermarkets has somehow led to a decrease in sales of beer across the board for everyone, package stores included. My understanding is it's actually the opposite.

JAMES PABICH: We're in a unique position because we're selling a regulated product, no matter -- I think every time we talk about free markets, we're not even talking to a free market when we talk the premise of having a liquor store where people have to be 21 or older to purchase. The regulations are already built in. So, we're selling regulated commodities, how the regulated are a discretion of Legislature and our product mix is extremely limited. I think the last number of times where snack foods had been proposed for package stores, that have gotten shut down because I believe it was a convenience food industry that was protecting the snack food sales. So, we are in a bit of house of cards here.

But I'll tell you what, as package store owners, that's something we've deferred. As much as it makes all the sense in the world to be able to sell

a can of nuts or a bag of chips with wine or beer, that's something that we haven't been able to change and it's been unfortunate. In meantime, you have thousands of items. Thousands of items that are available in supermarkets now. Putting them at a distinct advantage in almost every way.

REP. D'AGOSTINO (91ST): Thank you. Let's see if there are any questions. Again, thank you very much, we appreciate your time. Mr. Clerk?

SAMUEL CLARK: Okay. And next is Harsha Bethi.

HARSHA BETHI: Hello.

REP. D'AGOSTINO (91ST): Yes, you are there. Thank you, we can hear you. You're on.

HARSHA BETHI: Hi, guys. Good morning, everyone. Thank you for giving me this opportunity to talk on this HB 6101. So, my name is Harsha Bethi. My family and I own Beverage King in Norwalk, Connecticut. It's a family-operated store, we've been doing for the past five years or so now. I'm writing this letter to respectfully ask that you vote No to HB 6101 Section 55 and 56. The proposal which allows wine to be sold on chain food stores and for beer to be sold in box stores and other locations would be detrimental to not only my business, but the 1,200 plus other package stores in Connecticut.

The Shop Small Movement, which is beeping our nation, it's a movement that celebrates small businesses every day and helps communities state-diverse and vibrant. Just like its effects nationwide, the Shop Small Movement has been supported by local and, say, politicians in Connecticut. The ripple effects in small businesses like mine are far-reaching. As an independent alcohol retailer, we stock numerous local craft beers, wines and liquors directly supporting other Connecticut small businesses.

Together we contribute to Connecticut's economy not only through sales, but just as importantly, through supporting other Connecticut small businesses. This proposed Bill is the anti-thesis of the Shop Small Movement that our elected officials, just like you guys have supported throughout. HB 6101 Section 55 and 56 will drive out small business owners. There's no debating that big groceries will displace small family-owned package stores. It's not just my livelihood that's at stake, the [inaudible] employees, sales people, brewers and many others.

Independent locally-owned alcohol retailers across the state will be put out of business of this Bill is passed. Corporate America is profiting even during the pandemic. Small businesses are not. We need our elected officials to help save the small business, industry. The big groceries continue to argue that changing Connecticut's local laws will make the process of purchasing alcohol more convenient for the consumer, but that's not true.

Package stores like mine, which are curated to the customer experiences will not be able to survive this. We thrive on helping our customers meet their needs. This proposal is just another means for big grocers to increase their profit margins, who do not support our Community or our economy. Thank you for giving me your time and to see my piece.

REP. D'AGOSTINO (91ST): Thank you, Harsha. Well done in a concise manner. I appreciate that.

HARSHA BETHI: Thank you.

REP. D'AGOSTINO (91ST): Senator Witkos?

SENATOR WITKOS (8TH): Thank you. Thank you, Mr. Bethi for coming up and testifying today. I do have a couple of questions. You said that you've been in business now for five years in the city of Norwalk?

HARSHA BETHI: That's correct, sir.

SENATOR WITKOS (8TH): Okay, when you applied to get your package store permit, was that an existing store that you purchased or did you apply to DCP for new package store permit?

HARSHA BETHI: It was an existent store, sir.

SENATOR WITKOS (8TH): Okay. Do you know how many package store permits are allowed in the city of Norwalk?

HARSHA BETHI: I do not, but just on the street that I am there's 10 other liquor stores.

SENATOR WITKOS (8TH): Okay, so just on that one street, there's 10. So, my assumption would be -- we asked the Commissioner of Consumer Protection to get us this information that the city of Norwalk is probably maxed out on the number of package stores that are allowed in the city. So, you testified against one section of the Bill, which would allow the big-box stores to be able to sell beer in them. However, we heard earlier from the Commissioner that they would have to obtain a package store permit in order to do so.

My guess is that the city of Norwalk is probably maxed out so they wouldn't be able to get one at this time. So, I don't know if you heard the Commissioner's testimony but it --

HARSHA BETHI: I did, sir. So, I believe when the Commissioners said if the store already contains beer, they will also be able to expand it to one. Am I right, sir?

SENATOR WITKOS (8TH): What the Commissioner testified was that they'd have to get a package store permit. These are the Walmarts, Targets, the Costcos, I think that she was mentioning. Let me ask you, why do you think it's fair that a small

retail place is allowed to get a package store permit, but a large retail place is not allowed to get a package store permit? Why do you think there should be a difference?

HARSHA BETHI: Well, it's not that I don't think it's fair, sir. It's just like they have more means and they have other stuff that they're able to sell in their stores that helps them stay in business. Where for us little package stores, we only have three items: beer, wine and spirits. And if you take two of those out and put them in other stores, the one reason why customers come to us and not go anywhere else, that would be taken away from us. I feel like I'm going off point, but it's like pretty much what happened with pharmacies. Go back 30 years ago, there used to be these locally-owned, small mom-and-pop pharmacies all over. Once the CVS, Walgreens, Rite Aid coming into our communities, you really don't see any more locally-owned pharmacies.

I think that's exactly what's going to happen with the liquor store industry.

SENATOR WITKOS (8TH): Okay, good answer. Thank you very much. Thank you, Mr. Chairman.

HARSHA BETHI: Thank you.

REP. D'AGOSTINO (91ST): Thank you, Senator. Thank you, Harsha.

HARSHA BETHI: Thank you, sir.

REP. D'AGOSTINO (91ST): I see no questions. I thank you for your testimony, Harsha and we'll move to the next speaker. Mr. Clerk, I think it's Rakesh Patel?

HARSHA BETHI: Thank you, Mr. Chairman.

SAMUEL CLARK: Yes, so next is Matthew Ventura.

REP. D'AGOSTINO (91ST): I'm sorry, my mistake. Matthew Ventura. Mr. Clerk, I think Mr. Patel is next.

SAMUEL CLARK: Oh my God. I'm sorry. Yes, Rakesh Patel.

REP. D'AGOSTINO (91ST): Yes, to be followed by Mr. Ventura. Mr. Patel?

RAKETH PATEL: Good morning, everybody. I hope everyone can hear me.

REP. D'AGOSTINO (91ST): We can hear. You're on, sir. Thank you.

RAKETH PATEL: Thank you. Thank you for allowing me to testify in front of you, to the Members and the Chair. I have been in the business for 25 years in Danbury. I have raised my family; my children are going to schools here. My daughters go to Quinnipiac, one of them is ready to go to college. This business has allowed us to provide for my family and others in our community also. We have about 10 people full-time working, which is not a small thing, but it is a small store. We're just not a big store.

So, I am totally against this Bill because it's going to take away, chip away little by little, just like Sundays, just like extending hours, just like increasing permits that you can have. And I only have one liquor store. Now, what happens is yes, we have done very well this year, so does the food stores, so does hardware store. Now, we are hiring all these help that we have, and these are all local kids, by the way. The people that actually worked for me, they're probably from my own street where my store is.

Nobody is really traveling from outside of state. So, we are supporting our local citizens as well.

Now, supermarket does not need to hire more help. So, you're going to take away during the pandemic or as it is, the restaurant industry is suffering, and we have more people on unemployment. Now we're going to put individual small owners, which we take a lot of pride in what we do -- you're going to put us out of business. This is where the problem is. This has been last 10-15 years has been really, really painful for us to go through.

I'm not sure why this came up and what is it that we don't represent of Connecticut wineries? We do represent Connecticut wineries and Connecticut is a great place to have all wines. So, I think over, and all this is not required, I think this is not really asked by a consumer. It's really asked, but it's the big corporation that wants to take this out. Now what happened was when I bought this business 25 years ago, there were three systems: supplier, distributor and retailers. We bought into the system.

Now we're changing the system for somebody that doesn't like the system or it doesn't work for them. So, all these 1,200 package stores and roughly around 15,000 employees, we all stand to lose. I don't remember as the Package Store Owners Association, I don't remember when there was ever a legislation giving us more. If anything, we provide more for our community. Not sure, anyone, if you have regard to ask for a donation when your little child is with you and said, "Let's go sell those cookies" or something and go and see a manager at a Costco, or BJ's, or Stop & Shop, "Hey, can we sell some cookies to you, guys?"

SAMUEL CLARK: Excuse me, Mr. Rakesh, if we could just wrap up real quick?

RAKETH PATEL: Sure. So, I'm totally against this Bill. I thank you for letting me speak, thank you.

REP. D'AGOSTINO (91ST): Thank you, Mr. Patel. Question? I'm seeing none. We'll go to Mr. Ventura. I'm going to pass the gavel to Senator Witkos. Can you take it for five minutes?

SENATOR WITKOS (8TH): Yes, I will, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you, I appreciate that.

SENATOR WITKOS (8TH): Okay. Our next speaker?

SAMUEL CLARK: Our next speaker is Matthew Ventura.

SENATOR WITKOS (8TH): Okay. Matt? Welcome.

MATTHEW VENTURA: How are you doing, dear Co-Chairs, Senator Maroney, Representative D'Agostino, our Ranking Members Senator Witkos and Representative Rutigliano. It's great for us to be here. Sadly, we can't speak face-to-face, but I would like to talk about supporting Senate Bill 265, AN ACT CONCERNING CERTAIN ALCOHOLIC BEVERAGE SYSTEMS. Myself, Sak Seedasome and Connor Rasmussen created ChillProof LLC, which seeks to become the first fast-casual, self-pour technology establishment for the consumers of Connecticut.

However, we were unable to do this until the Nutmeg State joins the 46 states that currently allow self-pour technologies in bars and restaurants, breweries and local consumers are the ones that are losing out in this case. I want to take my time, but I also understand there's a lot to talk about. So, I want to talk to the main point I want to make. We believe that this is something that won't give back to Connecticut, that will give back to the economy.

We believe some of the largest contributions are the fact that we will provide well-paying jobs within locations of ourselves, anywhere from 15 to 25 employees per location we look to have supported general TIPS certified wait staff and hostesses to

kitchen workers and bussers, earning competitive wages for their positions. We look to employ many local marketing companies, musicians, designers, artists, cleaning companies, contractors to help us run as well.

The largest contribution we believe is to the breweries and the winery businesses of Connecticut and have been successful and I think you'll hear throughout the day of how much Connecticut has done a great job. We look to have purchases from beverage companies, probably over \$500,000 just from what we're looking at. That would go back to the Connecticut economy.

Our main goal and reason was to open this and with this system was due to the amount of quality beers, the amount of wines, the amount of breweries in Connecticut that have taken off. This system allows us to have as many taps as we would like, but we want to have these taps to showcase the many beers from Connecticut breweries. You don't have to buy a full beer. You could have a little bit of each and the consumer can do that. They can have five, six different small amounts of beers. And the best part about that is a consumer in Stamford can try a beer from Bensons, or Beer'd Company in different locations that normally they'd have to drive 45 minutes to an hour to get to, but they could try it in one location. And if they like it, you just now created someone who's going to travel to that brewery and try something. Same with wineries.

In addition to those benefits, I think we also can add as we will be a restaurant, we will support local suppliers, again, well over half a million dollars in just purchases for food. Supporting other Connecticut businesses as a priority of our business. Specifically, our chef who actually owns DePumas Pasta in Milford Connecticut. He plans to use local ingredients in all of his dishes.

We ask for a chance. The Bill was created five years ago, passed to the House three times with a bipartisan vote, but it was never brought to aboard on the Senate floor. Last year, we talked to the General Law Committee --

SAMUEL CLARK: Excuse me Mr. Ventura, if we can just wrap up.

MATTHEW VENTURA: Sure. In the end, it's the pro jobs, a pro-business, pro technology Bill. With all the businesses that sadly in Connecticut have had to close due to the pandemic, we just want to open a business. We're trying to create a business and there's a wall and place for us to be able to do that.

SENATOR WITKOS (8TH): Thank you. Thank you, Matt. Let's get questions from Committee Members. Representative Rutigliano?

REP. RUTIGLIANO (123RD): I just wanted to ask really quickly.

MATTHEW VENTURA: Sure

REP. RUTIGLIANO (123RD): I think you may have just answered in your last sentence. This is the exact same Bill that we've had before the Committee for the past five to six years to your knowledge?

MATTHEW VENTURA: It has, it has changed. I know that it was a House Bill for the first three years. As of last year, it became a Senate Bill.

REP. RUTIGLIANO (123RD): But what it does materially, which is allows this sort of tabletop dispensing system is the same thing. It's been put forth by Representative Arconti from Danbury since the beginning. Correct?

MATTHEW VENTURA: Correct, yes.

REP. RUTIGLIANO (123RD): Thanks. That's all I had Mr. Chairman, thank you.

MATTHEW VENTURA: Of course. Thank you.

SENATOR WITKOS (8TH): Thank you. And Matt, I have a follow-up question. You testified that there is currently self-pour machines were allowed in 46 states?

MATTHEW VENTURA: Correct.

SENATOR WITKOS (8TH): Okay, thank you. Are there questions from Committee Members? Seeing none. Thank you, Matt.

MATTHEW VENTURA: Thank you for your time.

SAMUEL CLARK: Okay. So, next is Jamie Jones.

SENATOR WITKOS (8TH): And I see our good Chairman has returned. I will turn the gavel back to him.

REP. D'AGOSTINO (91ST): Thank you. I was ready to let you continue that. Is that miss or mister Jones? Jamie?

JAMIE JONES: Can you hear me now?

REP. D'AGOSTINO (91ST): I can. Welcome.

JAMIE JONES: Okay. Welcome, good morning, Members of the General Law Committee. I appreciate your time and listening to me, a farmer from Shelton. We grow berries, pumpkins trees, most of which are sold as a harvest to our own crops, but we also have a vineyard farm winery that I established 16 years ago to diversify our offerings. I want to speak in favor of House Bill 6101 because it will benefit Connecticut agriculture and the farmers who work the land.

Expanding marketing opportunities for Connecticut-produced wines, and ciders and grocery stores, with a guaranteed collocation of shelf space for the small producers who have many positive impacts. Farms in Connecticut have struggled, mainly because they lack market access. The farms in Connecticut that have survived like ourselves developed markets where they can sell directly to consumers. However, not all farms in Connecticut are located conveniently near our population center where their products can be easily sold to the guests visiting their farms.

Passing legislation to expand a farmer's ability to access market will promote farmland preservation as it increases the demand for vineyards and fruits that can be grown to be used in wine and cider-making. It's a boost to economic development. Jobs are needed for growing the crop. Investments will be made, and equipment, and infrastructure necessary for the growing, harvesting and manufacturing of said wines and cider.

The past two years have been very transformative to the Connecticut farm wineries, unfortunately, not in a positive way. Two years ago, Public Act 19-24 hours passed. Intended or not, it eliminated benefits offered to farm wineries that grow their crops in Connecticut and put us in parity with all Connecticut manufacturers that do not need to grow their ingredients within our state. The reality is now, we need to compete in a new marketplace.

And of course, last year, we know the COVID pandemic took hold. Farm wineries needed to close their tasting rooms, stop wine tasting. Our winery sales declined to nearly 25%. I feel fortunate wasn't worse and grateful for the loyal consumers who supported us by purchasing the wine and doing so by curbside pickup. Yes, we do sell our wine and liquor stores in Connecticut.

Over the years on average, they probably represent about 10% of our wine sales and of course, I'm enormously grateful to the handful of liquor stores that have embraced locally grown at our farm. However, I would say that's been the exception and not the rule. If their industry had embraced the local movement, why couldn't they have offered like an allocation of the shelf space likes being proposed for small manufacturers in this bill?

Certainly, the past two years have changed our outlook and what we need to do to survive and grow our business. I hope you support this opportunity for the farms to expand our marketing access and include wines and ciders in another market. It will have a lot of very positive impacts for our state of agriculture. I appreciate your time this morning.

REP. D'AGOSTINO (91ST): Thank you. We appreciate your testimony. A few questions for you. Senator Witkos, please.

SENATOR WITKOS (8TH): Thank you. Jamie, how many bottles do you produce on an annual basis?

JAMIE JONES: It varies per year depending on obviously the growing season, but usually we, in the industry caught by cases, so we're somewhere within 5,000 and 6000 cases and you can multiply that times 12 bottles in a case. So, that's probably about 60,000 bottles per year.

SENATOR WITKOS (8TH): And currently those 60,000 bottles per year are sold where?

JAMIE JONES: Probably about 90% of them were sold right off of our premise at our farm.

SENATOR WITKOS (8TH): Okay, so if we move to set aside for X percentage of shelf space in about 4,000 grocery stores in the State of Connecticut, how do you think that you're going to be able to satisfy your additional customers if 90% of your products

are already being sold at your location? And then the supermarkets would be required under state statute to reserve X percent of shelf space for your products?

JAMIE JONES: I think I would look at that as a great opportunity and challenge. It's certainly going to drive demand. I do know we purchase grapes and other fruit like apples and pears that's available to be manufactured into wine. You're initially correct. If this pass right away, it could be hard immediately to fill that demand, but I would look forward to the opportunity to planting more vineyards at our farm and purchasing more fruit from other growers in the state that do have excess capacity.

And we do have the ability within our winery to increase production. So, I think we've reached the limit of our capacity, what we can sell through our farm establishment and if there's an opportunity for growth, having more market access is the best way to do that and stimulate the farm economy in our state.

SENATOR WITKOS (8TH): Would it be fair to say, if we were to propose a 10%, set aside that, understanding the need to allow you to prepare for that and we do 2% a year, so we would take five years to get to the 10%? That way it allows the farmers and such to begin the process to gear up for those additional sales, so the supermarkets or those that hold a grocery store permit are not held to beer in shelves?

JAMIE JONES: I think that's a really good point and that would have to be considered because yes, you're right. If this pass tomorrow, I don't have the inventory. It takes about six months to a year to actually manufacture the wine and of course our wines as you're familiar with it, there's a growing cycle. The grapes are harvested in the fall and you make that fine but within a year in the preceding years, we would certainly love that challenge and

opportunity to ramp up our production. And I believe over time, we would get there. But you are correct, overnight we probably couldn't immediately fill that 10% gap.

SENATOR WITKOS (8TH): Okay, thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Just a quick follow-up question, Mr. Jones, can you translate that bottle manufacturing capacity to gallons or liters? I'm trying to get a --

JAMIE JONES: Yes, there's a lot within the industry, but I would say that's about 12,000 or so gallons. Obviously, we're beholden to the weather and the growing season. Some years are better. So, I say we've been between 10,000 and maybe 15,000 gallons. I believe in Connecticut to be a small manufacturer, it's 100,000 gallons. So, obviously, there's a lot of upside and opportunity we have and even to get to that, we're still considered pretty small in the whole scheme of things in terms of winery operations.

REP. D'AGOSTINO (91ST): That's very helpful. Thank you. I'm just trying to translate to a version and unit that I can wrap my arms around to think.

JAMIE JONES: Okay. Thank you.

REP. D'AGOSTINO (91ST): Representative Ackert has a question for you.

REP. ACKERT (8TH): Thank you, Mr. Chairman. Mr. Jones, thank you for being here. Thank you for being part of the agriculture in Connecticut.

JAMIE JONES: Thank you.

REP. ACKERT (8TH): Being in the rural community and that's a big area for agriculture and I appreciate your efforts.

JAMIE JONES: Thank you.

REP. ACKERT (8TH): Can you give me a little -- so my local liquor stores, fortunately, support the local wineries and it sounds like you have some advantage of that in local wine, but you said, not all are supportive of that. Can you explain that? How many stores is your product in now locally about --

JAMIE JONES: Approximately I'd say between 30 to 40 stores where we're in. I know it's a small percentage of the state. We're in between the edge of -- technically we're in Fairfield, but right in the edge of Fairfield, in New Haven County. So, we like to try and offer our products to them, but it's just over time, and maybe because I'm a farmer first, I grow stuff and I don't understand this, the internal workings of the alcohol industry in our state but we've just never been able to grow our market share in the local package stores.

Some of them have been wonderful. It's uncomfortable for me to sit here because I'm kind of surprised I didn't realize there would be such a -- I know with this issue because I was there a couple years ago with the changes that the Public Act I referenced made. But I don't know why that our local products haven't truly taken off more so, but it's just the reality, we've never been able to push it really over that 10% and even though we could have that opportunity to do so.

REP. ACKERT (8TH): I appreciate that answer. Secondly, how much of your product that you make wines is grapes grown on your farm?

JAMIE JONES: Grown on our farm, it's about 50%, grown in Connecticut it's between two thirds and 75% depending -- again the growing season has a huge role, and we we're beholden to Mother Nature. I can't control that, but we try and we're proud

farmers and we focus on doing as much of it as we can. Yes, we do have to source some fruit from out of the State of Connecticut, but we'd like to keep that as a smaller percentage of what we're doing.

REP. ACKERT (8TH): Well, I thank you for here and again, thank you for being part of the agricultural in State of Connecticut. And thank you, Mr. Chairman.

JAMIE JONES: Thank you.

REP. D'AGOSTINO (91ST): Thank you both. Other questions? I'm seeing none. Thank you for your testimony and perspective. It's very helpful to have.

JAMIE JONES: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk?

SAMUEL CLARK: Okay. So, next is Garrett Stonehouse. I think that he's in the room. You have your mute button on, Mr. Stonehouse.

GARRETT STONEHOUSE: Can you hear me now?

SAMUEL CLARK: There you go. You're all set. Welcome.

GARRETT STONEHOUSE: Thank you very much. Good morning, Mr. Chairman and respected Members of this Committee, and good morning to all the independent small package stores here on this Zoom call in solidarity and incredibly well-represented. Thank you for allowing me the opportunity to introduce myself and briefly state why I encourage all of you to vote No on Bill HB 6101, specifically sections 55 and 56. My name is Garrett Stonehouse and I have been the owner of Aventine Hill Wines since 2006.

We are a small family-owned importer and distributor in the state and we have built our business

successfully by marketing and selling and supporting the independently-owned and operated small package stores, liquor stores and wine shops in our state. I encourage you to read my detailed written testimony that provides contextual supporting documentation that indicates this Bill will have a negative impact on our state. The independent small package stores, jobs and the communities within which they currently operate.

I urge you to vote No on this Bill, because at any time, but especially in this time, the state should be doing all they can to protect and add jobs -- not destroy them. This Bill will destroy jobs within the package store industry that will not be replaced in the grocery stores and big-box chains. It will cause independent retailers to shut their doors.

At any time, but especially in this time, the state should be doing all they can to preserve and increase tax revenue, not reduce it. This Bill will decrease tax revenue in the state as it has been proven that more independent local stores pay employees more, support other local businesses more and their profits stay in the Community more than national chains and mass market big-box retailers who pay less, support the communities less and their profits depart to support their corporate infrastructure.

This Bill will reduce the number of viable package stores, reduce employment and reduce tax revenues. These are all negative outcomes for our state at a time when we need growth and expansion. My written testimony is filled with support for why you should vote No on this Bill and I hope the Committee does just that. Thank you very much for your consideration and thoughtful review of this negative ramifications of this Bill, and have a great day.

REP. D'AGOSTINO (91ST): Thank you. Questions for Mr. Stonehouse? Okay, seeing none. Thank you for your testimony, and Mr. Clerk, who do we have next?

SAMUEL CLARK: Next is Joe Kiah.

REP. D'AGOSTINO (91ST): I can't see him. He just hit the mute button. You're still muted.

JOE KIAH: Can you hear me now?

REP. D'AGOSTINO (91ST): You're all set. Welcome. Thank you.

JOE KIAH: Hi. My name is Joe Kiah. My wife and I have owned Village Wines and Spirits on Main Street in Niantic for the past 20 plus years. We have 12 employees currently, and for those of you who think that we don't have any competition, we have seven competitors within three miles of us -- one being Costco who you allowed to have a license last year. So far, we have survived, but allowing wine in grocery stores, particularly our Stop & Shop would probably devastate us and put us under.

So again, we find ourselves trying to defend our investment and our small business. Every year, legislators propose sweeping changes to the Liquor Control laws that would decimate our business and wipe out our 20 plus years of investment and our retirement security. I ask you, why must you continue to move the goalpost? Why can't we rely on some stability to the Liquor Control Act as we make investments in our future?

And of all the changes in the past 10 years, they've all been to the benefit of out of state corporate chains at the expense of 1,400 small family businesses who've invested their life savings. Over the past 20 years, Lynn and I have invested over \$500,000 dollars in our business. Two years ago, we're faced with a decision to move into a new space. We took the leap of faith that we could rely on the liquor laws and spent over \$100,000 dollars to make the move which will take us many, many years to recoup.

This past year, we invested thousands more to operate in the COVID environment, including providing free delivery and curbside service, while paying our employees the \$2 per hour hazardous duty pay. I totally resent the statement that we are all motivated by greed. We are motivated by survival and doing what's right for our employees and our communities.

In addition to the hazardous duty pay we gave our employees, we donated over \$10,000 dollars to local foodbanks and restaurants and we spent over \$10,000 dollars to provide free delivery to our customers due to COVID fears. So, I submitted my written testimony. I won't go into all that, but I'll just summarize with three main reasons we oppose the Bill -- one I will call the reliance precedent. Passage of the Bill would wipe out or business investment and retirement security, which we have spent years cultivating while relying on stability and predictabilities of the Liquor Control laws. We must be able to rely on stability of the law when we make investments.

Number two, the Bill would provide a huge advantage to out-of-state big-box stores over the 1,400 of us small local businesses who provide specialized services to our customers and communities. We can only sell wine, liquor and beer, while they can sell everything else. And number three, contrary to what I have read that this Bill is for the benefit of consumers, the opposite is actually going to be true. Consumers will end up seeing a dramatic drop in product selection and convenience as big-boxes takeover.

For example, we carry over 800 different wines tailored to our particular customer base, just as every small package store tailors their offering including an entire section of Connecticut wines. While Costco has less than 100 wines, the top sellers with many of them being their own private

label. We carry over 400 different beers with 200 of them being of the local craft variety.

SAMUEL CLARK: Excuse me, Mr. Kiah, if you can just wrap up, please.

JOE KIAH: What's that?

SAMUEL CLARK: If we can wrap up, please.

JOE KIAH: Okay, so, if Stop & Shop gets wine, it will cut into us even further than what Costco did. So, if you would pass this Bill, instead of seven local package stores serving this community, there will be two: Costco and Stop & Shop and no one there will help you. If you want help with your selection, or delivery, or anything else, forget it. That's not what's good for consumers. I urge you to not pass this and instead pass a five or 10-year moratorium on any further changes to the Liquor Control Act except those that would benefit Connecticut wineries and breweries. Thank you.

REP. D'AGOSTINO (91ST): Representative Cheeseman.

REP. CHEESEMAN (37TH): Thank you, Mr. Chairman, thank you, Joe for coming today. I have seen firsthand what you do as you're my constituent and actually just down the street from the Children's Museum. But one of the things you didn't talk about, you mentioned that you support local breweries and wineries, of how closely you've worked with our local brewery Niantic Public House in helping them get off the ground because it's not just about your business, it's about helping other businesses grow. So, if you could touch on that a bit.

JOE KIAH: Yes, I volunteered countless hours to help them get established. We were the first to start selling their products in our store and we've also provided them financial assistance to help them through this pandemic.

REP. CHEESEMAN (37TH): Thank you. And you mentioned the things you've done to make the store supply services to your customers. In terms of your out-of-pocket expenses, you mentioned \$10,000 on delivery. Are there other ongoing costs you've made to ensure everybody's going to be safe when they shop there?

JOE KIAH: Yes, absolutely. Of course, all of the COVID-related expenses we've incurred for plexiglass, and gloves, and masks and everything for our employees and the additional compensation for our employees, but we've also had to hire many more employees to man the phones, to take the curbside delivery orders and to handle a little bit of the extra volume. We did have a small bump in the sales volume this year, in spite of Costco coming in, but our costs were in excess of that. 30% increase in our payroll wiped out at the gains from the sales increase.

REP. CHEESEMAN (37TH): Okay, thank you. Well, I want to thank you for coming today, testifying today. Thank you for your time and thank you very much, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you, Representative.

JOE KIAH: Thank you.

REP. D'AGOSTINO (91ST): Representative Hayes?

REP. HAYES (51ST): Thank you, Mr. Chairman. Good morning, sir. Thanks for testifying today. I think I heard you say that you carry about 800 different kinds of wines?

JOE KIAH: That's correct.

REP. HAYES (51ST): And you said that approximately 10 different types of Connecticut wines?

JOE KIAH: That's probably 30 different Connecticut wines.

REP. HAYES (51ST): Okay, I guess I'm curious, and I apologize I just don't know, how do those wines become part of your stock? Does the individual wineries come to you and say, "Will you sell our wine?" Or is there a wholesale that says, "We carry this many Connecticut wines" and they try to get you to carry that stock?

JOE KIAH: Well, it's a little bit of both. We have gone out and visited most of the Connecticut wineries and not all of them are allowed to sell to retailers. But those that can, we've gone to them or they've come to us. That's a little bit of both.

REP. HAYES (51ST): Okay, and can you clarify that for me? Why are some allowed to sell and some are not allowed to sell?

JOE KIAH: Well, they have to obtain the barcode, the CPC codes to have them authorized to sell in the state. I'm not sure of those regulations.

REP. HAYES (51ST): Okay. I guess, I appreciate that. So, if this were to go through and hard for a grocery store to sell wines, would each individual winery have to go to them, asking them to stock their wines? Or is there a wholesale that would do that?

JOE KIAH: A few of them operate through wholesalers. Most of them would have to go direct to the grocery store.

REP. HAYES (51ST): And I would have to assume that there's nothing that obligates a grocery store from saying, "Yes, we want yours," or, "No, we don't care about selling your wine."

JOE KIAH: No. I'm sure they will make the decision on what item sells the most for their shelf space

and that's their model. They'll take the top hundred items and consumers will not have the selection that they currently have from all of us local package stores.

REP. HAYES (51ST): Okay. And then I guess that some of your bigger selling wines obviously are not Connecticut wine?

JOE KIAH: No. We carry all the top brands as well. We have to. But then we will lose a lot of that as people can get them from grocery stores, which will not enable us to carry the kinds of breath that we currently do. We won't be able to afford to do that anymore.

REP. HAYES (51ST): Okay, thanks for clearing up a lot of stuff for me. I appreciate it. Thank you, Mr. Chair, I'm done.

REP. D'AGOSTINO (91ST): Thank you., Representative. I appreciate that there's a there's a learning curve with the Liquor Control Act. I do have a follow-up question. I guess I'm having a hard time understanding what you just said with respect to the beers that you carry. [inaudible] you carry you said many different types of beer. Right?

JOE KIAH: Yes. I have over 400 beers, 200 of which are craft variety, mostly from Connecticut.

REP. D'AGOSTINO (91ST): So, 400 beers, 200 which are Connecticut craft beers. I assume there's a supermarket in your area. Right?

JOE KIAH: Yes.

REP. D'AGOSTINO (91ST): And that's supermarket sells beer?

JOE KIAH: Yes, they do. Nowhere near the selection that we have, but they do sell all the popular brands.

REP. D'AGOSTINO (91ST): Exactly the point. Nowhere near the selection you have. So, when a consumer wants choice, they can come to you and say, "I want this Connecticut beer and not-Connecticut beer you've been able to thrive and it increased sales. Now with 400 types of beer, even though there's a supermarket down the street that also sells beer? Yes? Is he muted?

SAMUEL CLARK: He's muted.

REP. D'AGOSTINO (91ST): You're muted. Sam, can you -- we didn't do that?

JOE KIAH: Yes, I think I was muted.

REP. D'AGOSTINO (91ST): Oh, there you go. Okay, sorry.

JOE KIAH: Yes. Somebody muted me. Anyway, sir, I'm not worried about the beer in grocery stores. We've been dealing with that for 10 years. I'm worried about wine in grocery stores. That would put us under.

REP. D'AGOSTINO (91ST): I hear what you're saying. I guess I have a feeling if we were having this conversation 10 years ago and beer was on the table, whenever beer was on the table, you'd be saying the same thing. And my point is the evidence it's proved otherwise. I'm just going by the evidence that we have, beer in supermarkets and the tremendous selection of beer that you've been able to maintain in your store. And thankfully, we appreciate the great job you guys do supporting with our Connecticut craft brewers and Connecticut vineyards and we expect that to continue.

It's an interesting debate. Other questions from Committee Members. Seeing none. Well, thank you for your testimony and encourage Members to read your written testimony as well. Thank you, sir.

JOE KIAH: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk?

SAMUEL CLARK: All right. Next is Jonathan Wichman. He's in the room. You have to unmute yourself.

JONATHAN WICHMAN: Okay, I think I just did.

REP. D'AGOSTINO (91ST): There you go. Welcome. Thank you, sir.

JONATHAN WICHMAN: Okay. Good morning. My name is Jonathan Wichman. I'm the owner of a small package store that has been in my family since 1964. I started working there in 1980 and the store has been a focal part of my life ever since. I'm speaking here today to let you know that I'm against Section 55 and 56 in House Bill 6101. Letting wine at grocery stores and beer into big-box stores will not be a good thing for me. Many small package stores will go out of business and jobs will be lost.

There will also be less kinds of products available because of the closed stores. Grocery chains and big-box stores will not be able to carry as many Connecticut products as their products are approved at corporate level. They do not have as much freedom as a privately owned package store. They cater to corporate mandates.

There will also be potential for more sales to minors as there are really more inexperienced people running cash registers, as well as unmanned checkout kiosks. Connecticut package store has been under attack from Hartford for the last 10 years. We now have more days than an hour, more weeks in a day, and there are only three observed holidays in the year that we are closed. For these reasons, you must vote No to House Bill 6101. This is just about corporate greed and putting mom and pop out of business. Thank you.

REP. D'AGOSTINO (91ST): Thank you. Questions?
Representative Allie-Brennan? Nice to see you, sir.

REP. ALLIE-BRENNAN (2ND): Thank you, Mr. Chair and
thank you, Jonathan for testifying today and for
your written testimony.

JONATHAN WICHMAN: Good morning. Thank you.

REP. ALLIE-BRENNAN (2ND): Nice to -- well, I can't
see you, but nice to hear you. I just wanted to
give you an opportunity more to expand on, I guess,
like some of the local products you sell, especially
the wine and just how that makes a difference in the
community and your business.

JONATHAN WICHMAN: Well, in my store -- it's a small
store, it's about 3,000 square feet -- and probably
20% of the product that I have in my store our
suggestions or request from my customers. Whether
it's vodka, Connecticut wine, a local beer, if
somebody comes in and ask for something and I can
get it, we bring it in. That's how we get so many
SKUs in my store, and that's not going to happen in
a Stop & Shop for sure.

So, these Connecticut wineries, the lesser tied at
the hip somehow, they're just not going to be there.

REP. ALLIE-BRENNAN (2ND): Thank you.

JONATHAN WICHMAN: You're welcome.

REP. D'AGOSTINO (91ST): Thank you, Representative.
Senator Witkos, please?

SENATOR WITKOS (8TH): Thank you. Mr. Wichman,
thanks for testifying today. How many local farm
wines do you carry as a percentage of your stock in
your store?

JONATHAN WICHMAN: Exclusive are -- I carry Jones, DiGrazia and a couple other ones like Sharpe Hill vineyards. But if anybody asked for anything, I'll certainly get it for them.

SENATOR WITKOS (8TH): Okay. And those are located geographic to your store for the most part?

JONATHAN WICHMAN: Jones is probably about 30 miles from me, DeGrazia is only 10 miles and the Sharpe Hill is quite a distance.

SENATOR WITKOS (8TH): And you had testified that Hartford is dictating your hours of business and when you have to be open. Did you see with the advent of the allowance to open on Sundays, an increase in Sunday sales or is that basically just your sales were spread out over a seven-day period?

JONATHAN WICHMAN: My sales are definitely spread out over seven days. Matter of fact, I think Sunday sales hurt sales because I believe people typically would buy extra on a Saturday and they would either go through it and buy more on Monday. But I think because it's accessible much of the time, I think people are buying less. If it's not in the house, they're not drinking it.

SENATOR WITKOS (8TH): Right. In your store, you said relatively small being at 3,000 square feet. Do you get a sense that your customer base is loyal customers? Or do as a percentage versus just people driving by and deciding to stop in?

JONATHAN WICHMAN: I probably know 50% of my customers by name. However, if they happen to be in a grocery store and that bottle Clos du Bois is sitting there and they're walking by it, they're going to buy it. Because it'll save themselves a stop on the way home.

SENATOR WITKOS (8TH): So, one of the things that -- to be honest with you, what frustrates me is when

owners complain that Hartford mandated that they have to open on Sundays, which is certainly not the case. We don't set the hours of when you have to be open, we set the hours of when you can be open. But that's a local business decision to determine whether or not you want to open up your store on Sunday, or you want to close your store at eight o'clock or at nine o'clock.

That's nothing in our statutes that says you have to do that. What we what we prescribed is you cannot sell on those particular holidays as you enumerated and you cannot open beyond the hours that we allow you to be open, so that's a local decision, which seems to get distorted from many folks whenever we have a discussion on Liquor Bills, saying that you're requiring us to do this when we're certainly not.

My another question to you is I did look in -- you're from Bethel. Correct?

JONATHAN WICHMAN: Correct.

SENATOR WITKOS (8TH): So, there are two open permits available for package stores in the town of Bethel. If somebody were to open up a package store or two people open up a package store in Bethel, how do you think that would have as an impact on your store versus a big-box store that would be prohibited from selling liquor and only beer and wine or grocery stores selling wine? Don't you think it would have a more detrimental effect on your business as a whole if two additional package deal permits were taken out to sell the full range that the beer, wine and liquor?

JONATHAN WICHMAN: It will all just spread the pie out, every single thing you mentioned. And going back to being open on Sunday, I had a choice, yes, but if I want to lose business, that is what would happen if I did choose to close on Sunday. And I have to survive.

SENATOR WITKOS (8TH): But if we heard from the Commissioner who said that if a big-box store wanted to sell beer, if you will, then they would have to get a package store permit. And so right now there's two package store permits available in the town of Bethel. So, if you had a big-box store that wanted to sell beer, the only item that they could sell would be beer. That would remove one other package store permit from the town. Or say you had a Walmart --

JONATHAN WICHMAN: Is that true?

SENATOR WITKOS (8TH): Yes.

JONATHAN WICHMAN: I'm not sure that's true. Beer and wine -- beer is different than a package store.

SENATOR WITKOS (8TH): Well, in this particular in this legislation that you're testifying on today, and the Commissioner have testified first and I questioned that, was that if they wanted to, they had to get a package store permit. And so that would remove competition, if you will, from two full-scale package stores in your community if two big-box stores did, and they would only be limited to the sale of beer.

So, if you're looking at it from a business perspective, would you rather have two competing customers that are only able to sell one-third of the products that you're able to sell or two additional customers that can sell everything that you're able to sell?

JONATHAN WICHMAN: I guess it depends on where they set up their shop.

SENATOR WITKOS (8TH): Okay, thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you for those questions, Senator and the answers. No questions. Thank you for your testimony, I appreciate it.

JONATHAN WICHMAN: Thank you.

SENATOR WITKOS (8TH): Mr. Clerk?

SAMUEL CLARK: Wait. Representative Cheeseman, your hand is still -- did you have a question?

REP. D'AGOSTINO (91ST): I see that from a prior question or --

SAMUEL CLARK: Okay. I'll just lower hand. Okay. So, next Stephen Downes.

STEPHEN DOWNES: Am I on?

REP. D'AGOSTINO (91ST): Yes, we can hear you.

STEPHEN DOWNES: Thank you, Chairman D'Agostino and Senator Witkos and fellow General Law Committee members for allowing me to speak today. My name is Stephen Downes, I'm the owner of Connecticut Beverage Mart and I'm the President of the Connecticut Package Store Association. I'm here to state my strong opposition to House Bills 6101 Section 55, which will allow the sale of wine in grocery stores and Section 56, which will allow beer in big-box stores, such as Target and Walmart.

In today's unfavorable retail environment, which is incredibly competitive, any loss of sales at grocery stores will have a tremendous impact on our bottom line. This will cause hundreds of stores to close. I know this because I just had this experience in New Britain -- my New Britain store, which I had to close.

I've been the President of Connecticut Package Store Association for 20 years and during that time, the makeup of our membership has continued to change and

evolve. Today, over 70% of the package stores in Connecticut are minority-owned. As all the owners who enter into this market, they are required to raise capital by a business, work hard and try to run a profitable store. For these owners who have bought the business many years ago, this is like the retirement pension if they sell.

It's like pulling the rug out from underneath people by changing the laws in a haphazard method, especially during the pandemic when we all work so hard to survive. Package stores have done a tremendous job making it work as best as we can to keep our employees and customers safe. It's been an incredibly stressful and the hardest year of my life working in the last 40 years of business. I feel like I'm playing Russian Roulette every time I go to work with this virus.

I also make the proposal that we actually do a study to try to get more of the Connecticut wines into the Connecticut package stores, because I think we can work well together. We can maybe mandate the Connecticut package stores take their wines. But there is the problem with Connecticut wineries compared to the Connecticut breweries. Like even in your district, Mike, that 12%. Those people email us every day and they tell us when they're delivering, what they have in stock.

The Connecticut wineries -- like the person said -- they're like farmers. They're living in the '80s. It's hard to find out what they have, but with the beer guys, they are on emails [inaudible], everybody. They constantly email people. So, I think the wineries have to move into the next century about trying to get the product in the package stores and I think if we study it, maybe we can actually figure this out, and we all can work together.

Because the products will sell if we sell them and we have a lot of Connecticut wines in our store.

So, I think that's something we can work on. In closing, I think it's extremely unfair to change laws, willy-nilly that will impact thousands of livelihoods throughout the State of Connecticut. Besides just a package store owners' employee who will impact the thousands of workers at the wholesale end in business, including salespeople and drivers.

Thank you for your time and I'm happy to answer any questions. But I don't want the destruction of our industry. I want to keep the Connecticut model, not the Florida model.

REP. D'AGOSTINO (91ST): Thank you, Mr. Downes. We always appreciate hearing from you. Senator Witkos.

SENATOR WITKOS (8TH): Thank you and thank you, Steve, for constantly being engaged -- I know the past decade has been tough on your industry with proposals almost every single year and you all are just fighting to maintain a viable living and keep your employees employed. But I'm going to pose these couple of questions to you that I posed with the previous speaker, relative to selling beer in a big-box store. So, your stores located in Cromwell and right now, there are no permits available in the town of Cromwell. So, any big-box store that wanted to seek a package store permit would not be eligible to do that.

So, then I looked over to the town next to you, which is the town of Middlebury. We're sitting at Middlebury and they have five permits available to them.

STEPHEN DOWNES: If there's extra permits in town that nobody's taken, that probably means there's not enough business for somebody to open a store. Target right now can actually open the liquor store just like Costco. It's just self-contained on the outside.

SENATOR WITKOS (8TH): Well, they couldn't if there's no permits available. So, in Cromwell there are no permits available based on --

STEPHEN DOWNES: At that point, taking the Costco model, usually Costco searches out the weakest store and buys them and you buy the permit, you move it. And then they would set up a free-standing store just like Costco or Sam's Club. You don't have to make a lot of liquor law changes for that.

SENATOR WITKOS (8TH): And if we're talking about jobs, if you're if you're closing one store and opening up another store, don't you think those jobs transfer for the most part?

STEPHEN DOWNES: I think there's a finite amount of liquor business, so if one store closes, usually the store that closes is a marginal store unless you're going to take a marginal store and it's sold to a Costco, which is then you're taking a C store and turning it into an A store and that affects business a lot.

SENATOR WITKOS (8TH): And, as the President of the Connecticut Package Store Association, can you tell me how many package stores closed in the past year that you're aware of?

STEPHEN DOWNES: I'm not sure. The marginal stores always tend to be bought by somebody and they're trying to make a living. That's like they come in, buy capital and try to make the store work. I mean putting wine in grocery stores is just is going to destroy the business. Connecticut is a unique market right now. A lot of stores like Vermont, wine and beer have been in grocery stores right from the beginning. Before 1980, wine was not a commodity. I mean when we opened our store in 1981, we had trouble filling with wine. It was not enough wine. My parents' generation didn't drink wine.

But by the '90s, with the Goodmans, Eder Brothers, World of Wines, these guys brought wines in. Hartley and Parker from Europe and Connecticut is the best wine selection in the country and what you're trying to do is going to destroy.

SENATOR WITKOS (8TH): What we're trying to do is accommodate the changing landscape out there in Connecticut. I'm sure that in your package stores, you have a lot of Connecticut craft beer that you probably didn't have a decade ago, because we didn't have a lot of the Connecticut craft breweries that we had back then. And it's only because of the permissiveness of this of this Body, and this particular Committee when we hear things, what the consumer demands and we try to make sure that we reach a delicate balance on maintaining a profitable business for all of you.

So, we don't harm businesses, but in but also allow for growth in new areas of business that we weren't aware of before and we hear from consumers as well. If they want to see availability and changes on how they can access the products that they desire to purchase.

STEPHEN DOWNES: But a lot of the Connecticut beers, the real small ones aren't delivered -- they self-deliver. They don't go into the grocery stores, which helps us. Look, you got to just look north what's happening in the package store business as Massachusetts. Their market influx in the stores were getting destroyed, never mind what happened in Florida. You take a certain amount of business out of us in the bottom, the numbers don't work. The retail you get above -- you have a breakeven number and you get there, you can make money above that, but once you get below your breakeven, you're in trouble.

SENATOR WITKOS (8TH): Have you personally ever purchased any marginal store?

STEPHEN DOWNES: We did buy a license in '90.

SENATOR WITKOS (8TH): And what did you do with that license?

STEPHEN DOWNES: We turned it into Connecticut Beverage Mart in Newington.

SENATOR WITKOS (8TH): Okay. Was that a relocation or is that existing?

STEPHEN DOWNES: We relocated.

SENATOR WITKOS (8TH): In the same town?

STEPHEN DOWNES: Yes. You have to relocate in the same town.

SENATOR WITKOS (8TH): Okay. All right. Great. Thank you. Thank you, Mr. Chairman.

STEPHEN DOWNES: But with Target, they can buy a license now and put a freestanding store and be it a liquor store, just like Costco and Sam's Club.

SENATOR WITKOS (8TH): Yes, that's correct, but that was my point, that if they wanted to do -- the Bill speaks specifically just to beer in those stores and they would have to utilize a full package to a permit and they would only be allowed to sell beer.

STEPHEN DOWNES: Yes, but if they had a package store permit, then it wouldn't be to sell any of the other products into Target. So, you have to make it a free-standing store.

SENATOR WITKOS (8TH): Right, but the Bill doesn't move in that direction. That's my point. The Bill says that if you are a big-box store, a Target or Walmart and you want the ability to sell beer, if there's a permit available in that community, you have to take a full package store permit. Unlike you and your businesses, your association, you could

sell beer, wine and liquor. But the big-box stores would only be allowed to sell beer. So, they're paying more for permit and not have the ability to sell the type of items that you're able to sell under the same permit.

STEPHEN DOWNES: Well, it seems like the last few years you worked on all the new permits and all of a sudden, you're creating this hybrid package store permits for Target. It seems like we're complicating things.

SENATOR WITKOS (8TH): Well, every year there's ideas that come up and this is not something that since I've been on the Committee for 13 years, they have always asked for the ability and this Committee decided not to do that and again that's why we're having the public hearing today but --

STEPHEN DOWNES: Well, because there's always a grocery beer permit, they were asking for, and then you have that 50% number. They don't sell enough food, they get the grocery beer permit. If you start changing that number, you can have beer and gas station so. It was a big-box, so it's like --

SENATOR WITKOS (8TH): Well, we're very cognizant of that and that's why the Bill isn't written that way because we don't want the convenience stores, the gas stations to be able to sell the beer. This is a request that came in just like numerous other requests and we thought that it'd be great to have a public hearing on it, because it's limited in scope and to hear -- and we're getting an earful today from yourself and all the other folks that will be following you, that preceded you on the testimony. Nothing is complete until the Governor signs a Bill, if it makes it in it. But I think it's important to at least have the discussion. So, thank you.

STEPHEN DOWNES: Thank you.

REP. D'AGOSTINO (91ST): Thank you, and thank you for making that point, Senator. I should have mentioned that when I started, that nothing in this Bill allows the sale of beer, or wine, or liquor at small convenience store. So, that's not at all that this goes because I've seen [inaudible]. It's not within the Bill. I'll just follow-up from the Senator's point real quick. Mr. Downes, do you have the numbers for your current membership?

STEPHEN DOWNES: Membership? I think we're above 500 or so, something like that. It goes up and down. If you had proposed this Bill like in October, we would probably have 1,000 members right now.

REP. D'AGOSTINO (91ST): I'm referring to the number of permits actually that the package store permit -- the number I have is 1,251 current back to shore permits in the State of Connecticut, which is up in the last five years by about 30-35. Does that sound right to you?

STEPHEN DOWNES: It sounds right.

REP. D'AGOSTINO (91ST): All right. Representative Hayes, you have a question, sir?

REP. HAYES (51ST): Thank you, Mr. Chairman. Thank you, Mr. Downes, for being here. The Chairman just asked one of my questions. So, membership is 500 and something? Is that what you're saying?

STEPHEN DOWNES: Well, it's always changing. People join one year and their stores are sold. But we tend to represent almost, I would say, most of the people, even if they're not paying members.

REP. HAYES (51ST): Okay, and the membership --

STEPHEN DOWNES: And most of the time they call us for service and we ask them what's going on. I would say --

REP. HAYES (51ST): Your membership has spread how far across the state? How many how many towns?

STEPHEN DOWNES: What's that?

REP. HAYES (51ST): Your membership, how many towns?

STEPHEN DOWNES: It's all across the whole state.

REP. HAYES (51ST): Any idea how many employees?

STEPHEN DOWNES: Probably 3,000 to 5,000. But you can also remember the delivery drivers and the salespeople in this model -- the Florida model, there's no salespeople and they also direct-ship to the grocery stores because they get their own wholesaling license. So, this is not just packaged stores in this issue. There's a lot of jobs at stake.

REP. HAYES (51ST): Okay. And having told your membership, is there anybody, any member that you know of that in favor of this or is convinced, that this wouldn't hurt them?

STEPHEN DOWNES: I haven't heard one person yet that is in favor.

REP. HAYES (51ST): Thank you for your time. Thank you, Mr. Chair, I'm done.

STEPHEN DOWNES: Thank you.

REP. D'AGOSTINO (91ST): Thank you. And just following up on the Representative's questions, Mr. Downes, there are package store owners in this state -- correct -- who are part of your corporation, which have ownership out of state. Right?

STEPHEN DOWNES: I didn't hear -- corporations from out of state?

REP. D'AGOSTINO (91ST): There are corporations that own package stores in the state. Some of which are corporations that are out of state corporation?

STEPHEN DOWNES: Yes

REP. D'AGOSTINO (91ST): All right. And again, across the board, no matter what we do, the state steps a floor below which you cannot go under. That's the minimum bottle pricing, so we guarantee you certain amount of money that there's no competition for. You can't sell a lot of that in this state. That's minimum bottle price. Right?

STEPHEN DOWNES: Well, there's no minimum pricing on beer, first of all. Minimum pricing is based, the cost to one bottle. If somebody buys one bottle, let's say it's \$10 dollars, that's the minimum price. If you buy a case and it comes in at \$9 dollars, the minimum price is still \$10. You can't live on minimum pricing. A lot of times it's a \$1 dollar a bottle, \$2 dollars. It probably comes up to 8% gross profit. You cannot run a store, like I can tell you in my New Britain store, that type of gross profit levels with the cost of rents and stuff like that. So, it allows some protection but it's no panacea.

So, beer has no minimum bottle and that's part of the reasons, when the grocery stores started selling on Sundays, if we lost beer sales, we didn't make any money on it. So, it didn't hurt the bottom line as much as wine sales which wine sales, these are biggest moneymakers.

REP. D'AGOSTINO (91ST): And again, we allowed for the sale of beer in supermarkets and I haven't heard any -- if you're aware --

STEPHEN DOWNES: Beer has always been sold in supermarkets.

REP. D'AGOSTINO (91ST): And if you're aware of a study that says that somehow that has led to the reduction in their sales in the State of Connecticut, I would love to get it because all their evidence I've seen is to be done.

STEPHEN DOWNES: I didn't hear the question again. I'm having technical problems.

REP. D'AGOSTINO (91ST): I'm sorry. I'll pass it out. I don't think we have any more questions for you, Mr. Downes, so --

STEPHEN DOWNES: Thanks a lot. Don't destroy our market.

REP. D'AGOSTINO (91ST): Mr. Clerk?

SAMUEL CLARK: Chairman, I believe Representative Ackert has a question.

REP. D'AGOSTINO (91ST): I'm sorry. Who has a question?

STEPHEN DOWNES: What is Witkos doing out here?

REP. ACKERT (8TH): Mr., Downes, you're not muted, so watch your kids what they say --

REP. D'AGOSTINO (91ST): Mr. Clerk, if you could make sure that the prior speaker leaves the room for the next? Appreciate it.

REP. ACKERT (8TH): Yes. Thank you, Mr. Chairman, I appreciate it. Mr. Downes, can you repeat -- I've only heard --

STEPHEN DOWNES: Oh, you asked me a question? Okay. I thought it was not.

REP. ACKERT (8TH): Mr. Downes, I'll ask you a question. Yes. You just mentioned that beer has been sold in grocery stores forever. I keep hearing

a 10-year time frame and things like that. So, can you explain, you said there's beer -- my understanding is beer was allowed to be sold in grocery stores because of the low alcohol content. Can you reiterate your comment about beer being sold in grocery stores? How long has it been sold in grocery stores?

STEPHEN DOWNES: If there was low alcohol content that actually comes before my time -- and I started in 1980 -- but as far as I know, beer has always been sold in the grocery stores in Connecticut. Some states, beer and wine have always been sold in grocery stores across the country and they had state liquor stores. So, each state had set up their own model. I think, the one thing about the Connecticut model is it allowed package stores to expand the wine selection and we ended up creating these great wine stores, where most states have lousy wine selection.

REP. ACKERT (8TH): My point I wanted to get down to is the timeframe in which beers being allowed in grocery stores because if they had bought a grocery store 20 years ago, then it hasn't changed your market. So, you already knew that it was sold in grocery stores? That is my question.

STEPHEN DOWNES: Yes, I think beer has been in grocery stores since prohibition when they set up the pack -- so a modeling Connecticut.

REP. ACKERT (8TH): Thank you, Mr. Downes. Thank you, Mr. Chairman.

STEPHEN DOWNES: What was that again?

REP. D'AGOSTINO (91ST): Thank you, Representative. Thank you, Mr. Downes.

STEPHEN DOWNES: Okay.

REP. D'AGOSTINO (91ST): Thank you, Mr. Downes. Mr. Clerk, next speaker, please. Thank you.

SAMUEL CLARK: Okay next person is George Motel.

GEORGE MOTEL: Everybody seeing me okay?

REP. D'AGOSTINO (91ST): We do. Yes, you're on. Thank you. Welcome.

GEORGE MOTEL: Wonderful. Good morning, everybody, Mr. Chairman, Members of the General Law Committee. My name is George Motel, along with my wife, Judy and my son here, George. We own Sunset Meadow Vineyards, a Connecticut farm winery located in Goshen. I'd first like to start by saying we're enthusiastically in support of HB 6101. We do believe very much so, it'd be a big boost for the Connecticut economy, certainly for local farm wineries and we think it'll increase revenue in the state, create jobs and incentivize agriculture in the state.

So, I've been classified as stuck in the '80s. I'm going to turn it over to my son who wasn't here much of the '80s to more about us. Go ahead, George.

GEORGE MOTEL JR.: Good morning, everyone. I just want to talk a little bit about us first. We are the second largest grape grower in New England. We currently have 40 acres of property devoted to our vineyards. We sell 24 different wines out of our tasting room -- 21 of these are made with 100% grapes grown on this property. Our model has always been and always will be Connecticut-grown, so much so that we actually a few years back, invested in another 111 acres up the road.

That being said, that commitment comes with a lot of challenges. One of the biggest challenges we have is farming. With farming, you have to deal with Mother Nature, which means excessive cold, excessive rain, disease issues, animal issues. These are just

some of the obstacles that we have to encounter on a daily basis.

GEORGE MOTEL: But having said that, none of these challenges or anything compared to what we faced this past year. Chairman D'Agostino talked about the Executive Order. We were shut down for three months in the spring. So, we've heard a lot today about businesses and the challenges they had handling extra business. We're going to hear a little bit about the challenges, when you don't have any business, when you operate for three months without any business and you have farming.

Spring as our busiest time of the year. We have 25,000 vines, we have to prune every single vine, we couldn't lay off our farmworkers. And our employees are like family to us. So, we had to make a decision -- we keep everybody on the payroll, we did some curbside, we did some online, but basically during that period, our business was down 60%.

Fortunately, during the summer months, we went outside, we had occupancy restrictions in the building, we're able to do some things outside which helped. By come fall, occupancy was reduced to 25% and our business has been down significantly a result of that. So, we did get a PPP loan that covers for about eight weeks, but we're coming up on 52 weeks now. So, what we did basically was going to debt. We took out loans to pay our employees.

And Senator Hwang said, "Listen, we're part of the community, too. We have a responsibility to our employees, we have a responsibility to the community. We continued to donate money, we continued to support little girls -- the Girl Scouts, the March of Dimes, all those things that a good independent business does. But we're impacted significantly, so this isn't really an issue of logistics, it's an issue of survival for us at this point.

And I also want to point out that over the past 10 years we've been hurt by a bunch of different things and we haven't opposed free trade. When Sunday sales came about, we didn't oppose it, but in reality, we were the only ones back then who could sell on Sundays. There was no beer trail, liquor stores couldn't sell on Sundays. Back then, it was 50% of our sales. So now, everybody could sell on Sundays.

SAMUEL CLARK: Please, Mr. Motel if you can just wrap up, please.

GEORGE MOTEL: Tastings, there was a time when we were the only ones who could do tastings and now everybody does tastings. I know it's provision Number 53 in 6101, calls for liquor stores being able to ship out of state. That was a one-time that only we were allowed to do. And just to finish up quickly. I've heard a lot about big-box classifications here. I'm also Chairman of the Connecticut Wine Festival. When we started that event out, we needed money, we needed sponsors. Adams Hometown Markets stepped up. They were our sponsor.

So, a lot of the grocery stores that we've been associated with are independent. People like Fitzgerald's, Adams, LaBonne's, Geissler's, West Side Market, Village Market -- these are people who all stepped up and supported our festival. And now they're stepping up and saying, "Look, give us 10% of shelf space." We do business in the liquor stores, it's less than 10% of our business, and we appreciate that. We have a lot of good customers, but it's less than 10%. And the vast majority just haven't been receptive to Connecticut wines, for whatever reason there is. And it's not because we're stuck in the '80s, folks. We try to do as much as we could electronically, we have so many quality stores weekly.

SAMUEL CLARK: Mr. Motel, if we can please wrap up.

GEORGE MOTEL: So, in closing, we hope you'll support the Bill. It's about survival for us in addition to all the other things I talked about. Thank you for your time.

REP. D'AGOSTINO (91ST): Let me just ask you a couple of follow-up questions. Just talk a little bit more. So, how would you take advantage if we required the supermarkets to have a shelf space? It may be more than 10%, it may be all of their shelf space to start -- we're debating this now, of producers below a certain volume, which obviously would encompass the Connecticut vineyards. There is a question before that I think Senator Witkos asked, about just being able to ramp up and meet that potential demand, how do you see that for the industry?

GEORGE MOTEL: Well, the ramp up time for us is it's going to be a lot less because of COVID. We're the second largest planted vineyard in New England right now, so we have about 10,000 cases and surplus. So, Day 1, we could ramp up and hit the ground running. In terms of the industry, I think Jamie Jones classified it best. It's going to be a great opportunity for increase in agriculture and there will be some ramp up time.

We're probably the exception to the rule. We've actually invested in anchorage that we haven't planted, so we would do looking forward to being able to grow into this thing.

REP. D'AGOSTINO (91ST): Right. And I wanted to ask you about, is the concept. I think it's getting a little lost in some of these concepts, and that's just sort of the idea of a rising tide lifts all boats. In your industry when you're sort of growing and trying to get brand recognition, you talk about how, for example, having your wine available in a restaurant likely to package store to want to carry your wine. I'm wondering how you see that

translating to somebody sees you on in the grocery store, that can lead to sales across the board for everybody.

GEORGE MOTEL: I think. What I see in the short term is, we have a closer brand recognition in western Connecticut. So, I would think most of the grocery stores in western Connecticut would take our product, much today that the liquor stores who do carry our product did it by virtue of our customers asking for it. We built the brand here, there's brand recognition, they've gone into the stores, they've asked for the product -- I kind of see the same thing with the grocery stores. It'll be more regionalized whereas we may not have a big presence in eastern Connecticut, but some of the eastern Connecticut wineries will and vice versa right.

REP. D'AGOSTINO (91ST): Good. And just switching gears real quick, there's also this proposal where we want to extend the delivery option. Is that something that you think you would take advantage of and your fellow vineyards take advantage of, being able to do that delivery order that's allowed with the Executive Order right now?

GEORGE MOTEL: I'm not sure I'm following you on that.

REP. D'AGOSTINO (91ST): Being able to have people just go out and deliver -- somebody calls you up and wants to order your wine, you can actually send the driver out to deliver to that person.

GEORGE MOTEL: Well yes, under the Farm Winery Act allows us to ship direct, so that's what we do today. With a lot of the liquor stores, we deliver inside of 24 hours. Some people call us up and say, "Hey, we need a case today. Can you get it to us?" We do that.

REP. D'AGOSTINO (91ST): Good. Representative Ackert, please.

REP. ACKERT (8TH): Thank you, Mr. Chairman and to the Motel family. Thank you for being here and your commitment to Connecticut and the agriculture. So, I'm curious, how many local liquor stores are you in now that you're aware of?

GEORGE MOTEL: We're in 125 stores.

REP. ACKERT (8TH): Existing 125 stores. Connecticut stores or outside Connecticut also?

GEORGE MOTEL: Connecticut only.

REP. ACKERT (8TH): Can you sell to a Massachusetts grocery store?

GEORGE MOTEL: We could not. We cannot have a Connecticut winery.

REP. ACKERT (8TH): You can't as a Connecticut winery. Okay, is that a Massachusetts law or Connecticut?

GEORGE MOTEL: I believe it's both.

REP. ACKERT (8TH): Oh, no. I'm asking you. That's why I ask the questions of -- so you're at 125 local --

GEORGE MOTEL: I think we would have to employ an out of state distributor who shipped into that state to be able to do that. So, we have to add another tier into the distribution process.

REP. ACKERT (8TH): There's other states that sell, that have grocery stores that sell wine, so I didn't know why it would be -- I think people would like to have a Connecticut wine. I like Vermont Maple Syrup, why don't I like --

GEORGE MOTEL: I think the correct answer is it could be done, but we have to have a distributor who

would represent us in that state. We couldn't ship directly into that state ourselves. Whereas as a farm winery, we could ship direct in Connecticut. We can't out of state.

REP. ACKERT (8TH): So, the local package stores that you have a good relationship now, are they concerned about this Bill and what it may do to them? Did they talk to you about it at all, or --?

GEORGE MOTEL: Some have yes. Some have sent messages. I think they are concerned.

REP. ACKERT (8TH): Okay. I appreciate your answers, I appreciate your commitment to Connecticut and keep it up. Appreciate it.

GEORGE MOTEL: Thank you.

REP. D'AGOSTINO (91ST): Thank you, Representative. Seeing no further questions, I'll thank you for your testimony. We appreciate meeting you and hearing from you today.

GEORGE MOTEL: Thank you for your time.

REP. D'AGOSTINO (91ST): Thank you. Mr. Clerk?

SAMUEL CLARK: Next is Mitchell Ancona.

MITCHELL ANCONA: Acona, but close enough. Thank you.

REP. D'AGOSTINO (91ST): Good Irish name. Right?

MITCHELL ANCONA: Yes. Right?

REP. D'AGOSTINO (91ST): We can hear you well. Thank you.

MITCHELL ANCONA: I'm going to do global thank you to all of you guys. I apologize I'm not particularly good at any of this stuff, but my name

is Mitch Ancona and I'm here to speak in opposition to HB 6101 Sections 55 and 56. Just a little bit about myself, I'm 54, which is challenging for me to say out loud and I've been in the industry for over 38 years. I currently own three package stores: one in Wilton and two in Ridgefield. Our original store was started by my grandfather 1933.

When he passed away, my father took over the helm, and when my father passed away in 2004, I purchased the business from my mother. We opened our second store in Wilton in 2009 and our third store again in Ridgefield in 2018. On average, we employ somewhere between 20 and 25 people, most of which are full-time. Currently, our sales are made up of 73% wine and 17% beer and about 10% spirits.

So many people have spoken on so many topics before me, I'm going to try to keep it quick and stick to the facts as only I know. So, the simple fact is consumption does not increase when you expand the consumer's ability to purchase product. We learned this firsthand when we went from six days a-week to seven. Consumers did not drink more just because they are able to shop for beverage alcohol on a seventh day.

So, if we apply that fact to this situation, increasing the avenues to which consumers can gain access to alcohol will not lead to increased sales, it will simply take sales from smaller businesses like mine and hand them over to larger businesses. That larger businesses have more opportunity to sell more product. I think all those things we can agree on.

The next thing that I want to talk about real quick is yes, our industry has done well. It was mentioned that supermarket has done well during the pandemic, as have hardware stores. I did not wish this, I did not want this, I did not want to increase my business based on a global pandemic that's hurt so many people. I especially did not

want to do this on the backs of some of my best friends that own restaurants.

So, to think that somehow, we are hoarding profits and/or greedy, it just doesn't sit well with me. Another thing is consumption is up right now. This is not always a good thing in life, okay? I've personally seen consumers come in, more often more regular and I fear that they are self-medicating slightly with my products to help manage what is a truly stressful situation for all of us.

That's kind of where I'm going to end it with that topic. The last thing I'll say is it kind of reminds me of that children's book, a mouse wants a cookie. So, an industry wants Sunday sale, so you give them Sunday sales. And then they asked for more licenses and you give them more licenses. And then they asked for longer hours and you give them more hours. And then they asked for wine and grocery stores and you give them that, and then they might ask for their own line of distribution or their own wholesaling.

SAMUEL CLARK: Excuse me, Mitchell, if we can wrap it up, please.

MITCHELL ANCONA: I'm done. Thank you.

REP. D'AGOSTINO (91ST): Well done for the first time, Mitchell. Let me see if there's any questions for you. And seeing none. Thank you for your testimony. Appreciate it.

MITCHELL ANCONA: Yes. It's all good. Thank you. Have a good day.

REP. D'AGOSTINO (91ST): Thank you. Mr. Clerk?

SAMUEL CLARK: Next is Tom Atkins.

REP. D'AGOSTINO (91ST): There you go. Tom, welcome.

TOM ATKINS: Thank you. Can you hear me okay? Perfect. Well, good morning, Chairman D'Agostino, Maroney, Ranking Members Witkos, Rutigliano and distinguished Members of the General Law Committee. Thank you very much for the opportunity to speak today. My name is Tom Atkins, I'm a partner and co-owner of New Park Brewing in West Hartford and extremely grateful to offer comments today to amend two Bills. I know we've spoken quite a bit about Bill 6101, I also wanted to make sure we touched on HB 5306, which is an act allowing certain permittees to sell alcoholic liquor for off-premises consumption.

So, like everyone here on the call, 2020 brought about many changes to our business including the ways in which customers were able to purchase and enjoy our beer. Two key components have been curbside pickup and delivery options, which has benefited three groups: primarily our customers, our employees, as well as the State of Connecticut. Our customers have been able to place orders in the safest and most convenient way for them through both of those options.

Simply put, our customers have not only embraced but continued to order online, for pickup and delivery throughout the entire state. And we've also made the point since we opened in 2017 to continuously give back to the community through a lot of different fundraising events including local police and fire departments, teachers, scholarships, juvenile, diabetes research foundation and earlier last year we had a beer we came out with called Setbreak that we donated 100% of proceeds to musician or musician's act that had played our brewery since we opened, and we also set up an online music series that allowed them to play and receive donations.

So, we're certainly invested in our community as well. Our employees have benefited from job

security and increased learning opportunities by opening up these different curbside and delivery options and we've been very fortunate to add a couple of full-time and close to seven part-time jobs the past year without losing any jobs as we've grown a local presence in Connecticut. And as a result of evolving our business, the State of Connecticut has benefited from related tax revenues, including from some of our customers that have been traveling to our brewery from outside the state to purchase our beer.

While most all brewery saw a dramatic decline in revenue in 2020, these enhancements of service has helped to allow our brewery and other Connecticut breweries to remain open throughout the past year. So, we would just wish that you strongly consider amending sections of both 5306 and 6101 to ensure that these services and our businesses can remain in existence and grow into the future.

I would like to close by sharing a text message that one of my business partners received last night and this type of feedback has become very common and consistent on a weekly basis. I'll just quickly read this before we wrap up. My boss loves, you know, all caps that your brewery delivers to Trumbull. Hopes that stays once COVID is over, if laws allow. It was the first point of order in today's group meeting, then we quickly moved on to another topic, application security exemptions --" unrelated to beer, unfortunately.

So, with that I just want to say thank you all very much for your time and consideration and we look forward to working together in 2021. Thanks.

REP. D'AGOSTINO (91ST): That's great, thank you for that perspective and sharing that. Representative Rutigliano?

REP. RUTIGLIANO (123RD): Thank you, Mr. Chairman. I just have a couple of technical questions. So,

when somebody places in order online or calls it in, when is the point of age verification? Do you have one of your employees goes out to the car and they have to have their license ready? Is that where you verify that they're eligible to purchase?

TOM ATKINS: Yes. We have to see an ID. We don't just drop the beer. The beer has to be delivered -- it has to match the person's credentials who ordered it online.

REP. RUTIGLIANO (123RD): That's for pickup, when somebody drives to your brewery to pick up, is what you're saying?

TOM ATKINS: For delivery.

REP. RUTIGLIANO (123RD): Deliver?

TOM ATKINS: I thought that was your question, I'm sorry.

REP. RUTIGLIANO (123RD): You know what, I look at them separately. Then that's going to be part of my question to you, because I'm a little confused. I don't know where in the law it restricts you from walking beer out to somebody's car for them. People that are afraid to come in. Because they're sort of technically making the purchase at your location, you're just sort of doing a convenience by walking it out. I understand the delivery aspects of it. It's a little bit different and that some of the regulations coming up, we're going to make sure that it's an employee of yours and there's a disconnect.

Is there anything in your opinion in the law currently that stops you from walking your beer out to somebody's car? Or even more appropriately -- I know it's a really long question -- I have a package store next to one of my businesses and I thought they were pretty creative during COVID. They set out this big table out front and people were calling in and online ordering of the alcohol and then they

were out there with a table with everything lined up with a little payment system and they just sort of did all their transactions like right out there on the sidewalk. I really don't know if the law prevents that right now.

TOM ATKINS: Great question. So, I will try to break this up and if I don't cover anything, please, let's go deeper on that. So, I would say, for bringing up the vehicle, we practice social distancing and we're fortunate enough to have many timed lines during [inaudible] these days. And so, we had a couple of plexiglass windows that we installed where customers would automatically be socially distanced by staying in their cars until it was their turn to get out to either order their beer or pick up their pre-order.

We also have some regular customers, one of whom is paralyzed 20 years ago and so when he drives his van up, I know who he is, I know when the order is coming and so I'll bring the beer out to him or on occasion, deliver it to him and I would stand in the same light that we have people that might be with their young kids where everybody's going to call. You don't want to be going -- first of all, even under normal circumstances it's a convenience factor, just to be able to give them the beer without taking every other car, but even more so in this environment.

So, we just try to modify, make sure that customers can get the beer on those terms.

REP. RUTIGLIANO (123RD): I appreciate that. I guess the crust of my question is, is that if you were bringing the beer out to that disabled customer of yours prior COVID, maybe that aspect of the industry or the business, it isn't illegal for you to continue to do that. I really couldn't find a rule that excluded you from sort of doing curbside delivery, I guess. I understand going to somebody's house is different.

TOM ATKINS: Yes. I just want to thank you for your support on that front and hopefully that continues. Because I know that's kind of what's up for debate right now. My understanding is whether there's any laws that get changed or modified going forward.

REP. RUTIGLIANO (123RD): And are you comfortable with the delivery aspect that it has to be a direct employee of yours that delivers your beer to a person's house?

TOM ATKINS: It's better for us to control the quality and we can control, I think, the experience and have someone who is knowledgeable about our offering versus the third party. Absolutely.

REP. RUTIGLIANO (123RD): All right. Thank you, Mr. Chairman. Thank you, sir.

REP. D'AGOSTINO (91ST): Thank you for your questions, as always, Representative Rutigliano. To be followed by I'm sure another set of very important questions by Senator Witkos. Please?

SENATOR WITKOS (8TH): Thanks. I guess I won't pursue my Uber drinks, is this model I was going to base on some testimony here today.

REP. D'AGOSTINO (91ST): We'll be here until Christmas.

SENATOR WITKOS (8TH): I wanted to ask you, do you sell kegs? Deliver kegs to individuals?

TOM ATKINS: Individuals, we do not. Kegs or logs.

SENATOR WITKOS (8TH): Because I feel very uncomfortable about that, but the Bill is kind of silence. I just wanted to get your reaction if we spelled out that you couldn't deliver kegs to individuals. Would you be opposed to that?

TOM ATKINS: I have to go back and talk to my business partners a bit more about that, but right now we don't currently do that.

SENATOR WITKOS (8TH): Okay, thank you.

TOM ATKINS: That is so much a distribution system different from bars and restaurants that we feel have extremely high-quality beer.

SENATOR WITKOS (8TH): Sure. Thank you for your testimony today. Thank you, Mr. Chairman.

TOM ATKINS: Thank you very much.

REP. D'AGOSTINO (91ST): Thank you. Seeing no further questions, I will thank you for your very informative testament. We really appreciate it.

TOM ATKINS: Thank you for your time, everybody.

REP. D'AGOSTINO (91ST): Thank you. Mr. Clerk, please?

SAMUEL CLARK: Up next is Russ Greenlaw.

REP. D'AGOSTINO (91ST): Make sure you're unmuted.

RUSS GREENLAW: Hello, everybody. Can you hear me okay?

REP. D'AGOSTINO (91ST): There you are. Welcome. We appreciate it, Russ. Thank you.

RUSS GREENLAW: Thank you. So, Chairmen Maroney and D'Agostino; Vice Chairs Fonfara, Gibson; Ranking Members Witkos and Rutigliano; and all the Members of the General Law Committee. Honored and thankful to be able to talk to you a little bit in support of House Bill 6101 by means of introduction. I'm the Vice President of Sales and Operations for Adams Hometown Markets. We operate 15 stores throughout New England, primarily inside of Connecticut. We

actually have 10 stores inside of Connecticut. We have two in Massachusetts, one in Rhode Island and two in Long Island.

Very interesting experience for us with our store in Monson Massachusetts which for those of you who may be unfamiliar, sits right on the top of our State of Connecticut. And so, I look forward to digging in there a little bit. I've heard a few pieces and I want to resist any redundancy. Obviously, as a representative of a food store, we're very, very interested in being able to gain the ability to be able to sell wine. We have the unique perspective of being able to do it inside our Monson store in Massachusetts. We do see customers that cross the border to come into Massachusetts. One of them happens to be my daughter. She lives in Stafford Springs. My future son-in-law does too, but I think he's just trying to kiss up to me to be very honest, but my daughter does tell me the truth.

She takes the left out of the driveway, if you will, instead of the right because she chooses to drink wine with their meals and she wants that to be a part of her ability to be able to shop. We obviously operate stores that have wine and don't and we see some clear benefits from a customer convenience standpoint -- all the obvious reasons of the tax benefits for the State of Connecticut makes sense, but for me the primary reason for us to consider this is one of consumer convenience.

I do want to speak to a couple of different things. I've heard a few speakers before me talk about big-box retailers and what they may be intending to do, and I can understand how people could gain that perception. Opinions vary. 15 stores is a fairly small company. We employ under 1,000 people, probably about 600 to 650 in the State of Connecticut, but we're not a big-box. As a matter of fact, we're very much an independent supermarket.

We're very ingrained in our local communities, we've given back over \$100,000 dollars to the community just from Adams Hometown Markets; \$23,000 dollars to the Special Olympics last year; \$32,000 dollars just shy of it for Hungerless Holiday to support folks in their time of need; about 16,000 people inside the state, \$18,386 dollars in COVID relief -- something I'm very, very proud of; over \$19,000 dollars to support our local police officers through a K9 effort through Bozzuto's who are attached to in the hometown foundation.

As a matter of fact, six towns in Connecticut have a K9 from the Hometown Foundation: Plainfield, Fairfield, Tolland, Hamden, Branford in Farmington are all supported through the Hometown Foundation and the moneys that we raise. We're about to embark on our campaign we've raised over \$20,000 dollars to cure a rare disease through fishing with fish. I have to be honest. We hosted a dinner for over 800 people with Santa at Christmas time this past year to try and keep families going and what's been just a very, very trying year.

I heard earlier that we're not involved inside the community in our industry and that was that was very hard for me to receive. So, with that being said, Meals on Wheels for over five years -- I think to call us a big-box is a bit of a misnomer, and there are independent supermarkets all over the state that would significantly benefit from the ability to add wine to their offer.

The other piece that I wanted to touch on, there was some discussion earlier about local wines. We've been the primary sponsor or the key sponsor of the Connecticut Wine Festival for seven out of the last nine years. That doesn't include 2020 for obvious reasons and the need to socially distance. The event didn't happen in 2020, but we've been very, very much involved in helping local wineries and is very, very much a part of who we are.

So, you know with that past measures like Sunday sales were met with similar resistance and I've seen the laws change inside of Massachusetts and heard some of the same tales of widespread loss of business and they haven't panned out to be true. So, safeguard such as the state's Memo Ball, pricing law is certainly there to adequately protect them. Consumers want wine in grocery stores. Certainly, my daughter in Stafford Springs wants it and I think we would like everybody's support with it. So, with that, I'll end my testimony and give opportunity for any questions.

REP. D'AGOSTINO (91ST): Thank you for your testimony. Senator Witkos and Senator Rutigliano and before I -- Senator Witkos, why don't you go first? If I could ask either one of you to just grab the gavel for a few minutes as well, if you wouldn't mind.

SENATOR WITKOS (8TH): Sure.

REP. D'AGOSTINO (91ST): All right. Thank you.

SENATOR WITKOS (8TH): Thank you. Thank you, Russ. I just wanted to ask you a couple of questions on the procedure if somebody was to come into the store and purchase alcoholic beverages right now, whether it's a self-serve or beer, which you're allowed to sell. I think your industry is moving a lot -- has made great strides to move towards self-checkout. What protections do you have in place to make sure that an individual is of age to purchase those items?

RUSS GREENLAW: Thank you for the question. We have similar protocols and procedures for the self-scan that we have for any of the miners that might be working on the front end as a cashier, where the system will not allow the transaction without a manager override so that we can ensure a person of proper agent training is there to process the transaction. So, you can't actually purchase the

beer at a self-checkout without a management intervention. So, they'd have to come over and basically swipe their card, turn their key, if you will, and we've all experienced that so that we can do an age verification at that spot.

SENATOR WITKOS (8TH): Okay. And how would you control on the package stores? They basically have to shut their doors down on outside of the liquor hours and my local grocery store that I shop at, they have the beer locked in coolers, which they just locked the cooler, you can't get access to it. But what measures would you make sure that if wine was available in your stores, that a consumer couldn't go and grab it outside of the hours of sale?

RUSS GREENLAW: Absolutely. There's all kinds of different physical plant, you know, construct. It's difficult to answer the question with kind of one and done but there's things readily available to the industry, chain off guards and things to secure the location. It really depends on whether it's in a freestanding location or perimeter. There's things that can get pulled down like in a refrigerated case. You talked about with the beer, where you can just lock the actual doors. But there's also some screens that can be purchased that are kind of custom-built for that very need.

Not dissimilar from what you might see with a pharmacy when it's not open where they add that pulldown screen or that kind of -- hopefully it's not any kind of chain mechanism -- but something that doesn't look too restrictive, but prevents people from going even into the area when you're not in the need to offers goods.

SENATOR WITKOS (8TH): Do your checkout machines recognize a SKU so it knows that it's beyond the hours of sale? Or they don't have that technology?

RUSS GREENLAW: No, we absolutely have that technology. It can recognize this SKU time of day and even an operator if we need to.

SENATOR WITKOS (8TH): Okay. And my last question - and we'll turn it over to Representative Rutigliano for questions -- is there's talk about reserving a certain percentage of a space in your store for wine. I like your reaction to that. Whether it's 10%, I'm assuming it's going to be shelf-space and not of the total store, but could you just respond to that?

RUSS GREENLAW: I just want to make sure that I listened clearly. You're talking about the 10% for local or state? Is that correct?

SENATOR WITKOS (8TH): Right. Yes.

RUSS GREENLAW: So, if you're just looking for reaction, the local is so embedded into what we do with our brand. We push very, very hard whether it's local beer, local cheese, local anything that we can get. So, 10% to me would be a minimum requirement. That's very much who we are and what our brand is. I don't think there would be difficulty in the industry being able to meet that 10% number. I think it'd be met enthusiastically.

This might be more for our brand than the industry, but we look at ourselves as a conduit to get local goods to our customers and hopefully we're recognized for that, so we would want to expand that number. I hope that answers it.

SENATOR WITKOS (8TH): It does, thank you. Representative Rutigliano?

REP. RUTIGLIANO (123RD): Thank you, Senator. Welcome, sir. Thanks for having to testify today. I just have a quick question. Outside of Connecticut where you're able to sell wine in the

stores, what percentage of the shelf are you using for local wineries currently?

RUSS GREENLAW: I don't know that I actually have a measurement for that. I would tell you that in the stores where I can sell wine, I can also sell beer. It's kind of a blended number for us. I'd have to parse it out and I don't want to guess, but I'd be willing to bet that it's in the 20th to 25th percentile if I include beer in it. Wine is a little bit more tricky. In Massachusetts, there's not a lot of Massachusetts vineyards. We actually have Connecticut wines in our Monson store, because the customer wants it.

We do sell some there and I don't want to give you a false number because I don't have wine in front of me. It's hard for me to answer that.

REP. RUTIGLIANO (123RD): Do you have the ability to -- your business model, are you able to buy the wine directly from a self-distributing winery? Or do you always have to go through sort of a distributor? A larger liquor distributor?

RUSS GREENLAW: In Massachusetts, we have to go through a distributor. We have bought beer locally. Actually, there's many people familiar with Treehouse Brewing, which is fairly popular in the craft brew industry. When they were in Monson, when they got their start, we were the first retail that they were operated and they won't sell to anybody now. So, at the hyperlocal level, we can buy it. It's very common in the industry to get it through a third party and to get it through the distributors. There's a lot of efficiencies there.

Our preference actually would be to buy it from the local organization and keep the middleman out and just keep it nice hyperlocal, that would be our preference.

REP. RUTIGLIANO (123RD): All right. Do you think a larger supermarket chain would have that same protocol where they're willing to deal with like a single item distributor and not just sort of have a broad line distributor?

RUSS GREENLAW: Yes. So, I wouldn't presuppose to answer for them. I do have some experience inside the industry with some larger organizations and I'll say, it gets to be tricky. The more vendors, they have to work with, being a little bit selfish, I actually appreciate that. We're an independent -- I want to deal with a local guy. I want somebody who make cakes in their garage safely and I'll sell them for him. I want as many people as I can get my hands on. I think the larger the organization, the more difficult that is for them to be able to organize and get through.

REP. RUTIGLIANO (123RD): As a comment, I tend to agree. The larger they get, the less they want to deal with a large number of vendors. And my fear is that a lot of these local farm wineries and even breweries as a way to maintain profitability, they sort of self-distribute. I don't know if the big guys or the big operations could handle that. I don't pretend to know your business. But I have heard that certain companies or certain products have to pay marketing dollars, whatever for shelf spaces. Is that truly for any particular product where it might be located in the supermarket? Sometimes there's a marketing charge for that?

RUSS GREENLAW: Yes. So, I think that was probably a lot more common in the industry, many years ago. There are negotiations that will happen with trade partners where people will have a requirement of a display for a period of time. Probably the most practical example would be Coca Cola wants a display up from X time to X time and they're going to offer some kind of discount on those goods to guarantee the display would be up. I think the days of people

paying to be on the shelf are behind us. Right. I don't think --

REP. RUTIGLIANO (123RD): That was my fear, just based on apparently old information, which will be charging sort of these local farm wineries and/or breweries for their opportunity to be on your shelf? I didn't know if that was still a practice. I'm glad to hear it is.

RUSS GREENLAW: Yes.

REP. RUTIGLIANO (123RD): Thank you, sir. Thank you, Senator.

SENATOR WITKOS (8TH): Thank you. Any other questions from Committee Members? Doesn't appear to be so. Thank you, Mr. Greenlaw.

RUSS GREENLAW: Thank you, Mr. Witkos, and all. Have a very good day.

SENATOR WITKOS (8TH): Thank you. Mr. Clerk?

SAMUEL CLARK: Up next is James Valentine.

JAMES VALENTINE: Hello?

SENATOR WITKOS (8TH): Mr. Valentine, we can hear you. Go ahead.

JAMES VALENTINE: Okay, thanks. First of all, thank you for -- Thank you very much, Chairman D'Agostino and --

SENATOR WITKOS (8TH): Mr. Valentine? Mr. Valentine, if you have some other electronic device operating in the background, you may want to give it up. We're getting a lot of feedback.

SAMUEL CLARK: Mr. Valentine, do you have your Zoom link open twice?

JAMES VALENTINE: I might on my cell phone. I just turned it off.

SENATOR WITKOS (8TH): Why don't you try it again, sir?

SAMUEL CLARK: Try now.

SENATOR WITKOS (8TH): I think we lost him, Mr. Clerk. I don't see him on the screen.

SAMUEL CLARK: Okay.

SENATOR WITKOS (8TH): Why don't we go to the next speaker and when Mr. Valentine joins us, we can circle back.

SAMUEL CLARK: Up next is Russell Aglio. One second.

SENATOR WITKOS (8TH): Russell, if you'll unmute yourself, then you'll be next.

RUSSELL AGLIO: Good afternoon.

SENATOR WITKOS (8TH): Good afternoon, sir.

RUSSELL AGLIO: How are you? Thanks for waiting. Thank you for having me, I appreciate your time. Good afternoon, Members of the General Law Committee, my name is Russell Aglio. I live in Chester. I am the owner of two stores, one in Old Saybrook, Seaside Wine and one in Madison, Spirits of Madison. I've been the owner for a little over 31 years now in Madison and have been selling wine for close to 40 years. I'm here today not happily to speak out against Section 55, 56 of HB 6101.

I don't want to take up too much of everybody's time, so we'll keep it brief. The system in Connecticut is working well and it showed its ability to function through COVID. Putting wine and big-box stores, grocery stores, other large

retailers and outlets would greatly impact all liquor stores and possibly put many out of business. This obviously would have a negative impact on revenues for the State of Connecticut including a potentially major loss of jobs and it's quite the trickle-down effect.

National chains, big-box stores continue to do well, while we as small businesses in Connecticut, we've struggled for years. The store I've owned for 31 years, Spirits of Madison sits in a Plaza next to Stop & Shop, which as many of you know is a Belgium company owned by Ahold Company. Do you really think they have a big interest in selling local wines in their stores or they have a better chance of really not getting the attention, going bad, spoiling before actually being sold, especially when you're competing with the nationally-recognized products, branded items, et cetera? I don't think so.

If Stop & Shop start selling wine, I would have to slash payroll, cut jobs, all the while, while Stop & Shop ironically, is my landlord also and they continue to collect rent from my business, which is the case for many stores that are located in plazas near larger big-box stores. We're not frightened of increased competition. We're frightened of the impact that the destruction of small businesses would have on the greater Connecticut economy and Connecticut cannot afford to lose more small businesses at this time. The foundation for state revenues and increase job growth will be hurt also.

Do not try to fix what is not broken and I appreciate your time. In summary, that's all I have. Thank you again, appreciate it.

SENATOR WITKOS (8TH): Thank you for testifying today, Mr. Aglio. Any questions for Committee Members? Seeing none. Thank you very much. Mr. Valentine, sorry. While you were having some technical difficulties there, we went to the next speaker, but we're circling back to you, sir.

You're muted, so Mr. Valentines, if you could just take yourself off mute. Mr. Clerk, could you unmute Mr. Valentine? There we go.

SAMUEL CLARK: I think he's unmuted.

SENATOR WITKOS (8TH): You're good now, sir.

SAMUEL CLARK: He's still muted. Wait, is he?

SENATOR WITKOS (8TH): Mr. Valentine we're having difficulty with your audio. Why don't you try and say something, sir? No, there's still nothing. We have an availability for you just to call in. You don't necessarily have to be on video. We're going to proceed to the next speaker and why don't you try calling us in and we'll put you back in order, sir. Mr. Clerk, next speaker.

SAMUEL CLARK: Next speaker is Keyur Shah.

SENATOR WITKOS (8TH): Mr. Shah? Mr. Shah, the floor is yours.

SAMUEL CLARK: He's unmuted.

SENATOR WITKOS (8TH): Mr. Shah, the floor is yours, sir. Mr. Valentine, did we correct our audio? He's still working on that. Mr. Shah, are you available, sir?

BRIAN DOWNES: Can you hear me?

SENATOR WITKOS (8TH): Mr. Clerk, we'll retain both those spots in line and we'll go to the next speaker.

SAMUEL CLARK: Next is Brian Downes.

SENATOR WITKOS (8TH): Brian you're unmuted. The floor is yours

BRIAN DOWNES: Hi. Can you hear me?

SENATOR WITKOS (8TH): Yes, we can, thank you. Go ahead.

BRIAN DOWNES: All right. Good morning, legislators. My name is Brian Downes. I'm speaking to you today to voice my opposition to HB 6101, which would allow the sale of wine in grocery stores and beer sales into large box stores, such as Walmart and Target. I believe this Bill would be detrimental to small businesses in the State of Connecticut.

I've been managing and operating the Connecticut Beverage Mart Wallingford location for over five years and have been involved in the business for even longer. My father and his partner started this company over 35 years ago. They have poured endless amounts of labor, capital and time into running and maintaining their business and my brother and I are hoping to take over the stores one day. However, if this Bill passes, I fear soon, there won't be any business left to take over.

This year after almost 40 years, they had to close our New Britain location. Five years ago, a national chain called Total Wine moved in down the road. Three years later, a Costco started selling liquor and wine right next door. They tried investing a lot to fight the big retailers that put new coolers in, expanded the beer and wine selections, but they slowly lost their sales to the national chains.

These companies have far more capital and they can continually undercut us on price until we can no longer afford to stay open. Every year, I hear politicians saying they support small businesses and they're looking after the little guy. But every year without fail, it seems that we find ourselves up with a capital fighting tooth and nail to vend ourselves against Bills that would benefit large

national chains and hurt small family-owned package stores.

Package stores in Connecticut can only sell three items: beer, wine and liquor, while these box stores and grocery stores have hundreds -- if not thousands -- of items they can sell. Why do we want to take one of these three things from package stores, to give it to the national chain? No Walmart or grocery store will close because they can't sell wine, but many beer and liquor stores will close if Walmarts and grocery stores are allowed to sell wine.

Personally, I don't understand why this Bill should be even a priority at the moment in the midst of an ongoing pandemic. Thousands of people who lost their jobs, many are temporary out of work and many businesses have closed permanently in the state. Why are we proposing a Bill that would force even more small businesses to close, while subsidizing the national chain in name and consumer convenience especially at this moment? In my opinion, lawmakers in the state should be doing everything they can help the little guys not prop up the national chain, which I've seen record profits this year.

I understand that local wineries and breweries have taken a large hit this year in their sales due to tap room's and tasting rooms having to be close. But I do not feel that allowing wine and grocery stores is the way to help the situation.

Over the past years liquor stores have temporarily seen an increase in sales. But this was due to bars, tap rooms and tasting rooms being closed. As life gets back to normal this year, our sales will drop as people feel comfortable going out to these tap rooms and wineries. Again, if this Bill passed, we will see our sales slip even further as we will certainly lose a large portion of our business to box stores and grocery stores.

Small locally-owned package stores benefits community they operate and they provide jobs within the community and they stabilize strip malls and plazas in the state. Well, many national retailers at the same time are trying to replace employees with computers. Connecticut package stores have always supported local breweries and local wineries. And we will always continue to do so. National change will support national brands that provide that company the most profit, not the most benefits the local economy. Just the other week I was up in New Hampshire at a gas station, they'll --

SAMUEL CLARK: Excuse me. Mr. Downes, if we can wrap it up, please?

BRIAN DOWNES: Yep. The other weekend I was up at a gas station in New Hampshire. When I was there, I looked at their wine section. Working in the wine industry, I could tell that every single bottle of wine on that shelf was from Gallo, one of the world's largest distributors of wine, not a single one was a local wine. And I made that based on the profit that they make off those wines. Maybe in the beginning, there'll be local wines and they'll sell a little bit but eventually it will be huge national chains in the grocery store, and small businesses will go out.

In conclusion, I believe that lawmakers should not support this bill, because it would be very detrimental to many small businesses, while breweries, small wineries locally and distributors, local landlords and all the people who own operate and work at these businesses. Thank you for your time.

SENATOR WITKOS (8TH): Thank you, Brian, for your testimony. Thank you for enlightening the Committee on what happened in your experience up in New Hampshire. That was -- that was certainly telling. Any questions from Committee Members? They're just doesn't seem to be, thank you for your testimony.

BRIAN DOWNES: Thank you

SENATOR WITKOS (8TH): To try Mr. Valentine again.
And Mr. Valentine? Can you hear me, sir?

SAMUEL CLARK: He's unmuted and so he might not have
any still kind of sound on his end.

SENATOR WITKOS (8TH): Mr. Valentine, the Committee
cannot hear you, sir.

REP. RUTIGLIANO (123RD): You know, Senator, I feel
bad for Mr. Valentine. But you know --

SENATOR WITKOS (8TH): I -- you know, I forgot. Mr.
Valentine, you just you -- if you can just call in
on your -- on your phone. We can do it that way
versus your computer. I know we've missed you a few
times. But we have 109 people signed up to testify.
So, we want to keep moving. So, we're going to go
to the next speaker and wait for you to call in.
When the clerk knows that you're on the line, then
we'll insert you. Mr. Clerk, next speaker, please?

SAMUEL CLARK: Next speaker is Carmen Oviedo.

SENATOR WITKOS (8TH): Mr. Oviedo. You're next sir.
Please proceed.

SAMUEL CLARK: Mrs.

CARMEN OVIEDO: Mrs.

SENATOR WITKOS (8TH): Oh, I'm sorry, Mrs. Sorry.
There we go. Okay.

CARMEN OVIEDO: How y'all?

SENATOR WITKOS (8TH): I'm doing well. Please
proceed, Carmen.

CARMEN OVIEDO: Hi, my name is Carmen Oviedo. And I'm calling because -- I'm talking because I'm against it, putting the wines and in groceries because I've been working with Connecticut Beverage Mart for over six more -- well, it's gonna be 17 years now in June. And I start from all the way from the bottom. I started as a cashier. In the beginning, I used to work at Stop and Shop and also -- and here in Connecticut Beverage Mart.

And I stopped working on at Stop and Shop because they don't treat the cost -- the employee, like really an employee. So, I really stopped working there. So, I'm still in Connecticut Beverage Mart. And now I am been here for 17 years.

And it's awesome working here. And I'm on top of that; my boss helped me out to have my citizenship. He helped me to get my own house. I'm a house owner in Hartford. And I appreciate everything he do. And I really -- I'm scared to lose my job because I'm a single mom. And I really want to keep my job because now I'm my house owner and I need my job to have my son to have a better future, then what I have, and that's why I'm working hard.

And I don't think the -- that those stores though -- to sell wines because they have other products that they can sell. And I really, really need our products in the package stores.

SENATOR WITKOS (8TH): Thank -- for your time.

CARMEN OVIEDO: Thank you for your time.

SENATOR WITKOS (8TH): Thank you, Mr. Oviedo. Thank you. Congratulations on your citizenship and your homeownership. That's a great story. And, you know, that's one of the things about small businesses. It's like a family. And I'll --

CARMEN OVIEDO: Yes, yes.

SENATOR WITKOS (8TH): By your testimony that that's what you feel. Represented Rutigliano?

REP. RUTIGLIANO (123RD): Yes. I -- just a quick comment and a question. Congratulations.

CARMEN OVIEDO: Thank you.

REP. RUTIGLIANO (123RD): Do you manage the store you currently work at now?

CARMEN OVIEDO: Yes, yeah.

REP. RUTIGLIANO (123RD): If I asked you how many different brands or different kinds of wine you had in the store? How many -- can you can see that question? How many there are a lot?

CARMEN OVIEDO: A lot, a lot.

REP. RUTIGLIANO (123RD): That's a technical answer?

CARMEN OVIEDO: It's a -- it's a big -- it's a very big store. It's a very big.

REP. RUTIGLIANO (123RD): Like tons of different kinds of wine.

CARMEN OVIEDO: Yes, we do.

REP. RUTIGLIANO (123RD): You carry a lot of the wines that are produced here in Connecticut?

CARMEN OVIEDO: Yes, we do. Yeah, but some of them, sometimes they don't have it in the -- like a -- that we can sell. We have a lot of wine from Connecticut. They don't -- that we don't have that we -- that we have problems to get.

REP. RUTIGLIANO (123RD): All right. All right. Thank you, ma'am.

CARMEN OVIEDO: Thank you.

REP. RUTIGLIANO (123RD): [inaudible].

CARMEN OVIEDO: Thank you, sir.

SENATOR WITKOS (8TH): Carmen, before you go. Let me check to see if anybody else has any questions. Any question -- other questions from Committee members? No? You're all set, Carmen. Thank you very much for testimony.

CARMEN OVIEDO: Okay. Thank you, sir for your time

SENATOR WITKOS (8TH): Is Mr. Valentine backup in the batter's box, Mr. Clerk?

SAMUEL CLARK: He's still on and still unmuted, but we still cannot hear him, I'm guessing. Mr. Valentine, can you -- can we hear -- can you speak now? He still can't hear.

SENATOR WITKOS (8TH): No. Okay, we'll proceed to the next speaker.

SAMUEL CLARK: Okay, next person is Patricia Bruhn.

PATRICIA BRUHN: Hi, how are you?

SENATOR WITKOS (8TH): Good morning, Patricia. Please proceed.

PATRICIA BRUHN: Hi, I'm an employee of Connecticut Beverage Mart. I've been here the two years in May. Previously, I was a tasting house for several years for Oyster Bay Wines, which is they'll get. And that was how I came about finding out about job here and been hired part time and then was hired full time within a couple months due to two people retiring.

We sent in written testimony on behalf, the owner, Michael, and his brother, John, who also owns a store. And we are not in favor of HB 6101 due to

the fact that it will hurt our sales. We support our local community through outreach we have Protectors of Animals, which is down the street. We allow them to come in and leave a box on the counter so they can collect donations. We also send money to them every month to help them keep their -- growing.

We've been involved with the United Way Women's Group in Hartford. We've been involved with the Jewish Federation and hold numerous events. We've done American Cancer Society. As just as everybody else says, we all give back to the local community and do our best to help everybody to be a good community member.

We -- one thing I want to point out a couple things is that we worked -- I've been working to try to increase sales in the store. And one of the things I tried to do was to create baskets this past Christmas and the Christmas before. However, we're not even allowed to put chocolate in the baskets to sell them.

So, you know, not being able to sell chocolate or snacks and the other stores like everybody else says, you know, they have a lot more product that they can deal with, I think it's kind of unfair to us when we're just trying to increase our sales.

For the local wineries, I think we need to make it easier for them to get the wines in the stores. We also carry several local wines, and can get availability. I have had people call to ask for certain wines. And we do our best, but it's not always possible to bring them in our store due to the current laws and situations. The same with beers, we can do all the craft beers, we rotate our stock in and out, we're always featuring new items, we need to make it easier for them to be in the stores as well. I think they've got a good running.

One thing I think some people have ignored a little bit, which has been kind of on my mind is the medical issues and ramifications of alcoholism and tobacco use, which is definitely up. So, you know, by increasing that and putting it in the big-box stores, you're increasing the places where young children under 18, under 21, can go to reach those items. So that is a concern of mine as well and as a store.

We are limited to what we can sell out of state due to certain laws within our state and other states. We do take orders from several states during the pandemic, which has been a big help to us to help increase our sales this year. And this has definitely been a better year due to the pandemic than past previous years. I write the reports every week for my boss to see and, you know, sometimes the numbers are down, sometimes they're up.

SAMUEL CLARK: Excuse me, Ms. Bruhn, if we can wrap it up, please?

PATRICIA BRUHN: Yep, sure. So, one last quick thing. We love to support our local farms. I know Mr. Jones was on earlier. And I think we need to make it easier for the farms as well to sell their wines in the stores and their products. So, we need to help small business, we need to help the liquor stores; we need to increase that instead of taking it away. And I think HB 6101 will take away from that. Thank you.

SENATOR WITKOS (8TH): Thank you. And I have a couple questions. For you. You testified that we - - because of some laws or regulations, we make it difficult to bring other items that are manufactured here into Connecticut into your stores. And could you -- could you be a little more specific because I'm -- honestly, I'm not aware of anything. If anything, we're trying to be this Committee, which oversees the liquor regulations in our state are making it easier for those that produce these items

in Connecticut, to give them avenues to make -- to get to the consumers, whether it's direct delivery or through the Package Store Association.

PATRICIA BRUHN: Yes. So, the local wines, I had somebody call me -- for Crystal Ridge as an example. And we're not able to bring the wine in because they don't have the necessary permits or requirements or distribution center to bring it into the store to keep up with it. As Carmen had mentioned to as well, sometimes the local wineries they want to -- they run out of wine, so you can't get them.

SENATOR WITKOS (8TH): Right.

PATRICIA BRUHN: So, you know, that goes to that. So, I think we need to figure out what the issues are with the local wineries, to make them help them easier, to get into the package stores and make it a working relationship with them instead of trying to bring them into a big-box store.

SENATOR WITKOS (8TH): Sure. And that -- and just so I want to make sure that the Committee Members are -- understand that that's not anything that the Legislature is prohibited -- or is prohibiting. That is on the case of the wineries if they don't have the product to, manufacture or to have processed in the volumes that are needed out there in the -- in the marketplace. We have not placed any limits on them here in our state statutes or in our regulations. They can certainly build relationships with their local package stores.

And as a matter of fact, in the Liquor Bill that passed a few years ago, hearing from the package stores that they wanted to not be, I'll say, not able to get any type of product from maybe a particular brewery that they would only do locally. We make sure that they had to have a set aside so that way everybody could have access to that if it's getting distributed; so, we're very cognizant of that.

And we're also contemplating the idea, it's come to this Committee's attention, and you referenced it about gift baskets with chocolate, the ability to create gift baskets with that as well. So as things come to our attention, we try to deal with them and move them forward. And this is a great dialogue to have that happen. So, let me ask the Committee Members if they have any questions for Patricia? There being none, I want to thank you for your testimony today.

PATRICIA BRUHN: Thank you. Have a good day.

SENATOR WITKOS (8TH): You're welcome. Mr. Clerk.

SAMUEL CLARK: Next is Ted Downes.

TED DOWNES: Hello?

SENATOR WITKOS (8TH): Welcome. The floor is yours, sir.

TED DOWNES: Thank you. Hi, my name is Edward Downes. And I'm here today to speak in strong opposition to House Bill 6101, particularly 55 and 56. I worked for a small locally-owned liquor store and have done so for 15 years. We are the epitome of mom and pop. I worked for my dad; he spoke earlier. I worked with my brother; he spoke earlier. My mom does the payroll for the 50-so employees that we have. My brother, who lives in Cleveland, runs a 401(k) program for the 50-employees that we have. We're the epitome of mom and pop. And I feel like this Bill is going to change that.

I want -- I've got one example I kind of want to touch on. In 2011, Massachusetts by referendum vote went -- allowed wine in food stores. At that time, there was a robust Massachusetts Package Stores Association. There isn't one anymore. It's -- they're out of business. The wine -- they like the

number of package stores in Massachusetts is down about 70%. They're not locally owned, the targets came in, the total wines came in, they're up to nine permits I believe now. And they're at 5,000 per person per capita permit.

So, a total wine comes into an area. And if it's -- they put everyone out of that area. And they change the -- change the laws. And I don't think they really knew what they were doing necessarily because it was done by referendum. And we couldn't have this style public hearing talk about it.

But if you -- I have the Executive Director's cell phone number for Massachusetts Package Stores Association. My father talks to him regularly. And he -- we first want to testify that there aren't package stores in Massachusetts because they put wine in Target, Walmart -- or not well -- Target's, Walmart's, Stop & Shops, grocery stores, and they increase the permits there. There is precedent here. I think we have to look to our neighbor to the north. And if we don't, we are going to be the same thing. We're going to go out of business.

Earlier we talked about the percentage -- the grocery stores putting a percentage of Connecticut wine, I think package stores would be willing to do that. It's like you mandated us. We have to have 1% of our wine be locally owned. I would like to do that like that seems like it's a win-win for us. We already carry it and it's a win for them. Like why would we do it to someone that doesn't carry it make them force them do it? Why don't we get like force us to be like, "Okay, you need today 1% of your wine SKUs S-K-Us to be locally owned," and mandate that and we would be happy to do that. And that would also force the wineries to produce more. Like the guy was saying he wanted the challenge, we'll give them that challenge and make us do it. That's kind of it. I'm happy to answer any questions. I'm just very emotional stuff. So, I'm sorry.

SENATOR WITKOS (8TH): I understand what when it comes to your business and your employees, you, certainly, are passionate about it. Ted, let me ask if the Committee -- any members have any questions. There being none, thank you.

TED DOWNES: Thank you for your time.

SENATOR WITKOS (8TH): Mr. Valentine, is he --

SAMUEL CLARK: Yes, he -- Mr. Downes, I see you as an attendee twice. Is there someone you registered under your name?

TED DOWNES: I had it on the Zoom at work so I'm...

SAMUEL CLARK: Okay.

TED DOWNES: On my phone, but it's -- I have it up that. I'm currently working and we're --

SAMUEL CLARK: Okay.

TED DOWNES: So, I'm all business. We have to do both.

SAMUEL CLARK: Okay. I do -- I do -- okay, so I see a number. I believe this might be Mr. Valentine. Let me give it a try.

SENATOR WITKOS (8TH): Mr. Valentine --

SAMUEL CLARK: Mr. Valentine, yes.

SENATOR WITKOS (8TH): Mr. Valentine, we love to hear your voice, sir.

JAMES VALENTINE: I like all the connections. I just want people lined up and moving, that was a good job.

SENATOR WITKOS (8TH): Mr. Clerk, maybe we if we could get the phone number where we could call Mr. Valentine ourselves, is that possible?

SAMUEL CLARK: I don't think so.

SENATOR WITKOS (8TH): All right, okay. I just feel bad for the gentleman. All right. Well, let's go on to the next speaker.

SAMUEL CLARK: All right. Our next speaker is James Fisher.

SENATOR WITKOS (8TH): Mr. Fisher, welcome. The floor is yours, sir. You just had to unmute.

JAMES FISHER: Hello?

SENATOR WITKOS (8TH): There we go, sir. We can hear you. Welcome.

JAMES FISHER: Sure. Hi, thank you. So, my name is James Fisher. I live in Southern Connecticut. Here to testify in support of Section 55, HB 6101. COVID has changed the way consumers shop. I -- like many others, I want to reduce the amount of time I spend shopping to reduce my chance of exposure to the virus.

By allowing the sale of wine in grocery stores, consumers like me can enjoy one-stop shop keep family safe. I don't believe this law will harm or impact package store industry. And I'm a huge wine enthusiast. If I'm looking for specialty wines, I'm still going to go to my local package store. That said when I'm shopping for food and I'm trying to prepare a meal, it would be great to access a quick bottle of wine as I'm bringing home dinner. Opening up the market to grocery stores will make my shopping easier but won't impact my loyal -- my loyalty to my local package store.

Finally, if approved, this Bill will give consumers like me greater access to local Connecticut wines. Right now, those are very limited in most packaged stores and usually found basically just on one shelf, at grocery stores are able to sell local -- locally grown wines. I'd be more apt to go to the winer -- the wineries in the vineyards as well. So, I urge the Committee to support HB 6101. So, consumers can have more options and increase shopping safety. Thank you for your time.

SENATOR WITKOS (8TH): And thank you, Mr. Fisher, you - you're speaking from a consumer's perspective, but are you tied into or any connections to either package stores association, grocery stores or wineries?

JAMES FISHER: No, I'm not. I'm in sales -- Vice President of Sales for CBD Company.

SENATOR WITKOS (8TH): Very good. Thank you for your testimony.

JAMES FISHER: Thank you.

SENATOR WITKOS (8TH): Any questions from Committee members? There being done, I can turn the gavel over to our Co-chair Senator Maroney and, Mr. Clerk, if you call the next speaker.

SAMUEL CLARK: Okay. Next speaker is Jeffrey Libby.

SENATOR MARONEY (14TH): Mr. Levy, if you would unmute yourself, please.

JEFFREY LIBBY: Hi. I'm Jeff Libby, CEO of Table Tap. Can everyone hear me?

SENATOR MARONEY (14TH): Yes.

JEFFREY LIBBY: Okay, great. I'm here to discuss Senate Bill 265 as it relates to self-pour technology in the State of Connecticut. My company,

Table Tap, were the original pioneers of self-service, beverage dispensing systems on alcoholic, specifically, in the United States. We brought the technology here back in 2006. We launched in Georgia, we're responsible for and heavily impacted the approval in all 46 states now. And we feel that, you know, Connecticut would be a great state for us to be able to offer our technology to the citizens of Connecticut.

We recently got approval in Texas in 2019. From there, we launched without a hitch, at the first location, and they're doing over \$2 million dollars a year now. You know, we've launched about 10 other locations since then have self-pour in the state of Texas.

So, it's, you know, the states that have not approved it or limiting the ability of retro tours to not only create an innovative experience, but also pivot to the new normal and innovate. It's hard enough for hospitality operators out there today, to operate in the new normal, and the self-pour technology has been accelerated with the pandemic. The rate of adoption we've seen has gone way up.

So, we'd love to bring more revenue, unique experiences and create jobs for the State of Connecticut. We haven't had any issues with, you know, over service underage consumption or anything like that. You know, so I think that self-pour more relevant today than it has ever been. I know this has been up on the docket before. But I think now it's extremely important to allow the hospitality operators to innovate and provide a more guest-controlled experience where they can be socially responsible. Disinfect, the taps, bring a cup from home. There are many reasons why self-pour is more conducive to creating a more socially distanced and responsible experience.

The basics of self-pour is that you can't over serve a patron, and you can't serve a minor. And I think the most common misconception is that our technology prevents this where it's really mainly a tool for operators to use to, you know, enable their patrons to pour their own beer responsibly. So, every customer gets an RFID card. And this RFID card will allow them to pour off the taps. Before the card is issued, their ID has to be checked as well as their sobriety by a human. We are not eliminating humans; humans are critical in this in this stage.

So, in order to get a card, you have to be you know, evaluated and assessed and your I.D. checked. Once that happens, you're able to go up to the wall, and you can pour a beverage by the ounce. It also allows the patrons to pour beverages by the ounce and try new beers that they may not have tried before. And it cuts them off after they've had a certain number of ounces.

So, we'd like -- you know, and most states have decided that 32 ounces or two pints of beer per person is a reasonable quantity to serve to any individual at one time. And once that happens, the patrons are actually cut off from dispensing, they're not able to dispense any longer, and they have to go get checked in with a staff member. And their sobriety evaluated to continue drinking.

So, there are sobriety checks. It's not a free for all. That's another misconception with self-pour. And the biggest one is that self-pour, I guess, is less responsible or, you know, maybe out of compliance with the law. And that's just not the case, it actually allows patrons to have more control over their own and it allows --

SAMUEL CLARK: Excuse me, Mr. Libby, if we can wrap it up, please.

JEFFREY LIBBY: Okay, it allows operators to have more control and visibility over the experience.

And people can get cut off with the click of a button. So that's huge. Also, bartenders do not lose their jobs. Bartenders stay behind the bar, mixing cocktails and patrons can pour their own beer responsibly. And beer ambassadors are put on the floor to help patrons find the right beverages and help them use the systems and teach them how to pour beer. So, you're actually creating more jobs with self-pour than you had before. So, thank you for your time. I appreciate it.

SENATOR MARONEY (14TH): Thank you. I'll open it up to questions. Representative Ackert. I believe your hand is raised.

REP. ACKERT (8TH): Thank you, Mr. Chairman. I appreciate it. Thank you for your testimony. I just had a question. I know that I have heard the term that 46 states allow this, right? And I wanted -- this technology been in action, I should say, Mr. Libby?

JEFFREY LIBBY: Since 2006, in the state of Georgia, was the first state.

REP. ACKERT (8TH): 46 states have legislation, but how many -- how many actual -- I'm just trying to figure out how much and I've never seen one other than was brought in or by video or whatever it was during some of these years that we've been working on this, right? How many are -- how many states are actually having this to do all the states that have legislation have places that are using this technology?

JEFFREY LIBBY: Yes, there's active customers in all 46 states that have approved it. So, I can say that with confidence. Every state's laws are different. Not every state had to pass a new Bill or a new law to get this approved in their state. But here are a few but not all of them. Most states recognize that it doesn't violate the law to pour your own

beverages responsibly in a -- in a monitored and controlled environment.

You know, the system doesn't prevent over consumption and doesn't guarantee compliance. It's still ultimately the operators that have to operate the system; possibly we just give them the tools to do it. So, you know, as far as -- as far as I know, there's operators in all 46 states, some states have passed legislation.

Most states have vending machine laws that say you can't serve alcohol through a vending machine, a coin operated machine or similar machine. You can't over serve a patron and you can't serve a miner. So as long as we can steer clear of those three regulations and ensure compliance, it's deemed to be in compliance with the law. So, it's not like it hasn't been something that's had to be legalized in other states so much as just a handful of certifications.

REP. ACKERT (8TH): Perfect. And we always say 46 states allow, but then they need to make legislation sounds like that a vending machine regulation more than they did have a -- sought for regulation. So, thanks for that clarity on that and appreciate your testimony.

JEFFREY LIBBY: Absolutely. Thank you for listening. I appreciate it.

SENATOR MARONEY (14TH): Hey, are there any other -- do any of the other members have questions? Okay. Mr. Libby, I do have a question. So, in -- you mentioned that 32 outs, and I've heard that that on the card. You know, typically you will get 32 ounces at a time we -- in which you'd have to go back, have your sobriety checked, and then it can put another up to 32 ounces more. Now, in other states, is that in their regulation -- the state regulation or is that more of an industry standard?

JEFFREY LIBBY: They've written opinion letters that deem 32 ounces to be a reasonable quantity of alcohol to deliver to any one patron at one time.

SENATOR MARONEY (14TH): Okay.

JEFFREY LIBBY: So, I -- they've taken a position on that. And they've specifically said that 32 ounces was the magic number. And that is 216 ounce pints of beer. So, the idea is that it's reasonable to serve someone two drinks. And then at that point, they have to get their sobriety reassessed to continue drinking.

SENATOR MARONEY (14TH): Okay.

JEFFREY LIBBY: And one of the beauties about self-pour is that you can stop them from drinking by clicking a button on a smartphone, or an iPad, rather than wrestling the pitcher of beer away from them. So, you know, we think it gives the operator enhanced visibility and control what's going on in their establishment.

SENATOR MARONEY (14TH): Okay, thank you. And now, do you know of any -- I guess, are you working with any groups in Connecticut? Who would be in hopes of putting this in place? Should we legalize or --

JEFFREY LIBBY: We are. We are talking to several groups in Connecticut. And we have a few -- a few prospects that wanted to do this for a long time. So, I think it's gonna make -- it's going to generate revenue for the state, it's gonna be responsible, it's gonna be controlled. It's not a keg party. It's a -- it's a -- it's a responsible way to allow patrons to control their own experience. And that's what patrons want these days.

And I think I would love for Connecticut to allow us to do it in whatever form or fashion is acceptable to you. But I can assure you that we have not had

any issues with overconsumption or service to minors to date that I am aware of. So, it's -- it can be a very responsible way and even more responsible than traditional methods of serving beer from behind the bar.

SENATOR MARONEY (14TH): Great. Thank you very much for your testimony.

JEFFREY LIBBY: You're welcome. Thanks for having me.

SENATOR MARONEY (14TH): Thank you. Mr. Clerk?

SAMUEL CLARK: Next is Monica McCall.

SENATOR MARONEY (14TH): Hi, Miss McCall.

MONICA MCCALL: Hi.

SENATOR MARONEY (14TH): Please proceed.

MONICA MCCALL: Thank you. Thank you. Good afternoon, to the Honorable Members of the General Law Committee, thank you for allowing me to testify with my testimony today. We've all been through a lot. This past year has probably been one of the worst years in history, and this year that's challenged quite a few families, businesses and communities and it's a year that, I believe, you know, we and our children will never forget.

I live in work in Fairfield, Connecticut at Kindred Spirits and Wine as the wine buyer. We have four locations in Fairfield County, and we employ 38 employees. And I speak on their behalf and I speak on behalf of their jobs. We've been working really hard during this pandemic. We've been on the front lines and servicing our customers daily.

For over 12 years, I've been employed in the wine and spirits industry in Connecticut, both on the retail and the wholesale distribution side of the

business. I'm proud to go to work every day and provide a community-based shopping experience for my customers. And the same is true with those who've previously spoken today -- those second and third generation stores around me, Harry's, Mo's and Ancona's.

We are local and our tax dollars stay in Connecticut. Our profits are not sent out of state to parent companies. If HB 6101 Section 55 and 56 were to pass, allowing the sale of wine and beer to be sold that Stop & Shop, Big Y Walmart, Target and more. There's no doubt that numerous stores, wholesalers, importers will close their doors. It'll take sales away from one group and then just give it to another group.

These big chains will not be adding more square footage; they will not need to hire any more people. They'll just use the current employees that they have. Money will flow to the big corporations to -- who do not reinvest in our state, allowing the wine to be sold and other outlets will not provide more state revenue through more sales, people don't buy more just because it's more available. The only people may cause to purchase more, as previously spoken, as those that maybe should not. As for convenience, there's 1,200 -- over 1,200 wine shops and packaged stores in the state. That's one for every 2500 people. Not one person has ever complained that there's not enough outlets to purchase their wine, beer or spirits.

More people unemployed and more businesses closing is really not what we need right now. Now's the time, I think, for us to really take a stand against -- for you guys to take a stand with us to ensure our survival and to support small businesses. My co-workers and I kindly ask you to stand with us to oppose HB 6101 Section 55 and 56. Thank you so much.

SENATOR MARONEY (14TH): Thank you. Do any members of the Committee have questions for Miss McCall? I do have a few questions. So --

MONICA MCCALL: Sure.

SENATOR MARONEY (14TH): What percentage of your sales are the Connecticut farm wineries of your total wine sales?

MONICA MCCALL: I don't know exactly the percentage, but I will say that we try our best to support as many of those as we can around us. We have some Sharpe Hill, DiGrazia, Jones, Sunset Meadows to name a few. Sometimes, it's that -- it's difficult, just because they might not have the infrastructure. I know now being that they're close, they might have an excess of wine to be sold. And I'm sure if they had taken the time to -- if they take the time to contact us, we would gladly put the wine on their shelf. Sometimes it just hasn't been available because it's -- most of it has been sold at the winery.

SENATOR MARONEY (14TH): Okay, thank you. In another part of the Bill, we look at increasing the number of permits that any one liquor store or one group can own from five to six. Being as that you have four locations, do you do you have an opinion on that section?

MONICA MCCALL: I think that -- that -- that's, you know, okay, you know, to expand those. And, again, I think town by town sort of sets the rules as to how many permits are allowed. There's also some different zoning rules as well.

SENATOR MARONEY (14TH): Okay, great. Thank you very much. Does anyone else -- the Committee have a question? If not, thank you very much for your testimony.

MONICA MCCALL: Thank you.

SENATOR MARONEY (14TH): Mr. Clerk. Hey, so I see James Valentine again. I can ask you to see if we can hear him this time.

SENATOR MARONEY (14TH): Okay. Mr. Valentine, can you unmute, please?

JAMES VALENTINE: Am I clear now?

SENATOR MARONEY (14TH): Yep, there you go.

JAMES VALENTINE: Sorry about that.

JAMES VALENTINE: Well, first again, thank you, Chairman D'Agostino and Maroney for hearing the testimony or waiting to hear the testimony.

JAMES VALENTINE: I'm James Valentine and I am in opposition to House Bill 6101. For the last 40 years, I've been building a successful package store business. My partners and I opened our first store in New Britain near Westfarms Mall in 1980. At that time, we were the largest package store in the state.

A few years ago, a national chain liquor store named Total Wine opened by the half a mile from us in one direction. And we took -- we took a pretty big hit. But we fought back and I like you've probably heard in previous testimony. We worked on our store, we added coolers, we bought for pricing. You know it was -- it was tough. It was a struggle to pay the rent, property taxes, payroll, other overhead.

Shortly after Total Wine opened, Costco opened the store on the other side of the it by the half mile away. And that was it. At that point, we're no longer profitable, still had the same expenses, had another three years on a lease or paying outrageous money on a lease. So, after three years of losses, we have closed the store after 40 years.

I just -- we own our properties -- our remaining three stores, and are the anchor tenants in those classes. It only took Costco and Total Wine three years to put us out of business. I can't imagine trying to survive 1,000s of supermarkets and big-box stores are allowed to sell one beer, two or three products we sell.

New Britain Plaza that we were the anchor tenant for now sits 50% vacant. The House Bill 6101 passes; I foresee having to close the remaining three stores. And joining the ever-growing ranks of retail property owners fighting to find viable tenants and stand to lose not only our businesses, but our properties as well.

It's a lot of vacant storefronts, where the half the package stores are going to go out of business. They're going to be 1000s of people out of work; we employ 40 people, mostly full time. And, you know, supermarkets aren't going to extend or expand their employee base. It's, yeah. They -- all they need is some more shelf space. That's it.

There are other facets in the industry that will also suffer. There are over 100 distributors in the state whose knowledgeable sales forces aren't really going to be needed anymore. Yeah, we have salesmen that come into our stores every day with new products, information on the products we sell. And all of our employees participate in that.

You don't see that in a supermarket. You know, you got some 18-year-old kid out on the floor stuck on a shelf. And he's -- you know, he asked him about why well, I'm sorry, I'm too young to drink. Yeah, among other things. So, there's going to be a lot of, you know, a lot of loss of jobs and the distribution and the things as well. And the corporate headquarters, ordering directly from the distributors will eliminate a lot of the middlemen, the salesman, basically.

SAMUEL CLARK: Mr. Valentine, just want to let him know, if you can wrap it up, we're at three minute-mark.

JAMES VALENTINE: Okay, thank you. Let's see, the stores, a lot of these companies are anchored out of state profits go out of the -- out of state. You know, we've taken great risks, put our time money into something we believe that support us and our families for many years to come.

We hear constantly from the Capitol about how important small businesses to our economy. And I can't see how House Bill 6101 is going to help any of us. So please vote no on House Bill 6101. Thank you for waiting around for me. Appreciate it very much. All right. Any questions?

SENATOR MARONEY (14TH): Thank you. Representative Hayes. Do you have a question? I see your hand is raised.

REP. HAYES (51ST): I do. Mr. Chairman. Thank you.

SENATOR MARONEY (14TH): Thank you.

REP. HAYES (51ST): Mr. Valentine. Thank you for your patience and determination and wanting to speak here today. I greatly appreciate it. I know I get -- I consider myself an impulse shopper. And so, I may or may not have been involved in this folding scenario. But have you ever had somebody walk into your store to buy a bottle of wine? And while there they are, look around and buy a bottle of bourbon or a bottle of Connecticut whiskey?

JAMES VALENTINE: Oh, sure. Yeah, yeah, that's one of the advantages to our stores is we have a tremendous selection and people that are eligible with the product you carry. And you see someone walking around, you know, they look up, they look around and say, "Hey, can I help you?" And, you know, they said, "Well, you know, what do you have for a

bourbon? Or what do you have for Connecticut products?" We have sections set up for Connecticut products in the store. And they do well, they really do. They're good products.

So, you know, you do get people that are on a mission. They come into the store, they grab what they want, they leave, but you know, like a supermarket, you leave them in one end of the store, and they gotta walk through the store to get to the registers. And there's a lot of -- a lot of products. So, there's -- it look very tempting. So, yeah, there are definitely impulse sales. Any retailer counts on that.

REP. HAYES (51ST): Yeah, okay. And thank you for that answer. So, everybody's talking, or some people have been talking about the convenience shopping in a store. And while you're doing your grocery shopping, you can -- you can buy yourself a bottle of wine. But in the scenario that you and I just discussed, not only would you be losing the sale of a bottle of wine, but you'd be losing a sale of a more expensive bottle of whiskey or a bottle of bourbon, or maybe two or three bottles. That would have taken part in that sales there, right?

JAMES VALENTINE: Definitely. Yes. Yeah. It's funny, you know, I'll see people there, they come into the store. And they -- they'll pick up a couple bottles of wine, and they'll be looking at something else. And they'll try to grab another bottle. And I'll say, "Well, can I get you a cart? You know, looks like you're interested in a few things." I'll grab a shopping cart. And, you know, they'll buy another half a dozen bottle. So yes. There's definitely an advantage to having the product and knowing your customers as well.

REP. HAYES (51ST): Thank you, Mr. Valentine. That's definitely the way I be shopping in there. So, I appreciate it. Thank you for your doing business in Connecticut. And thank you, Mr. Chairman.

JAMES VALENTINEL: Yeah, thank you very much.

SENATOR MARONEY (14TH): Thank you, Representative Hayes. Mr. Valentin, do you know approximately what percentage of your wine sales are the Connecticut wineries?

JAMES VALENTINE: It's definitely a small percentage. You know, we carry probably 30 different wines out of thousands and thousands. So, I don't know. It's probably -- it's under 5%, I would say.

SENATOR MARONEY (14TH): Under five, okay.

JAMES VALENTINES: Other wines. Liquors do well. Beers are certainly a strong pole in the store. We carry dozens of the local breweries like most of the stores and the liquors the distilleries are starting to come on as well.

SENATOR MARONEY (14TH): Okay. It's felt that's a phenomenal job. Great products.

SENATOR MARONEY (14TH): Yeah, great. Thank you very much.

JAMES VALENTINE: Yeah, you're welcome.

SENATOR MARONEY (14TH): Do -- does anyone else have questions? Okay, if not, thank you very much for your testimony, Mr. Valentine.

JAMES VALENTINE: Oh, thank you. Thank you for being patient waiting to come back on and really good.

SENATOR MARONEY (14TH): Yeah, I'm glad we were able to get that the technology to work for us finally. So

JAMES VALENTINE: Just vote no on the Bill. Okay?

SENATOR MARONEY (14TH): Okay, Mr. Clerk.

SAMUEL CLARK: Next is Bob LaBonne Jr.

BOB LABONNE JR: Hello, good afternoon, Members of the General Law Committee. Thank you for taking the time. I'm here to speak on behalf of House Bill 6101.

A little history about our business. My grandfather and father started it in 1962 as two butchers in 800 square feet. Actually, they are third and fourth generation. My great great grandfather sold mead out of a horse and buggy in 1900 around Connecticut. And today we are four locations in Watertown, Woodbury, Prospect and Salisbury, and employing 420 people.

A little history back in 1970, about 90% of all food that was purchased in Connecticut was purchased in independent supermarkets. Today, it's less than 10%. So, I'm kind of torn but this Bill because I feel for what the small business liquor store owners is feeling.

But over the last 50 years, the government has not been protecting the grocery stores either. Think about gas stations only sold gas back in the 60s and 70s. Now they sell convenience stores. They had sold a lot of food there and they sell milk below what I can buy it for.

I look at your Walmart and Costco, they've come in and taking chunks out of our business to help -- the club stores and then dollar stores in the recent, you know, five, 10 years have come in. Add into the pharmacies. Any pharmacy now has 50% of their store is groceries. There's been no laws protect us as a small independent but yet we still are survived and grown over the last year's. So, competition is good for consumers because they win with more choice and more and lower prices.

I also think this will create new sales. Look at what Sunday sales has done to beer. That's increased the beer sale is in Connecticut. And I think because of the impulse buying with people wanting food and wine, maybe they wouldn't be having wine that night. But then if they had the choice of getting wine with their steak or their shrimp, or their vegetables, they would probably pick some up.

And then our stores are small, local. We sell tons and tons of local products. So, we really would be excited about carrying all the Connecticut wines and opened up a section. And it will employ more people. Because as we add new categories, whether it be catering, organic produce, we need more people to stock those parts in our store.

So, I think as a kind of a give back, we would be willing to, at least, I would let liquor store sell snacks, crackers, cheese, fruits, items that go with the booze, and food and wine and liquor, and let them grow their business. So, they can have more of a convenience for their customer.

So, I would be okay with that. There would be added licenses for the state and more revenue as well. So, with 36 days from the company doing this, I don't know why Connecticut is behind the times then. And I really think competition is good for Connecticut consumers. Thank you for the time. I'll answer any questions you might have.

SENATOR MARONEY (14TH): Great. Thank you very much. Any members of the Committee have questions for Mr. LaBonne. Did I pronounce your name correctly?

BOB LABONNE JR: LaBonne, yep. Thank you.

SENATOR MARONEY (14TH): LaBonne? Okay, I apologize. So, Mr. LaBonne, you mentioned allowing the liquor stores to sell additional items. I believe one thing we're going to hear is allowing them to sell

chocolates. Is that something you would object to as a grocery store owner or you would --

BOB LABONNE JR: Not at all, I think given them more resources to have people, you know, have convenience like gift baskets and cheese and crackers and lemons, limes, things like that. You know, it's only going to help the consumer again, they don't have to make an extra stop, but they're going there for their other choices. So, I think it's good for everyone.

SENATOR MARONEY (14TH): Okay, thank you very much. I don't see any other questions. So, with that, thank you very much for your testimony.

BOB LABONNE JR: Thank you. Enjoy the afternoon. You have a long day ahead of you.

SENATOR MARONEY (14TH): Yeah, thank you. Mr. Clerk, will you call the next speaker please?

SAMUEL CLARK: Okay, next is Liz LaCava.

LIZ LACAVA: Good afternoon, Co-Chairs Maroney and D'Agostino and Vice Chairs Fonfara and Gibson and Ranking Members Witkos and Rutigliano and all members of General Law Committee. My name is Liz LaCava. And I live in Middlebury, Connecticut, and I'm here to testify in support of section of HB 6101.

I support the sale of wine in grocery stores for variety reasons. First of all, majority of states allow it. Thus, this is a huge step towards modernizing and diversifying our economy, a step that result in more jobs increased tax revenue for the state. Second of all, allowing food stores to sell wine will return wine to it's appropriate and traditional role as part of a meal, encouraging healthy consumption, while at the same time increasing consumer choice and convenience.

Third, this Bill has a positive impact on Connecticut agriculture and tourism, because it will allow customers more exposure to local wines, which in turn can boost farming by creating bigger demand for Connecticut fruit. Lastly, people including myself, are loyal to the local package stores, no one is going to stop shopping at their local package store altogether just because grocery stores can sell online. Rather, opening up the market simply allows consumers options for more convenience, to also strengthen the economy by weakening the package stores monopoly on wine.

Having lived in Arizona for several years, grocery stores there offered wine. And at times, maybe I wasn't even considering buying a bottle and going through the aisles, I saw one, I grabbed it, put it in my cart, but for special occasions, I would always visit my local liquor store. I appreciate your time. And if anyone has any questions, please let me know. Thank you all.

SENATOR MARONEY (14TH): Thank you very much. Does anyone -- do any Committee Members have a question for Miss LaCava? If not, I'm gonna ask the same question I think Representative D'Agostino had asked someone before. You're not representing either the grocery store industry or liquor store industry or --

LIZ LACAVA: I'm not.

SENATOR MARONEY (14TH): You're mere -- you're a consumer.

LIZ LACAVA: I'm merely a consumer from --

SENATOR MARONEY (14TH): Consumers are the most important people in all of this. So, I do not mean to say merely, a consumer.

LIZ LACAVA: I'm a consumer that likes to buy wine and liquor. So that..

SENATOR MARONEY (14TH): Okay. All right. Well, thank you very much.

LIZ LACAVA: Thank you all for your time.

SENATOR MARONEY (14TH): Thanks for your time. Yeah.

LIZ LACAVA: My pleasure.

SENATOR MARONEY (14TH): Okay, Mr. Clerk, you call our next speaker, please?

SAMUEL CLARK: Up next is Bob Rybick.

BOB RYBICK: Hi, good morning. Can you hear me?

SENATOR MARONEY (14TH): Yes.

BOB RYBICK: Great. Members of the Committee, thanks for taking the time out to speak today. My name is Bob Rybick. I'm the President and CEO of Geissler's Supermarkets. We're a fourth-generation family-owned business started here in Connecticut by my great grandfather in 1923. We operate stores in six Connecticut towns in East Windsor, Windsor, South Windsor, Granby, Bloomfield and Summers. We also have one location just over the border in Agawam, Massachusetts. And we employ about 550 people.

I'm here to testify in support of Section 55 HB 6101. I'm a lifelong resident of East Windsor, Connecticut, and I'm also a small Connecticut grocer struggling to compete in an environment where everyone is selling food, that some people before me mentioned, convenience stores, pharmacies, dollar stores are popping up everywhere, and they have no restrictions on selling food like we do.

The opportunity to sell wine, and natural pairing with food in my grocery store, and therefore compete

with others would be a game changer. For those who follow our social media, you may have seen a segment called what's on Bob's plate where I present a meal made from local food items in my store and offered - - oftentimes, a wine pairing.

Frequently I get more questions about the wine pairing that I do about the food. This issue is really about choice and convenience for Connecticut residents. Connecticut consumers want the experience of perfectly pairing the meal with wine, and having both readily available in the store. As you might see behind me there's some wine bottles up here, I am a bit of a wine aficionado. And I'm happy to call many wine shop owners, my friends. And we've talked at length about this issue. And they understand that to succeed as a business, they need to differentiate themselves, which is no different than what I do in the grocery store. We find an angle which is local and fresh. And we use that to our advantage.

Ultimately, allowing grocery stores to sell wine would help free up the market and enhance consumer experiences of choice, while also lifting up numerous local businesses. This proposal is not about big guys -- big guys supermarkets up against little guy packaged stores. There's so many local food stores like mine that would benefit immensely from the passage of this Bill, not to mention the Connecticut vineyards, wineries and farms that would gain exposure and revenue as well. In conclusion, the sale of wine and grocery would be a huge step forward for Connecticut, its residents and its economy. And I urge you to support this legislation. And thank you for your time and I'll answer any questions.

SENATOR MARONEY (14TH): Thank you very much. Do any members of the Committee have questions for Mr. Rybick? Okay. All right. Thank you very much. It appears I'm gonna have to follow you on social media to find out what -- what's on your plate. So --

BOB RYBICK: Thank you. Geisslers.com or Geissler's Instagram.

SENATOR MARONEY (14TH): Okay. Thank you. Mr. Clerk, will you call our next speaker, please?

SAMUEL CLARK: Up next is Norman MacDonald.

SENATOR MARONEY (14TH): Okay, Mr. McDonald. If you'd -- it looks like you're muted. So, if you could unmute yourself.

NORMAN MCDONALD: All right.

SENATOR MARONEY (14TH): OK. There you go.

NORMAN MCDONALD: Can you guys hear me there?

SENATOR MARONEY (14TH): Yeah.

NORMAN MCDONALD: All right, great. Thanks for giving the opportunity to offer some comments today. My name is Norman MacDonald. I'm the manager of taproom at Twelve Percent. We're a new brewery located in North Haven, Connecticut. My comments are concerning House Bills 5306 in 6101.

I want to let you know how important allowing continued delivery of beer for breweries is to us and how much we appreciate that the current Bill will allow this to continue. I'm also hoping you will remove the language that requires the off-premise sales by breweries to be accompanied by food. As a background, we opened our taproom in January 2020. So just over a year. And we have had an extremely challenging year due to the pandemic.

We've had a couple bright lights during this period. One of them being the Executive Order, which allowed breweries to safely deliver beer to our consumers. First, enabled us to keep our bar staff as employed as delivery drivers, where, otherwise, we would have

had to let them go. We employ -- we employ about 10 different bartenders here. Back in March, they were -- it was -- we were in an uncertain time and we were able to deploy them as delivery driver.

REP. D'AGOSTINO (91ST): They have -- there's a loss of connection maybe.

SENATOR MARONEY (14TH): Yeah.

SAMUEL CLARK: Yeah, I think we might have lost him. Hold on a second.

SENATOR MARONEY (14TH): Okay, thank you. Wait one second to see if we can get him back on and then if not, we will go to the next speaker and then just go back to Mr. MacDonald.

SAMUEL CLARK: We might have lost him on -- he can come back in though and when he comes back and he can continue his testimony.

SENATOR MARONEY (14TH): Okay, thank you.

SAMUEL CLARK: Wait, wait, wait, wait. No, I got him. I got him.

SENATOR MARONEY (14TH): Okay. All right.

SAMUEL CLARK: Here we go. He should be on now.

SENATOR MARONEY (14TH): Yeah. You're muted still, Mr. MacDonald. Okay.

NORMAN MCDONALD: Okay. All right. Are we back?

SENATOR MARONEY (14TH): You're back.

SAMUEL CLARK: Yes.

NORMAN MCDONALD: All right. I'm sorry for the for the disconnection there. All right. So, we were just kind of going over the -- you know, we were

able to redeploy our waitstaff as beer delivery drivers, this is huge for them. Secondly, is the beer deliveries that come with a pretty decent source of sales during a period where we have not been able to operate our tasting room.

So, we've built a pretty solid list of repeat and loyal customers over the last year. And we're hopeful that beer delivery can continue to be a service that Connecticut breweries provide to our customers. Currently, we're not required to accompany our deliveries with food. We hope you consider amending this language as a brewery. We're not set up to easily prepare food for this purpose. Thank you for your time.

SENATOR MARONEY (14TH): Thank you very much for your testimony. Are there any questions for Mr. McDonald? Representative D'Agostino, or do you have a question?

REP. D'AGOSTINO (91ST): Just a -- just a comment, Senator Maroney. Just thank you, Norm, for your testimony. And as I mentioned earlier, yeah, we are -- the Committee's is looking to draft the language that will obviate the food requirement, because we recognize that if you're making better funded study food distributions, that would not update the current obligations through, you know, under cafe permit or when you continue post-pandemic those regulations but for delivery, we recognize it's enough to look at.

NORMAN MCDONALD: Got it. Thank you for that.

SENATOR MARONEY (14TH): So yeah, thank you for bringing it to our attention. And as my Co-Chair mentioned, it is something we are working on. I also want to take a time to comment to thank you for delivering the 12 beers from Christmas to my house. I have only gone through six of them. But I do look forward to enjoying the remainder of those 12 years of Christmas, so --

NORMAN MCDONALD: Well, thank you.

REP. D'AGOSTINO (91ST): That you paid for Mr. Chairman? So --

SENATOR MARONEY (14TH): Yes. Yeah, yeah, yeah. Very good point. Yes. So, thank you very much. Are there any other questions for Mr. MacDonald? Okay. If not, thank you for your testimony. And Mr. Clerk, will you please call our next -- the next person please?

SAMUEL CLARK: Up next is Adam Sass.

ADAM SASS: Hello.

SENATOR MARONEY (14TH): Hi.

ADAM SASS: Honorable members of the general law Committee. My name is Adam Sass, thank you for hearing me today. My father and I own two liquor stores here in Connecticut. And it's a small family business, both of them. We've been at it six to seven days a week. My father started it 30 years ago, and I'm still running it today. I'm here to adamantly oppose Sections 55 and Sections 56 and HB 6106. Sorry about that.

There are only a few things that we were allowed to sell. And if the state were to give away even just one of those items to the big chains, we would see a decline in sales. And this could have a negative impact on our business, causing us to let people go or worse. The slight boon we are seeing because of COVID is a temporary situation and should not be considered when making the sort of ruling.

Almost all the state's politicians say we need to keep small businesses going but want to see a Bill like this, I'm amazed. You want to give it all away to the likes of Walmart, ShopRite and CVS's. Allowing these corporations to take money away from

the state's economy. None of the people that own or run these corporations spend their money here in Connecticut. This is a change to the regulation that would hurt all of these Connecticut small business owners and the families we employ. This sort of change would cost jobs all across Connecticut. And this is a fact if you need evidence, you can look at any other state that has made a similar change to the distribution model and repeatedly you see that the mom-and-pop shops close.

Simply making the products more available will not increase the sales of these products. Liquor stores are some of the last small businesses on the main streets in the towns all across this state. And this change will impact all of them in a negative way. The corporations have enough support already. And it is time to stand with the small business owners. Thank you for your time.

SENATOR MARONEY (14TH): Thank you very much. Mr. Sass. Do any members of the Committee have questions for Mr. Sass? Oh, I'm sorry, Senator Witkos. So, I see your hand is raised.

SENATOR WITKOS (8TH): Yeah. Thank you, Mr. Chairman. Just really a comment. I know -- thank you, Adam, for your testimony today. But I will say I disagree with one part of that. And when you mentioned, the ShopRite stores, you know, that's my local grocery store. It's -- it ShopRite is a co-op of individual families that own their stores. In my particular case, the Joseph family, they reside in Connecticut, they raised their family in Connecticut, and all of their shop customers are, for the most part, I would assume are Connecticut based, because based on my Senate District, where they are, I don't think people from other states are coming in shopping.

And they always try to utilize local products in their store. So, I don't know if it's a very -- some of that -- they're not a national chain. So,

the ones that -- the other ones I can't speak to, but I will speak on behalf of ShopRite, whether they wanted me to or not.

REP. RUTIGLIANO (123RD): To put in a plug for them because, you know, I think that they are pillars in their community. In fact, the owner of the grocery store that I shop in that, as I said, ShopRite. He's the President of the Local Chamber of Commerce. So, they're always working together with a lot of small businesses in our state. And I understand your concern that that you're limited to three products. And you don't want one of those products to go to big-box stores. And you don't want the other product to go to the grocery stores. But just wanted to add that point in there, indifference to the testimony that was provided.

ADAM SASS: They shall amend that post to the shop or stop and shop then.

SENATOR WITKOS (8TH): Oh, that I can't speak to but I can speak on behalf of ShopRite. Thank you.

ADAM SASS: No problem.

SENATOR MARONEY (14TH): Thank you Senator Witkos. And I also want to comment and it's nice to see someone else on with the headset. So, thank you very much, Mr. Sass for not making me the only one -
-

ADAM SASS: No problem.

SENATOR MARONEY (14TH): Wearing a headset. The other question I have is what percentage of your sales are the Connecticut wines? You know --

ADAM SASS: It's a very small percentage. We carry any Connecticut wine that customers ask us to bring in. We also carry other wines that they haven't asked us to bring in and simply to promote small Connecticut businesses. But it is not a restriction

on us not caring more. If there was a consumer demand for any type of wine, we will bring it in for them. No questions asked.

SENATOR MARONEY (14TH): So, we -- and I mean could you guess that the percentage. I noticed someone before had said less than 5% --

ADAM SASS: It -- I would definitely agree would probably be less than 5% as well.

SENATOR MARONEY (14TH): And, yeah. I had spoken with someone I know who he thought he had actually run the numbers for his store. It was less than 1%.

ADAM SASS: Yeah, it is a small percentage. We do have a Connecticut wine section and Connecticut liquor section. The craft beer section that we carry is predominantly Connecticut-made craft beers. And the wines -- again, we bring in hundreds of items every month for consumers on request. And if somebody ever asked us to bring in a Connecticut wine, we would have no problem reaching out to him, bring it in for them.

SENATOR MARONEY (14TH): Okay, great. Well, thank you very much for your testimony.

ADAM SASS: You're welcome.

SENATOR MARONEY (14TH): Okay, Co-Chair D'Agostino, I believe you'll take over. And Mr. Clerk if you'd like to call the next person for their testimony.

SAMUEL CLARK: Okay. Next is Mike Larson.

MIKE LARSON: Yes.

SAMUEL CLARK: Sir, you're on. Welcome.

MIKE LARSON: Thank you, Mr. Chairman, and D'Agostino, Maroney, Ranking Members Witkos, Rutigliano and Distinguished Members of the General

Law Committee. My name is Mike Larson. I am the Co-Owner and Operations Manager of Alvarium Beer Company here in New Britain.

Since we opened in New Britain years ago, everything about our business represents the community we serve. From our city's emblem, being integrated into your logo, add to new -- from -- and also know Britain's rich history of manufacturing integrated into our taproom and our brands. We take tremendous pride in being there for our employees and customers during these extremely challenging times.

I'm testifying respectfully request that HB 6101 be amended to ensure that off-premise beer sales, whether it be home delivery, or on-site to-go does not have a food requirement attached to it. Our operations have not required food preparation for delivery or curbside pickup before and we believe the Committee can easily accommodate these changes in the proposal to ensure this component is not included in the Bill.

We've seen Connecticut breweries struggled to adapt to new rules and regulations, we've been able to implement all the above-mentioned services to keep the -- our staff employed and our sales afloat and our customers returning. On behalf of my brewery and the other breweries in Connecticut, we deeply appreciate you considering these changes. If you have any questions.

SENATOR WITKOS (8TH): I'm looking now. I do not see any. I think we have -- we've gotten the message loud and clear from the Brewers and the wine manufacturers as well if we -- if we continue this delivery mechanism that we make sure that it's sort of unmoored from food that we certainly are all -- there's a bipartisan level support for continuing so thanks.

MIKE LARSON: Yeah. Yep. Even the onsite for selling four packs or six packs to go, we don't

believe there should be required food attached to that.

REP. D'AGOSTINO (91ST): Yeah. And I would note, in our current legal structure, there is no food requirement attached to that. So once the Executive Order expires, that expires. So, you've never had through the law that we passed a requirement to sell food with your -- with your nine liters, or whatever it is to sell, and we don't -- we're not changing the law to add that requirement. Thank you. That's -- it was -- those are all the questions there. So, we're done. So, Mr. Clerk, the next speaker.

MIKE LARSON: Thank you very much.

REP. D'AGOSTINO (91ST): Thank you.

SAMUEL CLARK: Having next is Jo NeJaime.

JOHN NEJAIME: Can you hear me?

SAMUEL CLARK: You are on. Welcome. Thank you.

JOHN NEJAIME: Excellent. It's John NeJaime, but just by the way to let you know. I'm not sure whether you can see me or not. I'll start the video here. Okay, there I am.

REP. D'AGOSTINO (91ST): There you are. We can see you out here. Thanks.

JOHN NEJAIME: All right. I -- thank you. I am here to also adamantly oppose HB 6101, specifically sections 55 and 56. So first of all, let me say thank you to General Law Committee for letting me speak today, I appreciate your time. And even more important than that, we appreciate your effort and all the work you guys do up there.

This business about bringing beer and wine into big-box stores and stuff like that has been coming at us for 10 years, I've been in business in the State of

Connecticut for 29 years, I own three package stores. I employ 25 people at a minimum come around the holidays, we've bumped that up to 30. Most of my guys working for me are full time.

If we let this go into grocery stores, this is just going to be a shift in business from our stores to theirs. And as everybody's talking about impulse buying and stuff, if you're walking by a grocery store, you aren't going to grab a bottle of wine, you are not. You're going to come back and visit us. I am next to a stop and shop in one of my stores. And people come wheel in with their cards to have a 30 pack of beer and a six pack of beer and come in to buy a bottle of wine because they don't sell it. However, if stop and shop had wine in there, they would not come to visit our stores. So would I think, in essence, it would take a shift of at least 40% of our business away from our little mom and pop grocery stores.

It's also going to result in a loss of jobs are probably going to result in a higher unemployment, people unemployment, and less taxes going to the state because of the people were not working and paying their taxes because big-box stores are still just doing their business. They're not hiring more people. Maybe they hire one or two people and we lose ten people as far as jobs resulting in it.

Whenever you gentlemen and whenever you say gentlemen, General Law, law, when you guys run for a campaign, one of your biggest promises and most of the campaigns that go on here is making sure that you're working for small businesses. Well, this is your opportunity to prove that you're working for small businesses and to let us know that you're still there, not to put throw us under the table and take away our livelihood.

It's been 29 years that I've been doing what I do, please don't pull the rug out from underneath us and devalue our stores by taking 40% of our business

away. You can buy whatever you want in a grocery store, they sell towels, they sell barbeque grills, they sell baseball bats, they have a pharmacy, they have a bank, they have a gas station, they have everything in the world. I don't need to sell any of the products.

We sell cheese, you can have your cheese back. Leave us alone, we sell three items and three items alone. We live within the regulations of the State of Connecticut on our hours and what they -- what they're -- what they are, when we can open, when we can close. We live with the rules of minimum bottle. We live with the rules of everything that's been mandated on us. We don't say a word. We just go in; we do our work. We get every other year, we come up and see ourselves in a fight trying to keep our livelihood intact.

Someone had suggested earlier that if beer goes into big-box stores or said big-box stores, they would have to buy a full liquor permit. Well, if they buy a full liquor permit my question to you all is this -- is this opening up Diablo for them to say next year while we have a full liquor license to liquor and everything else at the liquor store. So, I think you're opening up a big can of worms. Just as Home Depot and CVS and Lowe's and Walgreens and all those other stores destroyed all the hardware small mom and pop hardware stores and the small mom and pop drugstore, the same thing with that as with the small pop, the --

SAMUEL CLARK: Mr. NeJaime, we're at the three-minute mark. If we can start wrapping up, please?

JOHN NEJAIME: You got it. The same thing will happen to us in the liquor store business. So, with that I say, you run a campaign saying here to keep small business alive, you run a campaign saying here to take care of your constituents in State of Connecticut, gentlemen -- ladies and gentlemen. Please stick by your campaign. Vote no to HB 601.

Specifically, Sections 55 and 56. I appreciate your time and be happy to answer any questions.

REP. D'AGOSTINO (91ST): Thank you. Questions for Mr. NeJaime. Seeing none, I will thank you for your testimony, Mr. NeJaime.

JOHN NEJAIME: Can I -- can I just add one more thing before I go, please? And just to let you know guys in our stores, all right, we have a huge selection of Connecticut wines all over the place. We have wines from New York, we have wines from Connecticut, we have them everywhere. I bet one of my stores has got at least 20 feet of Connecticut wines that are there from whoever wants to come in and sell. The problem with it is that some of the Connecticut wines from the other end of the state don't sell as well in the New Milford area as they do down by the shore.

REP. D'AGOSTINO (91ST): Well, thank you.

JOHN NEJAIME: Hard-to-sell product that nobody knows about. Thank you for your time appreciate it.

REP. D'AGOSTINO (91ST): The what -- that's kind of our point, Mr. NeJaime. We were trying to keep their interest in mind as well and, frankly, having their wines available in other locales, besides yours might help the availability and product market ability of their wines and lead to more sales for you and everybody else. So those very Connecticut wine, so.

JOHN NEJAIME: I don't disagree with that. But as a gentleman from Mass Sunset Meadow Vineyards, it says that his wines so better up in the Western part of the state than they do in the Eastern part of the state well, so I'm going to buy a box of wine that's going to sit on my shelf because nobody knows about the winery. That does me no good nor the winery. It's just a product that sits there. People buy what they know about when they don't know about it,

they don't buy it. It's wasting my money and wasting their money. It's not a good practice here.

REP. D'AGOSTINO (91ST): I think that's our -- that's our point. But thank you, Mr. Clerk. Who do we have next?

SAMUEL CLARK: Up next we have Harmon Romeo.

REP. D'AGOSTINO (91ST): You're on, sir. We can see you.

CARMEN ROMEO: Okay.

REP. D'AGOSTINO (91ST): And we can hear you, welcome.

CARMEN ROMEO: Okay, great. Thank you for the opportunity to speak, Members of Committee. My name is Carmen Romeo, and I represent Fascia's Chocolates. We have been -- we're founded by my mother and father-in-law in 1964 here in Waterbury. Our third generation is now handcrafting confections in our 57th year in business.

There's been discussion today and allusions to the sales of chocolate in liquor stores. And I'm here to give a little input to that and, certainly, supporting of it. A lot of people just attributed it to not having it there as just an oversight when the current statute was written. We continually get contacted by liquor store owners who want to purchase our products as a wholesale and I've actually had informed them that it's -- that they can't. And even with Valentine's Day coming up, I've had another round of requests, which I've, again, had to turn down. You know, pairing chocolate with wine, beer and other spirits is a really fun activity, we've made a whole business out of it. I have gone out to many, many venues that hold permits to do pairings of this -- of that -- of that kind.

During 2020 though, I was able to make pairings a virtual experience, and we've used them as a fundraising event. And one of the logistical issues of doing a fundraising event is having a single point of sale for both the alcohol and the chocolate for the participants, especially if the organization has supporters in a wide geographic area. So, we can definitely increase the number of fundraisers we do for nonprofits if selling chocolate under a package store permit was possible.

Now I recognize there are very strong opinions and serious differences between grocers and liquor store owners regarding the statute. And I certainly want to acknowledge that we currently sell our products through independent grocers. And many of our retail partners have already testified here today. I know many of them.

And we wouldn't advocate for anything that they're against. But you heard Bob LaBonne, one of our great partners, talk about that chocolate. He wouldn't see a problem with chocolate. I haven't spoken to anybody in any place that has thought that it was a bad thing to do. Though the word the controlling of the wording is the key to making it palatable to all.

So, section 30.20 of the statute does site what a liquor store package store permit allows. There are 15 separate items, cheese and crackers is one of them, set -- olives is another. You know, it would be very, very simple to just simply add the word chocolate into one of the subdivisions or at its own subdivision.

But -- and I won't oppose that. But I do want to strongly suggest that more specific language, such as and is in my written testimony, as well. Box chocolates or confections packaged specifically to pair with liquor can be used so that your general snack products like a Snickers bar or Reese's Peanut Butter Cup, not that I'm opposed to those, but

again, that might ease some both sides, if you will, of somewhat limiting it. Because, yeah, gift baskets and things would be a wonderful thing to include chocolate.

And so, I'm happy to provide any other input. But while my intent in testifying today was really specific to that section of the law, I am aware that there are been numerous requests made to the Department of Consumer Protection to allow inclusion of liquor in the manufacturing of chocolate confections.

SAMUEL CLARK: Mr. Romeo, just let you know, we're at the three-minute mark. If we can wrap it up, please?

CARMEN ROMEO: Yep. And I can attest that I get requests all the time from consumers about infusing chocolate with liquor. And I love to do it with local Bourbons, beers and wines. And in fact, I want to tell you that there is a substantially sized chocolate here, Hauser Chocolates that left Bethel Connecticut a number of years ago to go to Rhode Island, because they wanted to pursue that business.

Now, I'm not familiar enough with the law and where to see the changes would be, but I'd certainly want to offer any help necessary to the commission if that was an area infusing liquor into chocolate. So, in closing, I hope 2021 can be the year we make a common-sense change to our law, and chocolates, probably the most bipartisan thing you can find.

REP. D'AGOSTINO (91ST): I think -- I think we'll all agree with that. Questions from Committee members? Senator, please.

SENATOR MARONEY (14TH): Hi, Mr. Romeo. Thank you for coming to testify. Do you know offhand of other states that do allow for infusing? Obviously, Rhode Island is one because you mentioned that Hauser's

moved to Rhode Island, but do most other states allow you to infuse your chocolate with liquor?

CARMEN ROMEO: Many others. Kentucky is one of the biggest because I've loved the bourbon stuff that I've had down there. But I really don't know. I haven't really paid much attention state by state. But there are many.

SENATOR MARONEY (14TH): Okay, great. Thank you very much.

REP. D'AGOSTINO (91ST): Yes, thank you, indeed I -- Senator Witkos, Representative Rutigliano, I don't know the history in terms of why we don't allow them in Connecticut. But if either of you do, or we're going to have that conversation, I know I certainly am as well.

SENATOR WITKOS (8TH): Yeah, I don't think it ever -- since I've been on the Committee now almost 18 years. I don't recall us having that discussion and why it's not permitted. So, it's something I'd be interested in pursuing.

REP. D'AGOSTINO (91ST): Well, that has [inaudible]. All right. Thank you very much. Next, Mr. Clerk.

SENATOR MARONEY (14TH): Thank you.

SAMUEL CLARK: Up next is Tricia Levesque.

TRICIA LEVESQUE: Hello, everyone. Can you hear me?

SENATOR WITKOS (8TH): We can hear you, Trish.

TRICIA LEVESQUE: Okay, great. Thank you. Good afternoon, Chairman Maroney and D'Agostino and Members of the General Law Committee. My name is Tricia Levesque. And I'm here to testify in support of House Bill 6101, specifically section 55 that allows the sale of wine in supermarkets.

As a lifelong Connecticut resident, I feel it's of the utmost importance for consumers to have a choice, choice of where they live, and the choice of where they can buy the products that they love. I am a wine drinker. And while I grocery shop, I enjoy picking up a bottle of wine. Concocting various menus and dishes for my family often involves cooking with wine, hence the need for a bottle or just a bottle for consuming.

It's a natural pairing, each complementing the other, so why should this to be separated so divisively. For me, this means making another trip to procure something that would simply enhance my meal. If it makes the task more arduous and enjoyable -- unenjoyable in my busy life, there's lots of times I never actually make it to the package store because of other things going on and I don't get that bottle of wine or two.

When tasks become more arduous and unenjoyable, many people simply turn to their computer or iPad to purchase online. Most times, that's from an out-of-state entity. If wine were to be sold in supermarkets, I think there'd be more of a predisposition to purchase while people are shopping and planning their meals. Sales would remain in the brick-and-mortar establishments of our community instead of getting lost in my read of virtual retailers that can be reached simply with the click of a finger.

Connecticut retailers fight the battle each and every day to carve out a niche to make themselves relevant to the individual shopper. I think allowing wine to be sold in grocery stores would help this endeavor. Conversely, I believe that package store should also be allowed to sell food, and gift baskets to make themselves more marketable. For Main Street shops to be online retailers. anything that we can do to increase local foot traffic must be done, especially during this pandemic.

Many states in the nation allow wine to be sold in grocery stores 32 to be exact. I hope that Connecticut would have the foresight to catch up with our neighboring states and allow our citizens the same choices that they get elsewhere and help our retailers do everything they can to remain viable. Our economy depends on it. Please reform the liquor statutes to allow supermarkets the ability to sell wine, and package stores the abilities to sell other goods. Thank you.

REP. D'AGOSTINO (91ST): Thank you. Questions for Ms. Levesque. And see now, thank you for your testimony.

TRICIA LEVESQUE: Thank you. Mr. Clerk?

SAMUEL CLARK: Next is Oliver Dunn.

OLIVER DUNN: Hi, good afternoon. Everybody, can hear me?

REP. D'AGOSTINO (91ST): You are all set. Welcome, Mr. Dunn.

OLIVER DUNN: Thank you, sir. Thank you everybody, for having me. So, thank you for your consideration of -- I'm here to represent -- or to support the Senate Bill 265. It's around the self-pour beverage technology for Connecticut.

So, I'm Oliver Dunn, I'm National Director of sales for PourMyBeer. Our experience is -- we base back to about 11 years. In the past five, we've helped about 280 self-pour establishments in 42 states open. Self-pour technology is the natural evolution of dispense in the hospitality space. It's not much different than the evolution of cash registers to point of sale systems in the 80s. Both advancements allow businesses to run their business more efficiently and responsibly. Our systems are built on the foundation of providing safeguards to allow

them to work in a way that's safer than other self-pour methods currently available in Connecticut. These methods include bottles of wine and pitchers of beer, giving one person access to five drinks at a time. The self-pour natural state is locked and will not allow anyone to pour without making it through the checking process with a member of the staff.

Upon their age being verified, they're issued an RFID card like a -- like a hotel room key. This card allows patrons to dispense the equivalent of two drinks before being told you hit your limit, at which point a staff member is required to access to additional drinks. The number of ounces they have access to is directly related to the alcohol content. For example, a 16 ounce beer is one drink and a five ounce glass of wine is one drink. The serving size of each drink can be adjusted based on the alcohol content to make it more precise.

The RFID card also has a time expiration built into it, so it can be closed at any time by a staff member remotely. And since patrons are able to serve themselves, staff members are freed up from many busy work tasks including taking orders, entering information to the point-of-sale system, pouring drinks, they can interact more with the -- with patrons and pay closer attention to them, thus adding another layer of protection for the business.

Self-pour beverage technology is growing at about 60% per year. Traditional bars may have several inefficiencies, with self-pour addresses such as waste of alcoholic beverages and theft, leading to more efficient business model. While with sales that are not hindered by the pace of service, patrons enjoy the ability to try new things and not be reliant upon an occupied staff member. Self-pour technology is helpful for businesses also in times of COVID since you're able to control the flow of traffic passing through the self-pour area, instead of having everyone crowded up to the bar together.

To provide further confidence in your decision to allow Connecticut business owners to take advantage of this evolution of dispense, as I mentioned before, a method of dispense is actually safer than the current allowable methods of self-pour in Connecticut. Again, a bottle of wine can be placed on a table, or a pitcher of beer can be placed on a table and one person now has access to all that. Thank you for your time. And we appreciate that you want to provide the same advantages to business owners in Connecticut that neighboring states currently have by utilizing self-pour technology and run more profitable businesses generating more tax dollars.

REP. D'AGOSTINO (91ST): Thank you. Senator Witkos.

SENATOR WITKOS (8TH): Thank you. Thank you, Mr. Dunn, for testifying today. This Bill's been around for a number of years and hopefully this year, we can get over the finish line. But I do have one

OLIVER DUNN: Sure.

SENATOR WITKOS (8TH): You seem to be very well versed in the intricacies of the machinery. And so, is there a way that if a bar owner wanted to, I don't want say, jerry-rig or reprogram machine to offer more than what you testify to? Is there a way to do that or that's, there's no way because it's up to the manufacturer?

OLIVER DUNN: There is a way to adjust that. We say our recommendation is two drinks per patron per sort of serving. You know, different states vary in this -- in this regard, making the two serving limit. So, they have the ability to adjust it if they want to. But we say that our recommendation is this. And certainly, check with your local liquor boards, if you want to change any of those variations, because you could get into some trouble there.

SENATOR WITKOS (8TH): And what did you -- what was your experience in the other states as to what they set as their limits? I'm sure they're probably all over the place. But what --

OLIVER DUNN: Yeah.

SENATOR WITKOS (8TH): What is the majority in the ranges that you see?

OLIVER DUNN: Most set it at two, so two servings, and then they have to check in with a staff member. So just it's like any process of validating the intoxication level of a client. You just -- you check their signs and symptoms, whatever you make sure that they're okay to keep drinking. If they're not, then you basically say, I'm sorry, I can't reactivate your card. You know, or if they are okay, just like a regular bartender would say, you know what, here's another drink. So, they -- they're able to have some control over that. But there is a limit every two servings.

SENATOR WITKOS (8TH): And my understanding is, if I remember correctly from last year, that the card at the end of the evening has to be -- it's not -- it's deactivated, if you will, and can't be reused the next day. And is a --

OLIVER DUNN: Correct, correct.

SENATOR WITKOS (8TH): Is patron eligible for reimbursement? Or how does -- how does that work?

OLIVER DUNN: So, there's either like a Bill pay card where they can put -- run a tab where they'll turn the card in and close their tab out in the -- and it's finished. Or you could do a prepaid card where you put money on the card. If they were to leave with that card, they can, and there'll be money left on the card, but the card times out, after a certain number of -- you know up to 24 hours typically recommend 1224 hours. That card will

timeout and they would have to come back to reactivate the card to use the remaining funds.

SENATOR WITKOS (8TH): And is that -- is that controlled by -- or is it factory set by the manufacturer that timeout mechanism? Or is that up to each individual establishment?

OLIVER DUNN: So, each individual establishment has that as a parameter when they're setting up each individual RFID card. So, you ask -- the system asks you how long do you want it to last? And how many people are going to be drinking on this card. So, if there's two patrons on a single card, for example, that card is good for four servings.

SENATOR WITKOS (8TH): Okay. Very good. Thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thanks, Senator. And Representative -- no. Representative Ackert, please. Thank you.

REP. ACKERT (8TH): Thank you, Mr. Chairman. And thank you for testifying, Mr. Dunn. Appreciate it. You had mentioned that it's growing at 60% a year the market?

OLIVER DUNN: Yes, sir.

REP. ACKERT (8TH): Okay. And then you said, you're in too -- you have 280 units in 32 states? So is that what you can --

OLIVER DUNN: 42 states, we have 280 customers.

REP. ACKERT (8TH): Any of the customers -- just curious, has anyone said, "You know, Mr. Dunn, you know, we tried the product for a year and didn't fit our model."

OLIVER DUNN: Like the individual business owner? So, they typically are building their business model

around having this sort of new version of technology. So instead of having a big bar in the establishment, which is the standard model, right, this is sort of changing that model. So, there's no longer that massive bar that's taking up half the restaurant. And they have a single wall that our screens are mounted into. And the customers come right in, after they've been age verified and have their I.D. RFID card setup. They come in and just are presented with a wall of taps and screens that they can pour themselves. So, you know, people are not really tearing that out unless they are going to change their business model on that.

REP. ACKERT (8TH): Okay, that I mean it makes sense. It makes more sense, but I'm thinking myself, almost all of us bring this unit in and then -- but it's actually designed that their model is designed around the product.

OLIVER DUNN: That's right. That's right. Well, thank you. Thanks for your time. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you, Representative. And I see no further questions. I'll go Senator Witkos comments. And I do hope this -- your way we get this over -- on this line.

OLIVER DUNN: Thank you.

REP. D'AGOSTINO (91ST): Senator Maroney --

OLIVER DUNN: I appreciate it. Thank you.

REP. D'AGOSTINO (91ST): All of you in the Senate, we'll get us through in time.

OLIVER DUNN: I appreciate it. Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk, next.

SAMUEL CLARK: Up next is Maulik Vyas.

MAULIK VYAS: Hello, I hope you can hear me.

REP. D'AGOSTINO (91ST): Oh, we can hear. You're on. Thank you. Welcome.

MAULIK VYAS: Thank you so much to give me this opportunity. I'm definitely against this Bill. Lots of other colleagues already told what need to be done. And they covered most of the points, but I have few questions that I need to raise against the Committee. It's -- does grocery stores giving or giving any kind of guarantee that this is the wine they are going to buy from Connecticut wines? If yes, then how long they're going to be living on the shelf? If it's not moving, are they going to carry any other wine from other states?

Second, are they going to hire any extra people? If they're going to hire extra staff, then I don't know the justification that a small liquor store or wine store are offering. Because we hired people exclusively to restocking or experts who knows about the wine. So, I don't know they are probably going -- big grocery store basically they're going to use their own staffing to restock wines. Minors if they are working there. So, I don't know how safe environment going to be. But that's something that everybody will need to look into it.

If -- I heard there are some license available in some counties, some license not available in the county. So, if small package store who is struggling into the market and big grocery store buy that license and make their room to entered into the grocery -- I mean, into the liquor industry, basically. I don't know how that going to protect a small business.

Liquor store or wine store, we never asked to sell medication just for the customer conveniency. They said, "Oh, can I just buy the medication from you guys, I need to stop CVS that I really don't want to

stop." So, if you're going to the grocery store, your focus must be just by the grocery, there is no requirement to step in someone shoes, when your expertise to just buy grocery or cheese or whatever it's, you know, required or sodas.

So those are the points that I just want to raise and Committed definitely going to look into it. But I'm very much concerned. I just recently bought this business six months ago in Connecticut. Originally, I'm from Maryland. But I live in Rhode Island in Narragansett. I do commute everyday here for this business. I put all my savings money in this business.

So, if this going to allow, I have a few grocery store big stores next to me, I probably going to shut down probably going bankrupt and probably homeless. So, this Bill -- I mean, slowly but surely in Maryland, there are so many laws recently got changed, and so many businesses gets affected. And so many liquor stores get closed down just because slowly but surely, big chain stores try to sneak in. And we need to stop this. We need to -- everybody needs to get together and said no to the big grocery stores. And I'm definitely against this Bill. Thank you so much for your time.

REP. D'AGOSTINO (91ST): Representative Ackert is that a question for this speaker? Is that from your hand up from the last speaker?

REP. ACKERT (8TH): [inaudible] sorry Mr. Chairman, the last speaker.

REP. D'AGOSTINO (91ST): Yup. Just checking. Thank you. I see no questions. Oh, thank you for your testimony. And Mr. Clerk. Who do we have next?

MAULIK VYAS: Thank you.

SAMUEL CLARK: Thank you. Next is Jonathan Edwards.

JONATHAN EDWARDS: Hello.

REP. D'AGOSTINO (91ST): Can see and hear you, Mr. Edwards. Welcome. Attack.

JONATHAN EDWARDS: Okay, great. Thank you -- excuse me -- so much for having me. And for that wonderful discussion. I just wanted to start out by saying, I'm a proud owner of a farm winery in North Stonington, Connecticut. So, we're in the South Eastern part of the state, have been 20 years in business. And we farm about 50 acres here.

I'm also the President of the Connecticut Vineyard Winery Association. And we are in support of Section 55 of HB 6101, which would allow for wine and grocery stores with the following caveat, or something like this, which we're looking for a shelf space set aside to be dedicated to Connecticut farm winery products. We've said 10%. And I know that's been batted about, and is up for discussion.

But either that or a similar but powerful mechanism be put in place to ensure that there's representation of the Connecticut farm wine products on grocery store shelves. This would, obviously, be more open marketplace and good for consumers. But Mr. NeJaime, I believe that was -- made the point -- one of my points for me really, which was the fact that Connecticut farm wineries are keenly aware that Connecticut consumers are being inadvertently conditioned towards purchasing beer, malt beverages, hard seltzers that are front and center in the grocery store. And they don't even see our products, they don't even know where they're -- that they're not familiar with our brand.

And so, if they're not even seeing us, and then we go to try to get our wine into package stores, and they're making my point for me over and over and over again, they have a couple of bottles, maybe it's 1% of their shelf space. And we're unable to get kind of that market share that we really need in

order to keep our farms going. So, it's kind of funny to hear the points being made for us from the package stores.

Second point is for way too long, there's just been a disparity between the wine and brewing industries. As we all know, brewers enjoy the ability to sell their products and grocery stores and wineries cannot. The legislative body has worked hard to modernize the liquor laws, specifically with P.A. 1924 that really leveled the playing field between the wine, beer, cider and mead industries. But one important disparity exists and one only has to walk into a grocery store to see it -- stacks and stacks of beer, hard seltzer, Mike's Hard Lemonade, hard root beer, on and on, but no wine.

During COVID I -- well, I've been doing this for years. But I have the pleasure of volunteering my time on the Connecticut Wine Development Council, which works through the agriculture work with Commissioner Hurlburt. And as COVID was reigning its head this year, all the discussion was talking about gifting far from -- and from to the -- of the --

REP. D'AGOSTINO (91ST): And we're losing you a little bit there. We're losing the connection.

JONATHAN EDWARDS: So, I raised my hand. And I said, "Well, one of the things you could do to get our products out to the consumer is for farm wineries is to get them into the grocery stores --

SAMUEL CLARK: Mr. Edwards. You have a three-minute mark. Can you wrap it up, please?

JONATHAN EDWARDS: Yep. Okay, sure. So basically, it's time to create full parity between the brewing industry and the wine industry. It's time to take the straitjacket off the Connecticut farm wineries and allow us the same opportunity that the Brewers enjoy. And that means sales in grocery stores. We

applaud our partnerships with the package stores. We appreciate those that have supported us. But we would really like the same rights that the Brewers enjoy and have equity in the marketplace for our products. Thank you so much.

REP. D'AGOSTINO (91ST): Thank you Mr. Edwards. We always appreciate hearing from you and getting the winemakers' perspective. Senator Witkos, please.

SENATOR WITKOS (8TH): And thank you, Mr. Edwards, for coming testifying today. I'm going to ask you a question I asked a previous owner of a farm winery. And that was that if we require in statute to put a certain set aside for shelf space for the farm wineries in grocery stores at the time somebody was talking 10%, you wouldn't be able to deliver that -- your industry, I would say -- on day one. So, would you be amenable if we put it in a phase in 2% a year for five years to get to the 10%?

JONATHAN EDWARDS: Yes, we would. That's something that's kind of new today to hear about. But I think that makes sense. We want this to work for everybody involved. It adds real incentive for us. I didn't get to say that the -- you know, the driver for us is, yes, it's survival. But it's also open space. It's foreign preservation, it's putting working lands, you know, back into agriculture. And if you want to see farms survive and thrive, and vines go in the ground, wines -- set aside of wine and grocery stores is going to do that.

And that is a sensible approach that would help us ramp up over time because it takes about three years. We -- once you stick a vine in the ground until you get a grape. We scale -- our industry is definitely poised where we could scale up fairly quickly. So, I think we could hit, you know, whatever the exact percentages. But this would be a wonderful incentive in it's -- and if it was a stepped approach, like you're saying, we would know that we would have the certainty that we could put

the financial wherewithal and back into our farms knowing that the market was going to open up for us.

SENATOR WITKOS (8TH): And what's the percentage of your sales off premise versus on premise that you do now?

JONATHAN EDWARDS: We sell it well. Well, it's really changed this year. But if you throw COVID out, we are about -- 60% of our wine is sold here at our tasting room and about 40% as sold between restaurants, package stores, and breweries. And, of course, we all know restaurants and breweries, their business was really hammered just like the wineries this year. So, the package stores were fortunate. You know, I don't take anything away from them. We all know that they were -- their businesses were thriving this year. But not everyone was so fortunate.

SENATOR WITKOS (8TH): Okay, okay. Thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you, Senator. Thank you for the interest. And so other questions, not seeing any but I'm sure we may have to go back to you for other resource questions. So, we appreciate your availability if you join us today.

JONATHAN EDWARDS: Absolutely. Thank you, Representative.

REP. D'AGOSTINO (91ST): Mr. Clerk. Sam? There we go. Ms. Mogenson?

LIZ MOGENSEN: Yes, good afternoon.

REP. D'AGOSTINO (91ST): Welcome.

LIZ MOGENSEN: Welcome. Dear Co-Chairs and fellow Members of the General Law Committee. My name is Liz Mogenson. I'm a center -- consumer and I live in Farmington. I'll keep this brief, as I know you

still have quite a few more people to hear from. I'm here to testify in support of Section 55 of HB 6106, THE SALE OF WINE IN GROCERY STORES.

I frequently visit family members in North and South Carolina and I vacation in Maine, where I had -- where I can buy wine in the grocery stores. I'm troubled by the fact that we do not have this option here in Connecticut. My inability to buy wine during a trip to my local Highland Park market or stop and shop is truly inconvenient, especially during this time, COVID. I have a great relationship with my local package store and will continue with giving them business. I just don't understand why Connecticut's consumers are not given a choice in this matter. Thank you for your time today.

REP. D'AGOSTINO (91ST): Well done in a 15 minute or -- Liz, we appreciate your testimony. Any questions? And seeing none, I will thank you for your testimony. That was -- that was well done.

LIZ MOGENSON: Thank you.

REP. D'AGOSTINO (91ST): Next, Mr. Clerk? Or?

SAMUEL CLARK: Up next is Connor Rasmussen.

CONNER RASMUSSEN: Hey guys, thanks for taking the time to hear us today. I want to speak on SB 265, AN ACT CONCERNING CERTAIN ALCOHOLIC BEVERAGE SYSTEMS. After a year that has devastated restaurant and small businesses, this Bill would allow a new collection of restaurant tours and entrepreneurs to open businesses in Connecticut.

Connecticut is one of the last remaining states in the United States did not allow these self-pours. My business partners, Sak Seedasome, Matthew Ventura, Richard Saunders and I are confident that this Bill will contribute to the rebuilding of the

Connecticut restaurant industry, which has been hit so hard by COVID-19.

You've heard from Representatives of the companies as the manufacturer of these systems, so I don't really want to go into the whole process of how the systems work. But to Representative Ackert's question before to Mr. Dunn, these are systems that -- business models are being built around, their key components to their establishment, which is why we've kind of been unable to open our establishment in years past because to open up a traditional bar and restaurant, then have to tear down a bar and rebuild would be very costly to us, and something that we just can't financially afford to do. So unfortunately, we've been unable to open our small business in the state and unfortunately won't be able to do so until these self-pour technology systems are allowed in Connecticut.

The system is very fun. It's very interactive, it's very informative, provides tasting notes of the beers and wines, provides profile information, the ABV percentages, brewery and winery information. And due to the vast variety of tabs, it does allow patrons to taste a variety of beers. Our establishment looks to cater mostly to Connecticut beers and wines. So, we'd give the opportunity for a patron, who would they live in Stamford be able to try a Bad Sons beer in Derby or a Reverie in Newtown, where they may not have necessarily gone up there to do so beforehand.

It also enables our staff to interact with patrons to educate them, make suggestions on different beers and wine, providing an enjoyable experience much like a [inaudible] with a fine dining. In addition, allows for better oversight for our patrons. Our staff will be spending less time pouring beer and making cocktails and more time interacting with guests.

Having worked in the restaurant industry for like 10-plus years, some of which were behind -- spent behind the bar, I can say from experience that restaurant staffs are typically tasked with many duties at any given point in time. And having this sort of system streamlines what they're responsible for and puts the employee focus on the establishment focus on guest experience.

Connecticut is one of the last remaining states in the United States, it does not allow this type of self-pour technology. And we have some of the best breweries in the country. And we want to be able to showcase and promote those businesses in our tap rooms. We're confident this Bill will be a step in the rebuilding of Connecticut's restaurant and small business industry in a year, where I think we all kind of need it. Thank you. I'll take any questions.

REP. D'AGOSTINO (91ST): Thank you. Senator Witkos.

SENATOR WITKOS (8TH): Thank you, Connor, for testifying. Mr. Dunn, testified as, I think, what the manufacturer of the machine. And you --

CONNER RASMUSSEN: He's represented -- yeah, he has one of the -- he's Representative -- one of the systems who manufacturer that.

SENATOR WITKOS (8TH): And you would be as somebody that would be purchasing the machine and then starting your own facility?

CONNER RASMUSSEN: Correct.

SENATOR WITKOS (8TH): Okay. And so, your business model would be trying to focus on Connecticut beers and wines.

CONNER RASMUSSEN: Correct.

SENATOR WITKOS (8TH): All right. And the -- it's up to the individual patron or the business owner, where they wanted to get that from, right? So, it -- you would just go through your distributor or go directly to the manufacturer and bring that back to your establishment and hook it up into the machines.

CONNER RASMUSSEN: Correct. So, we would basically purchase a system from any of these manufacturers and have them installed into our locations. And then we would purchase beer and wine the same way that any other bar restaurant would in Connecticut.

SENATOR WITKOS (8TH): And as your -- I know, we've met in person to talk about, you know, passing this piece of legislation. And you get a sense that there's interest from other potential business owners or to -- because you can't do renovations, I guess that's cost prohibitive. But to move into this model, if this were to pass?

CONNER RASMUSSEN: Yeah, absolutely. We spoke to several different potential business owners who are looking to sort of pass the same sort of idea as what we are. And we think we could get multiple locations open, you know, the next couple of years. Absolutely.

SENATOR WITKOS (8TH): Okay. Thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Okay. Representative Ackert, do you have a question as well?

REP. ACKERT (8TH): As part of my question, but I just have one additional question. Do you have current facilities now, Mr. Rasmussen?

CONNER RASMUSSEN: No, we currently do not. This would be our first location.

REP. D'AGOSTINO (91ST): Did -- you're all set?

SENATOR WITKOS (8TH): Yeah.

REP. D'AGOSTINO (91ST): Yep, it is. Okay. Great. I think that is it. Thank you for your testimony, and we'll look forward to advancing the Bill.

CONNER RASMUSSEN: Thank you. Appreciate it.

REP. D'AGOSTINO (91ST): Thank you. Mr. Clerk.

SAMUEL CLARK: Up next is Jeffrey Wilson. Can you just hit your mute button?

JEFFREY WILSON: And that's a little better, right?

REP. D'AGOSTINO (91ST): There you go. Perfect.

JEFFREY WILSON: All right. Good. So, thank you very much for your time and listening to all of our perspectives. So, my name is Jeffrey Wilson and I'm a proprietor of Wines and More. I'm a package store in Milford. I've got one location. And I'm writing in opposition to Sections 55 and 56 HB 6101.

So, package stores are essential to bring locally produced wine, beer and spirits into the market in that they assign these product products, premium shelf space, and are eager to discuss the merits with the consumers. Consumer's value having convenient access to local and regional products in winemakers, brewers and distillers appreciate us carrying and representing the products. Package stores dramatically reduce the barriers to entry for local and regional products, and that small producers would not be able to meet many demands -- the many demands to include volume capacity, delivery schedules, merchandising, marketing, product support of national and international retailers, or retailers/corporations.

The sales revenue associated with Connecticut and regional -- regionally produced products, as well as other specialty and rare products by themselves are

not sufficient to sustain the vast majority of packaged stores. The sales revenue associated with national and regional products are required to make the package store viable. So that said, if wine were to be permitted to be sold to grocery stores and beer across a dramatically larger number of distribution points, the vast majority of package stores will simply be forced to close their doors, as the economics will no longer work. Connecticut consumers, small producers, small business owners lose under this scenario.

Okay, during a pandemic source, package store sales did increase. Okay. After we get back to the new normal bars and restaurants are certain to reemerge and come back strong in the -- for many of us that can't happen quickly enough. Package store sales will decrease to their pre-pandemic levels. Those not in the package store business may be under the false misconception that package stores are wildly profitable. And that it's -- and that it's easy money. Okay? I can assure you this is not the case. Okay? I am told by my liquor distributors, okay? That my store does better than average business. Okay. And here's my reality. Okay, which mirrors most others in the package store business. And again, mine is better, I'm told than a lot. Gross profit and alcohol sales. Here's how the numbers work quickly. Gross profit and alcohol sales, okay, is between say 18% and 24% spending, depending on the composition of the store sales between wine, spirits and beer.

SAMUEL CLARK: Excuse me, Mr. Wilson, we have a three-minute mark. If you will be -- consider wrapping up please?

JEFFREY WILSON: Yep. All right, so as you know, the gross profit is used to pay all the other expenses, of which there are many. All right? And there's not a hell of a lot left over in several months of the year. There's nothing left over, okay? That's a fact.

Okay, the current liquor laws and retail outlets for 1,200 of them -ish work very well and that consumers have convenient and immediate access to alcohol to many more local and regional specialized products that are available in other states. Consumers receive a much higher level of service than they would from the big-box stores/national chains.

REP. D'AGOSTINO (91ST): If you could just -- I'd ask you to just really wrap up.

JEFFREY WILSON: Yeah. So, here's -- you know, here's kind of it -- nutshell from bringing up 150,000 feet, right? Connecticut's wonderful state for many reasons to include our -- include our interesting history, or character, or small towns and communities, who've done a better job than most preserve what makes us unique to include placing a high value on our towns, communities and small businesses therein.

Majority of the states who place trust in -- that have placed their trust in big business, to do the right thing of lost what has made them unique. They become faceless, and that they are blending together looking at like. Let's keep Connecticut special, unique and interesting. Please oppose Sections 55 and 56 of 6101. Thanks for your time consideration my testimony in all that you do to protect the state's best interest. Thank you.

REP. D'AGOSTINO (91ST): Thank you.

JEFFREY WILSON: And I'd be delighted to ask -- entertain questions.

REP. D'AGOSTINO (91ST): I do not think we have any. So, thank you for your testimony. We appreciate it. Mr. Clerk, we reached the halfway point, Committee Members. We're halfway -- we're halfway home. But, folks, who making the points in a succinct manner. And I appreciate that and would ask them to please -

- please continue just so you -- Senator, guess why. I -- so we're getting there. And everybody's doing a great job and to ask you all -- the public to continue doing what you're doing, which is really honing in on those points to talk to the Committee tremendously. Mr. Clerk, who also my -- you're doing a fantastic job today, Sam. I really appreciate it.

SAMUEL CLARK: No problem. My pleasure. Up next is Sean Hughes.

SEAN HUGHES: All right. Well, Mr. Chairman, I'm happy to be on the backside of this half, at least, hopefully it's not too much longer. Good afternoon Chairman Maroney, D'Agostino, Ranking Members Witkos and Rutigliano, and Distinguished Members of the General Law Committee. My name is Sean Hughes, the Connecticut Packages Store Association. And I'm here to testify in opposition to Sections 55 and 56 of House Bill 6101.

I, first, want to start off to say that package store sell only three times by statute beer, wine and liquor. There are roughly 1,2150 packet stores across the state. These stores are locally owned by your neighbors and constituents. They are located in every town in the state and there's one located probably right down the street from you. There's one package store for every 12 -- or 2,500 residents of the state. And to me, that's pretty convenient.

I want to address some of the concerns that I've had -- heard over the past few days regarding package stores. The first is that package stores benefited greatly from the pandemic. The reality of this is some did absolutely. You know, that just proves that the alcohol industry is finite. You know, with the indoor dining, unfortunately, being closed for a lot of the restaurants in the beginning part of the pandemic, a lot of those sales ended up shifting, obviously, to the package stores. And, you know, as you've heard from a lot of my members, many of them

specifically, you know, didn't ask for that. And we're happy to eventually see those restaurants open up hopefully sooner rather than later.

Those that ended up benefiting greatly from the pandemic even more so than some of my members, where the grocery stores, we're able to sell all the food because restaurants were closed, as well as Target and Walmart, who we're able to sell all those grocery items and even more.

The second concern that I've heard is that this Bill offers convenience. I would argue that 1,250 locations across the state and having one store for 2,500 residents is extremely convenient, which is one of the highest in the nation. Those that want the one-stop-shop, I've heard their arguments. You know, if that were truly the case, Amazon, Walmart and Target would own the world and we truly just be living in this.

The last concern that I've heard is that packaged stores are greedy. I would argue that packaged stores employed, you know everybody from around the state as much as they can. And that the true definition of greed is paying your employees feeble wages, overworking them, and then fire them only to replace them with robots and automated machines, which is something that grocery stores, especially the national ones and a lot of those big-box stores are guilty of over the years. And I can't remember the last time there was a strike outside of a package store because they were overpaid or underpaid and overworked.

Over the past week, I myself have called probably 470 stores across the state. Many of them were frustrated and angry, but the overwhelming majority of them were just simply afraid. They thought that the legislators of the state that elected them would help them get out of the COVID-19 pandemic and stabilize those businesses that are still surviving from the pandemic.

One of the stories specifically that resonate with me a lot was [inaudible] him and his wife on a store in Stamford, they have three kids under 10. It's just them that on the store, the wife does the bookkeeping, and sir runs the store. They do the 80 hours a week, they do the stocking themselves. And I encourage you to read any of the other hundreds of testimonies from consumers, store owners and employees across the state.

In closing package stores, we're not afraid of competition. They face it every single day. But we see these proposals not as competition but as elimination. Thanks so much. And I'd be happy to answer any questions you have.

REP. D'AGOSTINO (91ST): That's a -- well done, Sean, in packing a lot in to -- into the -- tab a lot. I really appreciate it. Well done. Representative Hayes?

SEAN HUGHES: Thank you.

REP. HAYES (51ST): Thank you, Mr. Chairman. And good afternoon, Sean. Good to see you again. We know what's on a camera.

So, I have -- in my town I have two package stores that sit on right beside supermarkets. And for some reason, I'm picturing that this is going to hurt them especially because not only are they going to lose the sale unwind from being inside of a supermarket but as it stands right now, there's oftentimes of people going into the supermarket and they say, "Oh my god, we need a bottle of wine," and they run into a package store. Do you think that that's gonna affect them more or less or the same as what anybody else?

SEAN HUGHES: Yeah, absolutely. And Representative Hayes, it's great to see you as well. You know, I think the alcohol industry is finite. And you know

what? I -- I've worked in the restaurant industry, I worked there for 10 years, I also worked in retail in college. And I had someone that was in the in -- not in the liquor industry, but just in retail. Tell me a lie. And I'll probably never forget. He said, "It's impossible to sell a customer an item that's not in your store."

And I'm probably a perfect example of that, you know, I know I go into my local store, Village Wine and Spirits actually heard from John earlier today. And, you know, I walk in, I'll see a cool, you know, looking logo or an interesting can, and I'll stop by and pick it up. You know, I know you've heard that from store owners earlier.

And so, it's all about getting the customer in. And especially when you talk about convenience, most -- a lot of the stores are located in strip malls, they become an anchor tenant, along as the supermarkets. And the package stores are located right next to it. So, I understand people like you know, shopping in one, and they're worried about the pandemic. Most of my stores are doing the curbside pickup as well as Drizly and you know, some of them are even driving orders to people's homes. So, it, obviously, is going to cut into that as well. So, long story or long answer there. But you know, yeah, it will cut into their business as well.

REP. HAYES (51ST): Thank you. And I appreciate your long answer. On the flip side of that, I also have a couple of packaged goods that actually sit as the anchor in a script mall. They're the reason that people go into that strip mall, and while they're there, they'll patronize the other smaller shops that's there. So, my fear in that situation is if something happens to that package store, it's also going to greatly affect the other little mom and pop shops that are in that strip mall. What do you think of that?

SEAN HUGHES: Yeah, absolutely. I mean, you know, supermarkets and packaged stores are kind of the anchor tenants, maybe a Chinese restaurant, but you know, banks used to be in there as well. And with everything shifting to online, and I know, a few banks, especially the one that I belong to shut down one of their operations of brick and mortar and moved it to a different location. And it's really pushed a lot of customers online, you know, just in the retail landscape, especially looking at a lot of the testimony here and how much packet stores are interconnected in the local economy.

I mean, a local insurance company that is -- you know, an insurer of one of my local stores, and actually, my President ended up filing testimony, you know. If that store historical is out, you know, they lose the client, where a lot of these big chains now they rely on, you know, national companies that end up doing their insurance, not really the local guys. So, it's really just everything is so interconnected. And the more you dive into it, the more you realize.

REP. HAYES (51ST): Well, thank you, Sean. That was -- that's actually something I never even thought about with the insurance into that. I can picture that. I think every package store in my town would buy their insurance locally, where I'm sure the big supermarkets don't. So, I've never even thought about that end of it. But thank you for your time today. Thank you for answering my questions. And someday we'll get together. We can actually look face to face. Thank you.

SEAN HUGHES: May I hope so.

REP. HAYES (51ST): Thank you, Mr. Chair.

REP. D'AGOSTINO (91ST): Just a quick question, Sean, we can [inaudible].

SEAN HUGHES: Yeah.

REP. D'AGOSTINO (91ST): We've heard time and time again today that Connecticut wines, these small wine or vineyards are only a fraction of a fraction of a fraction of the business of your package store members. If that's the case, I'm struggling to understand why you're not willing to share the wealth a little bit and let these small manufacturers put their products in other locations, just like we've allowed craft brewers to be in other locations and expand their product availability, their marketing, and, therefore, increase sales for everybody. I'm not sure why you are opposed to that.

SEAN HUGHES: Yeah. Good question, Representative. And my viewpoint on and the one of the associations is that, a lot of the wine -- there's probably about 75, 100 wines that are probably the most popular. And, you know, they advertise in magazines, they advertise, you know, all over the place. Some -- especially for a lot of the beers they advertise on T.V. It's a lot of just getting customers to see the products. And a lot of my stores, especially the ones that are localized, I know, Jones testified earlier. I have members in Shelton, and he sold I think, 11 cases and right before Christmas in the month, and then ended up filing more orders.

So, the biggest thing with wine is that it's top -- it's the most profitable item in the store. You know, we -- I would say a store can make 40% to 60% profit on those margins. I'm not -- you know, I can't give you exact numbers just because I'm not specifically a store owner and looking at the books. But that's our major concern.

You know what? my stores have always been an advocate for all of the local people. You know, whether it's distilleries, whether it's wineries, beer -- breweries. You know, I went into my local stop and shop and I, you know, a stand in front of there for probably about 10 minutes and I look like a lost puppy. And that ones, I have, you know,

associate come over asked me or any questions if I had any help.

And probably other 45 beers they had, I would say three were Connecticut, one of them was to Rhodes, which is now it's I think International, I think they're in six different countries. Thimble Island and New England Brewing Company. Both of those I believe are top five, if not top 10, in the state. So, a lot of it is just kind of getting the product. I think if the products could be available to all my stores, they would end up taking it back. But you know --

REP. D'AGOSTINO (91ST): It's a -- what I'm -- what I'm asking is we're considering is a requirement that these stores actually carry the small manufacturers, maybe much more significantly than just 10%, quite frankly. So, I mean, if we do that, and you're not worried about losing the yellowtail salesman, and it's just going to be some of these Connecticut wines or smaller vineyards, wherever they may be that your guys have testified today, they don't really sell anyway. I'm not really sure why there's an issue.

SEAN HUGHES: Well, I would say to that, that, you know, stop and shop, I would say would try and get the top 100 brands as well. And, obviously, the requirement --

REP. D'AGOSTINO (91ST): Yeah, what I'm saying is we will -- we are hearing that and are considering language that would require them to carry the smaller manufacturers.

SEAN HUGHES: Yeah. And you know what? I mean, 100,000 gallons is when you really boil it down to, I mean, I -- Mr. Jamie Jones had testified earlier today, when he had the 10,000 to 15,000 gallons that they produced. I thought it was more than that. I mean, Connecticut -- of course with the -- how the climate is, it's not a California, it's not a chilly

-- unfortunately, a lot of these guys are subject to what the weather dictates. And you know, lately, it's been a little bit unpredictable.

So, I think regarding that, I just worry that a Stop & Shop or a Geissler's would, you know, get a small winery that produces less than 100,000 from California, and then ended up doing it in. In the Hartford Courant article that featured my President, Steve Downes, at the Connecticut beverage Mart in Newington, that second picture, there was the picture of the Connecticut wines. And a lot of those are pretty open.

And my -- and Steve leaves those open just because that is reserved spot for the Connecticut wines. I worry that if the stop and shops are not able to get an adequate supply that they're just going to move on to somebody else in another state or another country that's going to supply them. That's just my concern.

REP. D'AGOSTINO (91ST): Senator Witkos, you have a question.

SENATOR WITKOS (8TH): Thank you. And my question is kind of along the same lines, because you had members. And I don't know if they remember the CPSA or not. But package store owners who testify that less than 1% of their sales are Connecticut wines -- Connecticut farm wines, if you will.

And they asked that they said, "Well, rather than give the ability for grocery stores to sell that, why don't you put in statute that we have to set aside a certain amount of space for Connecticut wine." Explain to me that it's counterintuitive for the state set -- to set a policy saying you must -- in this case, you have the ability to carry it now you just choose not to for whatever reason happens to be.

And if the -- as the Chairman had stated, if the Bill is crafted such that the large producers of wine would not fit the requirement or the ability to be housed in a grocery store, it really would be to the smaller scale manufacturers that would do that. And you mentioned, Sean, about under breweries, well, as you know, we worked on the breweries.

We went from 25 breweries to well over 125. And I've never heard of a brewery complain about another brewery opening. You know, they're all in the same industry to promote each other because the -- what we've always heard was, "If one succeeds, we all succeed." And you know, that's what we're trying to make sure that we do with Connecticut farm wineries that if kind of right now they're selling all -- large percentage over 50% of their product on their premises, so that's why I've been advocating that maybe a step phasing because there's no way that they're going to be able to accommodate requests, especially with shelf set asides, if we do allow this to occur.

But they're gearing up to do what is necessary. You had mentioned about -- we're not California or Chile, but we also have provisions of law that only a certain percentage of the grapes have to be grown in Connecticut, and they can be purchased elsewhere and processed and brought back to Connecticut.

So, there are ways to accommodate certain industries and for -- from a policy perspective, again, I like to delve a little bit more into the large box stores argument because, you know, the holder of a grocery -- a backer of a grocery store permit cannot be a backer of a package store permit. So, it's very limited when people think, well, the stop and shops are going to be able to -- not stop shops, but some of the other large retail stores, we -- our laws don't allow that to happen. So -- and we're very limited in what's left.

So, I -- in between speakers, I was looking at the DCP website. And out of 169 towns in the State of Connecticut, 125 are already maxed out on their package to a permit. So, we're very limited, you know, on an expansion of the actual permits. In some of those communities, they may have one left and it's out. Wait, I don't wanna say in the boonies, don't want me -- but that's a good thing.

So, some of these communities that are in the rural areas, that they're not big enough to support a Target or Walmart or some -- a Costco. So, I don't envision the fear that is being presented here today as an issue that it's going to close down packaged stores as it goes. So, I just want you to react to that.

SEAN HUGHES: Yeah, absolutely. And thanks, Senator Witkos. And, you know, I mean, basically, you know, we have no problem with people opening up packaged stores. I mean, I live in Waterford, and the -- BJ's has a package store, literally 10 feet from the main entrance. There's also a Costco in East Lime that has a package store right next to it.

So, you know, I don't think that we're -- I'm not afraid of anybody opening and playing by the same rules as us. You know, like I said earlier, we don't fear competition, you know, because we're all playing by the same rules here. I guess -- and maybe, I guess maybe I'm asking a question of you, Senator Witkos. But from what -- and I'm just also basing this off of Commissioner Siegel's testimony is that regarding the beer inside the box stores, they would -- they would get a package store permit, not take the liquor and wine, having the separate entity package store next door to the store, and then move the beer inside just another 200 feet inside the store. Is that correct?

SENATOR WITKOS (8TH): No, I think what she was saying is that if you had a store next door, nobody's going to do that because that just doesn't

make any business sense. But if you had a retail outlet, like a Target, and you wanted to sell beer inside your Target store, because it's just easier, you're throwing it out there, and it just takes up space, and the consumers can buy it. And there's really no added labor costs, if you will, that they would have to apply for a package store permit if one is available. But that package store permit under current law, a package permit allows you to sell beer, wine and liquor. This package to a permit would only allow them to sell beer, so they wouldn't be able to entertain those other items.

SEAN HUGHES: Okay, I understand.

SENATOR WITKOS (8TH): And they would be still held to the standard of what's allowed in a -- in the town. So, again, 125 towns are maxed out, so they wouldn't be able to get a permit. So, it just wouldn't happen.

SEAN HUGHES: Yeah, so it's, essentially, modifying a grocery beer permit, I guess, so to speak.

SENATOR WITKOS (8TH): Right. And well, as you know, the big-box stores because they sell so much -- so many other commodities than food that the ratio doesn't work, so they're not able to sell the beer. And so, this gives them the opportunity to sell those additional items.

SEAN HUGHES: Gotcha. Well, I mean, I guess just what I would say is, you know, obviously, and I think this has been harped on a lot and I know in the past years, especially with your experience on that Committee, Senator Witkos, you know, the alcohol industry is in -- its finite. You know, no one drinks more just because there's more menus available, you just take it from someone else.

So, if they want to open a package store and they haven't exceeded their five permits, you know, more power to them. So -- but you know, I -- we had the

association's serious concerns about allowing that in -- our Executive Director Carroll Hughes, I know, is speaking later today and could touch more of a basis on it, so.

SENATOR WITKOS (8TH): Okay, thank you, Sean. Thank you, Mr. Chair.

SEAN HUGHES: Yeah, thanks.

REP. D'AGOSTINO (91ST): Not seeing any further questions. So, thank you very much. Appreciate it. And Mr. Clerk?

SAMUEL CLARK: Up next is Darren Nicholson.

REP. D'AGOSTINO (91ST): Darren, can you hear me? I can see you. I don't think we can hear you just yet. Can you hear us?

DARREN NICHOLSON: Can you hear -- can you hear me?

REP. D'AGOSTINO (91ST): You're on. Great, terrific. Go ahead.

DARREN NICHOLSON: Thank you very much. Thank you for this invitation to participate. My name is Darren Nicholson. I'm Vice President for iPourIt, which I pour it which is a self-serve technology. I'm speaking to SB 265.

iPourIt was founded in 2012. We've installed just south of 370 self-serve systems in the U.S., and we currently have over 7000 self-serve taps in operation in various restaurant and hospitality venues throughout the U.S. We record all the detailed data, and we've poured over 205 million ounces from our technology, and it's generated over \$112 million dollars in gross revenues at the operator level.

So, today, I'd like to speak to some of the key features that other states like Connecticut focused

on during their consideration for passing a self-serve law. Number one is control. Number two, what does the data tell us? And number three safety measures we've developed as the technology advances.

Control, iPourIt check-in requires a driver's license scan, which ensures -- number one, the driver's license is authentic; the patron meets age requirement; the driver's license has not expired, and no other patron is using the same driver's license in that location at that very same time.

Each patron is issued a personal RFID device to track and control all pouring activity. And we have a programmable limit on alcohol. And with higher ABV like wine, it's properly measured. For an example if 32 ounces of beer is the limit, that equates to 10 ounces of wine.

So going back to Senator Witkos' question, iPourIt is the only authorized entity to change the number of ounces that may be poured at an operator location. The patron is not authorized to pour any additional ounces once the limit is met, and to reconfirm Mr. Libby's comment from table tap, iPourIt can remotely disable an RFID and all RFIDs are invalid after consuming pour limits, and auto invalidates after each day.

Again, we collect all the demographic data. We capture and utilize all checking data, which gets the patrons age, gender, zip code and all the amount anonymized pour detail. The self-pour concept is not to get-wasted-type of draw, and we witness through the data collected that -- number one, the product is typically premium and higher price versus domestic and standard craft brands. And with over 200 million ounces poured, the average patron that we see is 31 years of age. He consumes 4.7 ounces per pour, and, cumulatively, consumes 28 ounces per visit, which is fewer than the two pints of beer that in most cases, is programmed into the system.

As far as safety, we employ a check in, check out process that allows the patron to only touch their belongings, so it reduces the touch points of others, such as credit card, driver's license, RFID key. We've also developed a proprietary touchless tap key. For those on the video, you can see it here. We call it the TTK. It enables the patron to utilize the self-serve beer wall without touching any of the tap screens or the faucet handles. And we're

--

SAMUEL CLARK: Excuse me -- we're at the three-minute mark, so we can start wrapping up, please?

DARREN NICHOLSON: We're also deploying a touchless pouring program that will enable the operator or the patron to operate the system through the use of their personal smart device. Thank you.

REP. D'AGOSTINO (91ST): Thank you for the further background. Questions? Seeing none -- again, this is -- this going to be -- the Committee a couple of times now it's passed the Committee. It's passed the House and we are familiar with the technology and we're looking forward to advancing this further. So, thank you, Mr. Nicholson.

DARREN NICHOLSON: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk?

SAMUEL CLARK: Up next is Alex Blank.

REP. D'AGOSTINO (91ST): Alex?

ALEX BLANK: Hello.

REP. D'AGOSTINO (91ST): Yeah, we can hear you. Thank you.

ALEX BLANK: Hi. How are you?

REP. D'AGOSTINO (91ST): Good. Go ahead, Alex.

ALEX BLANK: I'm missing my video. I'm sorry. Here we go. I can make this very short. Thank you everyone for letting me speak. My name is Alex Blank, and I'm one of the owners of Twelve Percent, a new brewery in North Haven, Connecticut. The comments I would have earlier would be redundant at this point. Chairman D'Agostino, you've indicated that the breweries have been heard loud and clear concerning home delivery. So, I want to let you know that I'm grateful that there seems to be bipartisan support for continuing to allow us to do this.

It's been meaningful to us. It's meaningful to our employees, and we think to our customers as well. We also appreciate that there seems to be an understanding that the requirement of food with beer is a complicated affair for us. So that's it. Thank you for your time. Appreciate it. Any questions?

REP. D'AGOSTINO (91ST): Visiting you soon. So, thank you. Questions? Seeing none, I guess I -- guess it's straightforward issue. I think we get it. So, thank you, Alex.

ALEX BLANK: Welcome.

SAMUEL CLARK: Next.

REP. D'AGOSTINO (91ST): Next, Mr. Clerk?

SAMUEL CLARK: Up next is Howard Fishman.

HOWARD FISHMANL: Hi there. Can you guys hear me and see me here?

REP. D'AGOSTINO (91ST): You're -- I can see and hear you. You're on. Welcome.

HOWARD FISHMANL: Great, thank you. And thank you for allowing me with the opportunity to speak today.

My name is Howard Fishman. I'm here to speak against the Bill HB 601, Sections 55 and 56.

My father owned and operated a package store in West Hartford for most of his life. The business is still in the family. I'm not part of the day-to-day operations. But it is now run by my brother and the store will soon celebrate 50 years. Excuse me. And I'm here today just because I know what it means to a community when a business is family run and operated. It builds a relationship with its customers based on trust and reliability. For many years, my parents allowed local organizations and charities to post notices posters and donation boxes in the shop. Something most big-box stores have strict policies against, the accomplishments of our local public schools, our sports teams and the scholastic, athletic and artistic achievements and my brother and I were given prominent display, sometimes to our chagrin, but it seemed to delight our customers. And even today, customers come in and ask about me and my family, even though I've long been away from the community.

All of this goes away in the environment of a big-box store. And though I've had intimate exposure to what it means to be in a family that runs a privately-owned retail business, I'm speaking today as much, if not more as a private citizen with a vested interest in our general culture. And as a consumer, just as I would if we were discussing a measure that might imperil independent bookstores or food shops or hardware stores. I travel a lot for work. And I travel all over the country and the proliferation of giant chains like Costco, Walmart, BJ's, etc., have made towns and cities in Ohio look like Florida, parts of Connecticut look like commercial districts in Texas.

When we force small businesses to close their doors because they can't compete, what we're sacrificing is our own unique personality and culture for the very short-sighted gain of marginally lower prices.

Large corporations are not invested in communities and people or in any of us in any other way than how we can help them to expand and help them to profit. I'm going to close by saying I urge you not to pass this Bill. And then so doing allow small businesses to reprieve they deserve. We are made greater by our uniqueness and our diversity, not by further mindless marginalization. Thank you all for your time and for your service. And I can't imagine you would have questions but if you do, I'm happy to try to respond to them.

REP. D'AGOSTINO (91ST): I think just a comment for me or question for me, which is really I mean I think you'd agree with legislators don't make Costco successful, haven't made Amazon successful. Consumers decide where they want to shop. I understand what you're saying. But at some point, we have to balance -- don't we -- I mean, I suppose we could just pick winners and losers because they know Costco and BJ's in Connecticut constitutional questions decide, you have to shop with a small business. But, I mean, at some point, consumers choose where they want to shop. Do they not?

HOWARD FISHMANL: Yes, and I don't dispute that. And I don't -- I'm not suggesting we take away consumers choice. But what I'm saying that is stewards of our culture and stewards of our society when we allow these -- if Amazon and Costco and Walmart begin to carry everything, then what we're doing is we're eliminating -- because small businesses can't compete with those giant corporations. we're eliminating a part of our culture and our personality and our individuality.

REP. D'AGOSTINO (91ST): But there's a big difference here, right, which is they can compete because we set minimum bottle pricing. They cannot go below, they can't undercut the prices of these other businesses so that -- but the consumer if it's the same price, the consumer gets to choose where they want to go.

HOWARD FISHMAN: I -- and I don't dispute that and I'm also not an economic expert. I'm here because it's always been my understanding that if liquor gets into the big stores, my dad would always say, "You know the minute that that happens, we're out of business." It -- to my understanding, which is a layman's understanding, it represents a mortal peril to small package stores to allow wine and beer into the big-box stores. And as such --

REP. D'AGOSTINO (91ST): And oh --

HOWARD FISHMAN: I'm just here to speak against it.

REP. D'AGOSTINO (91ST): And I'm using you as a sort of a foil for this debate, because I think it's a fact for me. I hope you don't mind. It's not a --

HOWARD FISHMAN: Not all.

REP. D'AGOSTINO (91ST): Personal fact. I -- it's a fascinating debate for me, because when price is taken out of the equation, what we're really debating here is what your father is saying is, the consumer would choose to go to that store for mine. You know, I'm not -- why is that? Because I mean, if that's what the consumer wants to do price being equal, which it is in this case, isn't that capitalism? Isn't that consumer choice? I mean isn't that --

HOWARD FISHMAN: Unfortunately, it is. And I would say it's one of the dark undersides of capitalism, because it takes the human element out.

REP. D'AGOSTINO (91ST): I --

HOWARD FISHMAN: It sacrifices the human element for the bottom line. And I don't think it's an -- it's a sacrifice that we should make.

REP. D'AGOSTINO (91ST): I --

HOWARD FISHMAN: You know?

REP. D'AGOSTINO (91ST): And thank you for the for the eloquent debate on that. I found it fascinating. We're never gonna have that -- have that kind of esoteric element of this discussion. I appreciate you [inaudible].

HOWARD FISHMAN: You bet. Thanks for the opportunity.

REP. D'AGOSTINO (91ST): Yep. Thank you. Mr. Clerk.

SAMUEL CLARK: Up next is David Leone.

REP. D'AGOSTINO (91ST): David, do you have your microphone on? You're unmuted. There you go. David. Can you hear me? David? David?

DAVID LEONE: Oh, my god. Get out.

REP. D'AGOSTINO (91ST): Mr. Clerk, I think we'll come back to David if you don't mind. We'll -- why don't we move on with it.

SAMUEL CLARK: Okay. Up next is Gregory Brick.

REP. D'AGOSTINO (91ST): Greg, can you hear me? Get out on mute. There you go. Can you hear me?

GREGORY BRICK: Yes, sir.

REP. D'AGOSTINO (91ST): All right, Greg. Welcome.

GREGORY BRICK: Thank you, Mr. Chairman, and distinguished Members of the Committee. I'm here today to oppose HB 6101, including any expansion of wine or additional beer sales, to food stores, gas stations and box stores. My name is Gregory Brick. I'm 30 years old I own Goshen Wine & Spirits, a small shop in Goshen County. I'm also the current

President of the Goshen Business Circle. I've spent the last seven years of my life in the liquor business starting as a clerk then manager then stretched out to buy my own store a few days before my 26th birthday four and a half years ago.

I bought into a business that had a set of laws, not a set of rules. Connecticut is my home; it's always been my home. And my business is my future, my job and my retirement. We operate on very slim margins anywhere between 10% and 35% on all items. Last year, we had 73% credit card transactions, so 2% to 5% is gone right off the bat. Of what's left at the end of the day, we pay staff insurance, rent, utilities, legal fees, debt payments, and make thousands in local charitable contributions.

I personally still owe around \$200,000 dollars from the purchase of my business, a risk any entrepreneur takes on when he decides to get into an established business. My point is simple. We scrape and we claw to make a living. Last year, I only paid myself around \$47,000 dollars and worked between 55 and 60-hour weeks. And that was in a year with record sales in 2019.

My store made around \$1,500 dollars in 2020 will be more profitable. But most of that went to paying down long-term debts, along with putting money into savings in case we had to close due to COVID. I estimate even in a small town with no grocer, which I'm probably one of few people testifying today in that situation, we'd lose about 25% of revenues. If these proposals have passed, it would be pretty hard to come back from wine sales make up the bulk of our profit. And along the bulk of our sales, you know that loss and profit would, essentially, make our businesses no longer viable.

We're sitting at a table. We're not sitting at a table hoarding a whole pie trying to poke people with fork and knife. We are sitting at a table with a sliver. And that sliver of a pie is how we make

our deal in the world. And trying to take a quarter or a third of that sliver, and give it to someone else who's not sitting in our table, but someone who's sitting at a much nicer house, who already has a much bigger piece of the pie.

These proposals are innocent if there is no victim. The victims are many in the year following 2020, or small businesses all across the country, had to close their doors and major retailers turned record profits. This Bill is a slap in the face to the hundreds of us -- of us who have worked continually through the pandemic.

I feel for every business who has struggled through this. I know personally individuals who have testified on the other side today, but changing long-term standing laws that drastically negatively affect one business at the benefit of others. Even rabid consumerism aside is not right. This entire proposal is not right. It is the ultimate example of what is wrong with government when people say they hate government, it's because of days like this, because they've --

SAMUEL CLARK: Mr. Brick, if we can start wrapping up, please. We're past the three-minute mark.

GREGORY BRICK: Yeah.

SAMUEL CLARK: When people say they hate the government, it's because of days like this because they allow it in other states is not a viable excuse to ruin people's lives. It is not a viable excuse to side with big business, please redact sections 55 and 56 of HB 6101. Thank you.

SENATOR MARONEY (14TH): Questions from members? Seeing none, thank you for your testimony. Mr. Clerk?

SAMUEL CLARK: Okay. Do you want to try on David Leone again?

REP. D'AGOSTINO (91ST): If he's available?

SAMUEL CLARK: Sure. David, you there? Okay, Mr. Clerk, I think -- well, I think we'll go to the next person if you don't mind. Okay. The next person is Mallory Daly.

REP. D'AGOSTINO (91ST): He's -- there's Mallory. Mallory, can you hear us? Get unmute.

MALLORY DALEY: Can you hear me now?

REP. D'AGOSTINO (91ST): There you go, Mallory. Welcome.

MALLORY DALEY: Hi, sorry about that. Chairs D'Agostino, Vice Chairs, Ranking Members and Members of the General Law Committee. My name is Mallory Daley, and I'm speaking today in opposition of Sections 55 and 56 of House Bill 6101. I've worked for the Connecticut Packages Stores Association for five years. And that time, I've gotten to know many great people in the package store industry. And I've become very familiar with the issues they are constantly facing. Giving a limited time I have to speak I want to focus on just one of the reasons being used to justify two sections of this Bill.

I keep hearing that this Bill is being proposed in the spirit of competition. This Bill is not about competition. It's about market consolidation. Local packaged stores cannot compete with stop and shop which is backed by a company worth over \$90 billion dollars, a Walmart, which is worth over \$380 billion dollars addressing the beer in grocery stores comments, and has since that didn't shut the doors of package stores and won't matter if they carry wine.

As we've heard, wine is easily 50% to 70% of profits for many packaged stores. It's what they depend on to keep their doors open beer as a loss leader. The

more stores I talked to, they tell me it's about 30% of their mix, but only 12% to 15% of their profits on average.

The smallest portion of profits is from liquor. Package stores cannot survive on liquor sales or specialty wine sales like some folks have suggested. They depend on the sales of popular wines, the exact wines that the supermarket's plan on selling. It is ridiculous to think that a supermarket chain is going to prioritize the sale of any items, except those that yield the highest profits. Even some of the locally-owned chain supermarkets are backed by multibillion dollar corporation and are beholden to that Corporation's business model.

This Bill will only strengthen Walmart, Stop & Shop, Target and the other few predatory competitors at the top, who will local food store mentioned earlier that they themselves are having issues competing with because of how many other markets have been cannibalized over the years. Whether it's a big brand name, wine or specialty wine, each sale of wine or beer made in a grocery or box store is a sale not being made in a package store, where the purchased item, and any additional items that might have been purchased with it would have previously been sold.

Right now, the package store industry employs over 5,600 employees directly. They carry a huge variety of products from all over the world. And right for -- from right here in Connecticut. No retail chain will ever carry the variety of locally made products that package stores do. It's not their business model to do so.

In order to enter the box or chain store market, a manufacturer has to be able to produce a huge volume of product at low costs. On top of that, they are often forced to pay to play in the form of slotting fees, which, typically, cost anywhere from \$5,000 dollars to \$50,000 dollars or more to have their

items placed in favorable pool positions on the shelf. This would be extremely challenging, if not impossible for any small manufacturer to meet those standards.

We have a wonderfully robust and diverse beverage industry in the state, which supports a competitive retail ecosystem that prides itself on premier customer service and high-quality products. Would any -- why anyone would want to destroy that in the name of so-called convenience or alleged competition is beyond me. Please --

SAMUEL CLARK: Excuse me, Ms. Daley, you've reached your three-minute mark. Can you please start wrapping up, please?

MALLORY DALEY: That was it. Please keep small business in business. Thank you for your time.

REP. D'AGOSTINO (91ST): Well done. Senator Witkos, please.

SENATOR WITKOS (8TH): Thank you, thank you, Mallory for testifying today. I just wanted you to expand a little bit on the slotting fees, because I know that one of the other Members of the Committee have asked one of the grocery store owners if that practice continues. And we were told that it does not. So, if you could just expand a little bit where that party testimony came from?

MALLORY DALEY: Sure. So not every store uses slotting fees. I did some research on who does. I was recently actually I can send a study that I read recently to you about Stop & Shop and how there was a gentleman that was trying to get his product into the market. It was a sugar-free ice cream, I believe. And, you know, he's a small business owner, wanted to be on the shelf with all the other ice creams.

And he went to Stop & Shop to attempt to get his items, put on the shelf. And he was -- I think they quoted near \$0.5 dollars to get his product into all the stores in his area. Again, this is in every store. I imagine, especially, you know, the smaller stores are not using these practices, but they do exist. And this Bill does benefit those stores like Stop & Shop and other retail chains who use those practices.

SENATOR WITKOS (8TH): Okay, thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Representative Rutigliano, do you have a follow up?

REP. RUTIGLIANO (123RD): I did. And just a quick follow up on that same subject because I was the Member that asked the original question. Can you confirm for me or I -- because you're in the industry so maybe you know that supermarkets are currently charging a slotting fee for alcohol that they sell in their stores?

MALLORY DALEY: I'm not sure about the alcohol in Connecticut that's currently been sold. I can't find the information on that right now. But I can do a little more research and try to get that to you. I mean for --

REP. RUTIGLIANO (123RD): Oh, good. Appreciate that. Is that a common practice? Is that's a legal practice to charge, like, do they [inaudible] brand, or they do it per distributor. Do you know the how the practice works?

MALLORY DALEY: So, I -- from what I've been reading, it seems to be by brand. So, for instance, you know, I think one of the ones I was reading was -- had quoted, I think \$50,000 dollars for some Coca-Cola products. And I think -- I think it's by product. But, again, I can -- I can get more

information on it to you, but it is -- it is a legal practice. Yes.

REP. RUTIGLIANO (123RD): Right. So, essentially, what you're saying is that if there was wine in a supermarket, they could actually charge a sliding fee to a local farm vineyard just to put their bottle in the store?

MALLORY DALEY: I -- it's hard to say because it's not legal in this state yet what practices will be used for putting wine on the shelf, but I mean, it is possible. You know, it's -- again, and this is something that is used in many other states. So --

REP. RUTIGLIANO (123RD): Do you know of any package store that -- that's able to? Or are they legally able to? Or do they charge a slotting fee?

MALLORY DALEY: No. They -- I don't know what they're legally able to, but I've never heard of one doing so. I'll -- every package store that I -- in fact, I have a package store that I speak with regularly. Nick Conti, I believe he's testifying later. Nick and a lot of other stores I speak with actively seek out Connecticut products, including beer and wine, and are consistently asking for their products to put on their shelves. They want to support them, they're not charging slotting fees or -- you know, and they're putting them in competitive places and marking them with signs, you know, really promoting the products, so.

REP. RUTIGLIANO (123RD): All right, thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thanks. Representative Allie-Brennan.

REP. ALLIE-BRENNAN (2ND): Thank you, Mr. Chair and thank you, Mallory, for testifying. I just have a question as the industry I'm hoping you can kind of expand more. I know it's not Connecticut. But

Massachusetts, our neighbor, similar situation happened where, you know, wine went into grocery and box stores. I'm just hoping you can expand. I noticed such one earlier, but I'm just trying to get a better understanding if you can expand.

MALLORY DALEY: Of course, thank you, Representative. There has been -- we've been in contact with the association that represents the package stores in Massachusetts. And I have heard from a few people that, you know, this isn't going to be as drastic of a change for package stores is, you know, they're saying.

Unfortunately, since that passed in Massachusetts, over 300 permits have been turned over to chain and box stores in Massachusetts. And which has further emboldened a lot of these retail chains to take next steps, which is to further loosen regulations in liquor law, so that they can, you know, make deeper discounts, have coupons for alcohol. Their goal isn't to have a variety or diversity of products, their goal is to corner the market on, you know, wine and spirits. They want to be able to take business from, you know, package stores, and continue to take up and consolidate the market.

And another thing that they mentioned was that the sale of alcohol to minors has gone up, since this has happened. And, unfortunately, when there's a violation by a supermarket or a box store in Massachusetts, for the sale of wine or liquor to minors, they are only penalized in that area of the store, they can continue to sell the thousands of other products that they carry.

So, it's just a slap on the wrist of them if there's no accountability whatsoever for these sales that are occurring in those stores. And I think it was in the last month, there were over 20 violations in various retail chains in Massachusetts of sales to minors. So that's just another thing. I mean, it's an unfair advantage. They have so many different

products they can sell, you know, it -- when they are for a day asked to not sell because of a violation.

REP. ALLIE-BRENNAN (2ND): Thank you. I appreciate you elaborating. Important to know.

REP. D'AGOSTINO (91ST): Well, I mean, a little bit of apples and oranges. Are you aware of what the percentages of violations in Connecticut where we allow the sale of beer in supermarkets versus liquor stores of the violations that occurred during the course of the year? How many are -- I mean, I know the number I'm curious if you know the number.

MALLORY DALEY: I don't know at the top of my head. I do --

REP. D'AGOSTINO (91ST): Less than 1% are from the grocery stores, actually.

MALLORY DALEY: I'm sorry.

REP. D'AGOSTINO (91ST): You go into a grocery store; their employees are trained to card. I mean my wife so we can a raise, gets carded every time. She buys the beer at the supermarket. You know so I'm not sure I buy them [inaudible].

MALLORY DALEY: You know, I can say from personal experience that you know, I have not been carded every time I go to a grocery store. I asked to be if I am not. So, you know, it's I -- personal experience. And I know that there are violations across the board. There are lots of people that, you know, sell liquor in this state. There is a lot of responsibility that goes along with selling liquor, which is why for all this time, it's really been restricted to the market that it's in. It's a controlled substance. We're not putting, you know, some essential product on the shelf of grocery stores.

REP. D'AGOSTINO (91ST): And this Committee is suggesting. And I think we need to be very clear that there is going to be wholesale liquor available everywhere, at least. The sale of beer, which has been going on for decades in Connecticut is regulated, restricted. And year after year, it is less than 1% of the violations that we find where the rest are at the package store level.

So, the experience in Connecticut, I'm not sure how we can take that experience in Connecticut with beer, which is well worth and well established and, say, suddenly one will lead to this -- look, I think my point here is, I get the arguments on competition, and you don't want that competition in the -- with the people you represent.

There's nothing wrong with that or I -- my personal view, which I'm saying out loud here is, I think you lose credibility when you start making these other arguments that really are the slippery slope parade of oral arguments that, frankly, you're not born out because we have the experience of beer in Connecticut big-box stores.

So, I -- from my perspective, it's more helpful to you to make the arguments that you're -- that you're well worth than the these -- than these other ones that I -- that I really don't think are -- well, within -- in fact -- and are designed to just make an emotional appeal to people that suddenly we're going to have beer on every street corner, which to the extent we have that is because we've got one package store for 2,500 residents in the state.

MALLORY DALEY: Yeah, I agree. I mean, I'd -- I did not suggest that there'd be beer everywhere. I was just repeating you know, what the information that I received from the Association in Massachusetts. And, you know, that's -- it -- I was talking about wine and beer. But, yes, you're right. I mean, it's -- it is -- it hasn't happened yet, so it's hard to tell how it will go. So, I appreciate that.

REP. D'AGOSTINO (91ST): Thank you. Other questions? Seeing none, well, thank you for your testimony. And Mr. Clerk.

SAMUEL CLARK: Up next is Chris Herb.

CHRIS HERB: Good afternoon. My name is Chris Herb. I'm the President of the Connecticut Energy Marketers Association. I'm here today to provide testimony on Sections 54 and 55 of House Bill 6101.

We are particularly interested in the language in these -- in the section that would allow for the sale of beer at grocery stores with square footage over 6,000 square feet. I've been before the Committee before and we've submitted written comments that I won't read in -- that pertain to our place in this.

We are, basically, being squeezed between both of these industries that you've heard the bulk of the testimony for -- from today, whether it's the large big-box retailers that, in some cases, are owned by -- entities from outside the country like Stop & Shop who are able to sell beer and gasoline and in the package stores. It -- I watched in my 20-year career the package stores EROAD the products that are core to my constituents. Businesses like cigarettes, cigars, lottery tickets, juice, fruit, ice, newspapers, slowly eroding the products that we do while we are not -- while we've been continuously told that we cannot sell beer because of the outdated formula that prevents us because of the sales of gasoline.

Now we're seeing legislation being introduced that would allow very large retailers, some of them locally owned, many of them not. The Targets and the Walmarts of the world having added advantages against us. These large big-boxes, grocery store retailers have the ability to sell gasoline. And many of them are planning on doing that in the

future and joining the ranks of Stop & Shop and others.

What we're saying is that if this Committee is going to move forward with this legislation that the square footage requirement needs to reflect all retailers, these silos have been broken down. It is unfair. We do not represent ExxonMobil or shell. Our stores are locally owned by family, by families who've been here for generations and until -- and continue to let the package stores erode our core products in these big-box retailers beat us up by being able to sell products that we can't including beer and gasoline puts us at a tremendous disadvantage.

I don't think that this Committee or the Legislature ever would have conceived of laws that are treating family-owned businesses so unfairly by advantaging larger competitors who are overwhelming us in the marketplace. We are not the only ones who've been immune to COVID. Even though gasoline is a -- is a necessity of life. We saw volumes cut 50% during COVID. And we've had -- we've struggled to recover. So, we would ask if the Committee moves forward with this square footage change, that the Bill be amended to lower it to include convenience stores that also sell gasoline. Thank you. And if you have any questions, I'd be happy to answer them now.

REP. D'AGOSTINO (91ST): That was well done in a short amount of time, a lot of information. Seeing no questions, I will thank you for your testimony, and ask Mr. Clerk to call the next person. Thank you. Chris. Mr. Clerk? Is it then Mr. Pattani? Are you on?

DEEPAK PATTANI: Yes.

REP. D'AGOSTINO (91ST): There you go.

DEEPAK PATTANI: Hello.

REP. D'AGOSTINO (91ST): Welcome. Yes.

DEEPAK PATTANI: Can you hear me?

REP. D'AGOSTINO (91ST): You're up. You're good to go, sir. Thank you.

DEEPAK PATTANI: Thank you. Thank you for giving me an opportunity to speak today in front of you. My name is Deepak Pattani. I'm the owner of Yankee Discount Liquor in East Haven. I'm here today to share with you harms that will come from HB 6101, Section 55 in 56, and urge you to work against it and any other expansion of wine or beer sales of good store and gas stations.

And like you have heard from other people of the honor before that we all support lot of local communities, local other things. But besides that, as far as talking in terms of competition, first of all, it's not a fair competition, because when you -- comparing a small business owner with the big giant corporations, so we cannot face any competition if they do anything.

The second thing as far as providing the service, we do provide better service, we have better selections better price, and good customer service. And that's been working over the years, so there should not be any situation why they need to go there. And as far as a third thing that we talking about, the customer would like to go there and buy the thing because they're buying the grocery, we have the same similar situation that people come and ask, "Hey, can I get the -- my pharmacy medicines here. I don't want to go to CVS or Rite Aid Pharmacy." At that point, "We said no, you can't, you have to go to the pharmacy." So, I don't see that why the customer will have any inconvenience over a period of time when we have the same service is available.

As far as the location is concerned, there are more than enough locations around where you need to go

and pick it up the thing. So that's not -- you're going too far to pick up any wine or liquors. So, things which are working, I don't know why we need to change anything. Thank you. That's it. If you any questions, let me know.

REP. D'AGOSTINO (91ST): Terrific. Thank you, Mr. Pattani. Not seeing any questions, I'll thank you for your testimony. Right. Mr. Clerk, we could move on the next person please.

SAMUEL CLARK: Thank you.

DEEPAK PATTANI: Thank you.

SAMUEL CLARK: Okay. Next person is Chris. Battista.

CHRIS BATTISTA: Hi, can you hear me?

REP. D'AGOSTINO (91ST): Hey, Chris, you're on.

CHRIS BATTISTA: I thank you. Mr. Chairman, Respected Committee Members. I'd like to thank you for your time. I'm here today to express my concerns with Sections 55 and 56 of HB 6101. I've owned and operated Ledgebrook Spirits Shop in Winstead for 30 years and Stateline Wine & Spirit in Canaan for 13 years.

My two stores employ over 20 people. We do our best to be constructive presence in our compute -- in our community by supporting local charities with donations, as well as an average of eight wine tasting fundraisers a year that we help organize and run. Both my stores are in shopping plazas next to grocery stores. Both plazas have vacant storefronts that my landlords have been unable to fill for years. Those storefronts once housed florists, banks, pharmacies, card and gift shops amongst others. All of whom were absorbed by the grocery stores. When those stores disappeared, so did most of the jobs, as well as the property taxes those

businesses pay to their towns. Most of our towns resemble a feedback loop of the same homogenized corporate chains that extract their profit dollars, as well as any sense of uniqueness from our state.

Liquor stores are amongst the last predominantly family-owned and operated retail businesses left in Connecticut. I believe they were able to survive as such because beverage alcohol is considered a controlled substance. When prohibition ended with the ratification of the 21st amendment, each state developed their own set of laws to regulate the sale of alcoholic beverages. Your predecessors, who crafted Connecticut's first set of liquor laws, felt the best way to maximize public safety was to sell it in a highly controlled retail environment, which was allowed to sell almost nothing else, ensuring sufficient motivation follow the letter of the law.

This year you and the Legislature are slated to take a serious look at recreational marijuana. If and when recreational marijuana sales are legalized, I'm sure a hundred -- I am 100% sure they will be sold in a highly controlled retail outlets, governed by a strict set of regulations, with limited locations designed to minimize any chance of the product falling into the wrong hands.

Passage of 55 and 56 of HB 6101 will shift a very significant portion of alcohol sales into grocery and big-box stores that have already shifted to self-checkout for us, watched over by a single employee, often a high school student. Under-aged kids have already learned how to exploit this weakness. I believe the proposed laws governing recreational marijuana's distribution will look very similar to original laws drawn up to control alcohol back at the end of prohibition.

There's a good reason for this. If a liquor store serves a minor, they are fined and the store is closed for multiple days. If a grocery store serves a minor, they put a curtain over their beer section

during the suspension and continue to operate as usual. Not a big deal. Which business model is better suited to handle-controlled substances? Liquor stores that were designed for it or grocery big-box retailers who are just looking to absorb the last few retailing dollars left on Main Street.

I want to thank you for considering my testimony. If you feel I'm trying to protect myself interest, you're correct. I, along with the other independent liquor store owners, have built our businesses based on existing laws and regulations. And doing so, hopefully, have made our communities a little bit nicer places to live in or visit. Passage of HB 6101 will result in --

SAMUEL CLARK: Excuse me, Mr. Chris. We are the three-minute mark, please.

CHRIS BATTISTA: Will do. Will result in less jobs, more vacant storefronts and a controlled substance available in countless additional outlet, which will be policed by an already short-staffed Department of Consumer Protection. Thank you.

REP. D'AGOSTINO (91ST): And nobody ever is guarding you for protecting your interest, Chris. I'd -- I think that that is a -- that happens all the time. But you're -- that's why you've got high-priced lobbyists testifying for you as well. It's -- and everybody does that. I think there nobody regrets that at all. I would doubt just, for the record, we do not allow high school students to man the checkout line at supermarkets when alcohol is involved. That is not the law in Connecticut. That is not the case. Just -- I just want to make sure everybody understands that. Any questions for Chris? Seeing none, I'll thank you for your testimony. And Mr. Clerk, who do we have next?

SAMUEL CLARK: Up next is Maggie Busel.

CHRIS BATTISTA: Then the most high school kids run those self-checkouts.

REP. D'AGOSTINO (91ST): Maggie?

SAMUEL CLARK: I think he's -- she's muted.

MAGGIE BUSEL: Can you hear me now?

REP. D'AGOSTINO (91ST): You're all set. Maggie. Welcome.

MAGGIE BUSEL: Hi. Thanks for having me. My name is Maggie Busel. I live in Farmington, Connecticut. And I'm here to testify in support of Section 55 of HB 6101. As a consumer, I'd like to have the opportunity to purchase wine and grocery stores. In addition to enjoying a nice glass of wine, I also use wine to cook with. I use wine for marinades, sauces and other pairings. And it'd be much easier for able to make my wine purchases while also picking up food for my meals.

But I also want to point out, I have every intention to continue to support our local package stores who would like to have the choice of where I can purchase my wine. With 32 other states already offering wine in grocery stores, I would hope Connecticut will be next. I urge you to support the sale of wine in Connecticut grocery stores. Thank you for your time.

REP. D'AGOSTINO (91ST): That was nice and pithy, Maggie. [inaudible] for you. Seeing none, thank you for your testimony. Mr. Clerk, who do we have next?

MAGGIE BUSEL: Thank you.

SAMUEL CLARK: Up next is Sal Abate. The next --

REP. D'AGOSTINO (91ST): Mr. Abate? Please unmute yourself. Sal, can you hear us?

SENATOR WITKOS (8TH): Mr. Chairman?

REP. D'AGOSTINO (91ST): Yep.

SENATOR WITKOS (8TH): Yeah, I got a message that David Leone's on the phone. He had problems trying to log in on his computer. He's trying to send Clerk a message to let him know that he's waiting, because we had skipped over him.

REP. D'AGOSTINO (91ST): Okay, we may come back, but there'll be room at the end also for anybody who didn't get a chance to testify. Miss -- and I think Mr. Abate, we'll do the same. Mr. Clerk, why don't you move on to the next person?

SAMUEL CLARK: Next person is Jay Shah.

REP. D'AGOSTINO (91ST): Do you see that person in the waiting room?

SAMUEL CLARK: He's coming in now.

REP. D'AGOSTINO (91ST): Yeah?

SAMUEL CLARK: He's coming in now.

REP. D'AGOSTINO (91ST): Mr. Shah?

JAY SHAH: Can you hear me?

REP. D'AGOSTINO (91ST): You are on, sir. Welcome. Thank you.

JAY SHAH: Okay, thank you for having me. Honorable Member of the General Law Committee, my name is Jay Shah. My family owns three stores -- liquor store in Fairfield County. We employ around 20 people. I oppose the Section 55 and section 56 in HB 6101. Why I do that? Because there will be detrimental impact on small business like ours. You know, there are -- we are talking about roughly 1,200 plus

stores. Employment, of course, there are 5,000 employees, as previously said by other colleagues of mine. You know, there are 5,000 people, employees of the store -- drivers, the sales reps, from distributor. You know there is -- their lives are also impacted.

And from Connecticut perspective, our tax revenue is lost too, right? Because of the employment law -- you know, loss, there will be income tax and, you know, loss of the revenue for the state. And not only that, there is also an impact to the community that we are in. You know, the corner location, the plaza, there will be a lot of vacancies, because, you know, those little small mom and pop stores like ours will go out of business because, you know, the big stores will start selling, you know, the wine and the liquor, right?

You know, one thing that I will highlight is also the, you know, the peep -- customer love to come to us. The reason is because, you know, we have a personal connection, you know, with them, right? You know, unlike -- you know, when they -- there is an event, we recommend wine. We give education on the wine because the employees, the owners are knowledgeable at the liquor stores, and I have had, you know, great doubt about, you know, employees or the big-box stores with the wine knowledge.

You know, I guess I'll try to conclude why are we doing this for the big stores, which none of them are from Connecticut, you know, that's the fact, right? So, we are not getting anything out of, you know, them. You know, the tax revenue will go out of the state as well for the big stores. Connecticut is just a profit center, right? They will discuss the profit that they gain from Connecticut, by you know, the category of the wine or the product that on the shelf, if they are good, they are selling, they will keep it, they'll Bill and toss them out, right? And enjoy, you know, the profit that they'll, you know, get out of our state. They do

not have any personal association or they don't care for this community because they are not part of the community. So, I urge the lawmakers, please do not pass this Bill. Thank you for your time.

REP. D'AGOSTINO (91ST): Okay, looking for any questions, and not seeing any. Thank you, Mr. Shah. We're working on getting Mr. Leone back online as well. But Mr. Clerk, who do we have available next?

SAMUEL CLARK: Up next, we have Paul Agranovitch. He's coming in now.

PAUL AGRANOVITCH: Hi, can you hear me?

SENATOR WITKOS (8TH): You're on, Paul. Thank you.

PAUL AGRANOVITCH: Great. Thank you so very much. Just get everything set up here. Okay. Thank you all for allowing us to testify today. As the 75th speaker, I think is what I saw on the list. So many things have been said already. And it's certainly not something that I want to be too repetitive on or repetitive at all. I just think that there is something that need to be said.

I chose to look at some information that was submitted by the Connecticut Food Association -- Food Stores Association. And I'd like to respond to several of theirs in the time that I have allotted to me if I could. One of the things they stated was that grocery retailers are working to recover from the pandemic.

Like to respond to that by saying that while we've done well in the liquor store industry, we never had to hire anybody to let people in. There was too many people who were in the -- in the pack -- in the grocery stores. So, they've done extremely well. People have to eat on a regular basis. They don't have to drink on a regular basis. So, the idea that they're working to recover, I think, it falls a little bit hollow on that.

They also said that by allowing wine in grocery stores, it'd be creating more jobs. Well, it's already here. I think we have something like 15,000 workers already in the liquor store industry. And so, it's not going to be creating any more jobs. If anything, it'll cause the loss of jobs and then unemployment as far as that.

They said, 36 states have wining grocery stores? Well, I think just a simple answer is or questions why follow because someone makes mistakes. Do we have to continue on doing the same thing? He said there was a study done in 2012 that package store business increased as wine came into grocery stores?

Well, first of all, it was paid for by the food on the Street. And it's not a plus business. And probably as important as anything at all. From what they said, was that this would be -- that the business would increase? There'd be no question about it.

Well, I look back to Sunday sales, we added 50 Sundays, six hours a week, we have absolutely not in -- not increased our business one bit. We continue to sell our products, but it has not increased as a result. It's over seven days instead of six days. So that's what has added to that. I believe someone earlier had raised a quote -- well, I'll just get back to that in just a moment if I could.

So, this is really what I wanted to make a -- my comments on. Something else that's made is that the package store owners live in the state. Generally, they spend money in the State of Connecticut. And as far as additional trips, that was something else. I'm sorry. Would that the food stores put in, customers will spend more money because they'll be in the store. I have over 3,500 wines in our store. We have enough for people if they want to browse and spend time. It's here. We don't have to go elsewhere for it.

And something else regarding grocery stores. Several years ago, and I -- I'm -- it -- be still this practice now. What people were doing they were taking a sit back --

SAMUEL CLARK: Excuse me, Paul. We're at the three-minute mark. Can we start wrapping up, please?

PAUL AGRANOVITCH: I sure will. They were taking six packs of soda, putting beer and running it by the automated teller -- the so -- teller. So, we are carefully monitoring it. Grocery stores in no way are doing the same thing. I thank you very much for your time. If there's anything else I can answer, I'd be more than happy to.

REP. D'AGOSTINO (91ST): I just note again, that I appreciate that point when we increase our grocery stores very strongly in Connecticut, and they represent less than 1% of the violations that we see. And you're not allowed to take alcohol, obviously, through the automated teller. And I appreciate your point. I would also note this from a larger perspective. Of course, the --

PAUL AGRANOVITCH: Sure.

REP. D'AGOSTINO (91ST): You know we did pass, you know, the --

PAUL AGRANOVITCH: Could I -- could I just get --

REP. D'AGOSTINO (91ST): We did pass Sunday sales not to increase your profits but to -- for the convenience of the consumer. That there are -- there are -- we get --

PAUL AGRANOVITCH: Sure.

REP. D'AGOSTINO (91ST): In all these larger pieces, we appreciate the impact or not impact that it's had

on your ballpark but had given consumers an extra day of choice, so.

PAUL AGRANOVITCH: Representative, could I -- could I -- could I just speak one more thing? Would that be possible? May I just say one more thing, sir? Representative?

REP. D'AGOSTINO (91ST): Sure, sure.

PAUL AGRANOVITCH: You're saying you cannot take liquor through it. And I get that. What I was saying that it was a scam before on the on -- if you take a six pack of soda, it gets scanned as a six pack of soda. You can put in six bottles of liquor inside there. It is not being monitored like we do it. And to think that that that is the case is absolutely wrong.

So maybe they only got caught with 1% or whatever the percent is. The fact is liquor, a beer is going through that way the -- and words where it's not tender, but it's automated. And that is an absolute fact.

REP. D'AGOSTINO (91ST): Okay, I appreciate what you're saying. I guess we don't -- we don't see evidence of this, but I suppose it's hard to prove a negative. Thank you. Seeing no questions, I'll thank you for your testimony. And Mr. Clerk --

PAUL AGRANOVITCH: Thank you.

REP. D'AGOSTINO (91ST): Will we be able to get Mr. Leone back on line?

SAMUEL CLARK: Sal Abate is on now. He's unmuted. Sal, can you hear us?

SAL Abate: Yeah, I can hear you now. Sorry about that.

REP. D'AGOSTINO (91ST): Sal, thank you.

SAL ABATE: Good afternoon, Chairman and Members of the General Law Committee. My name is Sal Abate. And I'm the Secretary Treasurer, Principal Executive Officer of Teamsters local 443 in New Haven, Connecticut. I'm testifying today on behalf of the members of my local, which I personally represent two liquor distributors and two beer distributors, as well as the 20,000 plus Connecticut teamsters and the eight locals from across the State of Connecticut.

I want to express our strong opposition on both Section 55 and 56, which would have a severe and negative impact on our Teamster membership, the working men and women who deliver these products to the local family-owned retail establishments. Connecticut package stores are strong partners with our employers and their distribution networks, and they employ thousands of Connecticut Teamsters directly in this part of the state economy.

In addition to the impact on our members, these proposals would also negatively impact Connecticut small family own package stores, while benefitting large multinational corporations and result in a destruction of hundreds of stores and costs countless Connecticut Teamsters, along with thousands of other non-Teamster jobs in Connecticut.

All eight Teamster locals stand behind our members and the small businesses that we supply with these product products and who also employ thousands of Connecticut residents. These proposals will be an economic disaster for thousands of women and men are Connecticut teamster members that are engaged in the supply, delivery, distribution and picking of these products in the State of Connecticut. These two sections 55 and 56 assure that hundreds of package stores will close and more of our members will be out of work. I'm here to stand by the small stores, the Connecticut package stores, all eight Teamster

locals. We oppose section 55, 56 of House Bill 6101.

We'd also like to comment on a testimony that was given earlier by an individual who was in favor of 55 and 56 and there was three words that were used one-stop shopping. Think about those three words one-shop stopping. If that doesn't scare you, as a Committee, what the economic outcome could be for this state, one-shop stopping will destroy the package store industry, along with thousands of jobs, not just my members, but all Connecticut people and it's not just the individual who loses his job it's the family that loses it. So, again, the eight Teamsters Locals and Connecticut strongly oppose Section 55 and 56. And thank you for hearing me today.

REP. D'AGOSTINO (91ST): Well timed, Sal. Let me see if there's any questions. We always appreciate hearing from you. I do not see any, surprisingly so.

SAL ABATE: Yeah, no. I'm here. I'm willing to answer, so.

REP. D'AGOSTINO (91ST): Thank you. Good to see you again.

SAL ABATE: Take care.

REP. D'AGOSTINO (91ST): Mr. Clerk, next.

SAMUEL CLARK: Up next is Ryan Broderick.

RYAN BRODERICK: Hi. Can you hear me?

REP. D'AGOSTINO (91ST): You are on.

RYAN BRODERICK: Perfect. Dear Co-Chairs, Vice Chairs, Ranking Members, and the Members of the General Law Committee. My name is Ryan Broderick. And I live in Trumbull, Connecticut. I'm here to

testify in strong support of Section 55 of HB 6101 because I believe Connecticut residents should be able to buy wine during a trip to the grocery store. I'm confused why I can do the simple tasks and other states but not in my own.

When looking to the national trend of wine in grocery stores, it seems as though Connecticut is behind the times. Turning into this hearing today, I've heard the testimony of numerous concerned packers or owners. I live less than a mile from Ninety 9 Bottles and my family and I will continue to go there to make the bulk of our alcohol purchases, however, I simply would like the option to buy wine at grocery stores, if and when I need to.

I think this entire issue comes down to exactly that options for consumers, it seems logical to have the option to purchase one when shopping at the grocery store and, conversely, the option to purchase complimentary food items when shopping at the package store.

In fact, I entered a twitter, twitter poll last night when asking whether I would like the option to purchase wine at Connecticut grocery stores and when I checked back to the results earlier today, the poll had over 1000 responses. The results were at 81 to 19 in favor of having the option to purchase wine at Connecticut grocery stores.

If this is truly about consumers, well, we want is clear, please support more options, thank you for your time.

REP. D'AGOSTINO (91ST): Thank you, Ryan. Thank you for your testimony. I see if there are any questions. That was well done, no questions, thank you.

RYAN BRODERICK: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk.

SAMUEL CLARK: Up next is Claire Bastian. Bastian hold on a second.

CLAIRE BASTIAN: Hello. Can you hear me?

REP. D'AGOSTINO (91ST): Claire, we've got you. You are loud and clear, thank you.

CLAIRE BASTIAN: Okay, good afternoon, Mr. Chairman and Members of the General Law Committee. I will keep this short, as I know you still have several testimonies to get through. My name is Claire Bastian and I'm a resident of West Hartford, Connecticut. I'm here to testify as a consumer, in support of Section 55 of HB 6101. I moved to Connecticut seven years ago from Indiana, which is one of 36 states where you can easily purchase wine in grocery stores.

During my first few trips to the grocery store here in Connecticut, I was quite shocked when I couldn't find any wine for purchase. This to me seems like a very antiquated practice. Consumers value convenience and as a mother of three young children, myself and my husband who travels weekly, I could not agree more. With little kids in tow, it's difficult to make separate trips to -- during the week for wine in groceries. I will be much more inclined to buy wine, if it is available during my weekly trips to the grocery store.

As opposed to having to take the time out of my already busy day to make additional trips to the package store, with that said, I urge you to support the sale of wine in our state's grocery stores, and I thank you for your time today.

REP. D'AGOSTINO (91ST): Thank you, Claire. Well done under the time of this testimony. Senator Witkos, please.

SENATOR WITKOS (8TH): Thank you Claire for testifying today, my question is actually relatively simple, I just want to know what caused you to sign up to testify today and how did you hear about it, we don't too often have these regular consumers come to testify before the Committee unless there's somehow attached to the industry, so one way or the other, so I'm just curious if you don't mind.

CLAIRE BASTIAN: Yeah, I was aware of this, because I do administrative work for the Connecticut Vineyard and Winery Association, but I really did want to sign up as a consumer. But with that said, I would like to say that I think at least people in my generation are also very much concerned with supporting local businesses right now, and I know that especially wineries here in the state have been hit really hard and it's very difficult for someone like myself to drive you know across the state to get wine at a winery with having kids and so, if I had that opportunity in grocery stores, you know it'd be much more inclined to support and purchase wine.

SENATOR WITKOS (8TH): Well, thank you very much for taking the time every day to testify. Thank you, Mr. Chair.

CLAIRE BASTIAN: Thank you.

REP. D'AGOSTINO (91ST): No further questions, well thank you for your testimony. Mr. Clerk.

SAMUEL CLARK: up next is Andrew Vahradian. Andrew.

ANDREW VAHRADIAN: Hi yes, can you all hear me.

REP. D'AGOSTINO (91ST): You are on.

ANDREW VAHRADIAN: Hey. Hi Committee just want to thank you for the time. I was testifying today for proposed Bill number 139 by Senators Haskell and Senator Steinberg and regards to the mead being sold

within or being included within the retail gift basket. Demographic and so I'm the owner of newly distribution are actually based in a neighboring state New York, New York state and we focus exclusively on the mead category mead is the oldest alcohol category in existence predates wine, cider beer and spirits and it's been a severely under represented category, but that is starting to change, and so I just want to say that I lend my support on to the State of Connecticut, kind of easing on the guidelines a little bit and making a little room for me to be included with, you know the four other big categories and we're actually planning on entering the State of Connecticut at some point.

We've had some great success down here within New York state and I think one big way that this particular proposal will help the situation is with Savannah B company, which is a small business based in Westport. They are basically a B product retailer, and I think they have 16 other stores in other states across the country, and one of the biggest items that they sell is mead, however, within their Connecticut store, they are not allowed to sell mead presently, and so this measure would help them do that to some capacity and as a distribution company or a wholesaler that focuses exclusively on the mead category any kind of health promoting the category is very welcome in our eyes.

REP. D'AGOSTINO (91ST): Thank you, yes, we were learning about our mead industry these past few years and dry up to grow. Senator Witkos.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman, I was gonna say the same thing you know we've learned about mead over the past few years and we quickly and rapidly adopted that into our statutes and you're bringing another issue to our attention that I don't see that would be an issue and if you choose to come to Connecticut, we would welcome you with open arms.

ANDREW VAHRADIAN: Thank you very much, so I mean the plans are kind of imminent, we're kind of waiting on a few ,things we presently work with total wine down here in New York state and we're hoping that you know they'll, there Connecticut stores, will be able to make a little room on their shelves, you know for the mead category, and we really want to help bring this categories to the next level and so we're excited that the state is making this small adjustment here are men and if you would like to further open up the market and you know we'd be happy to give any kind of assistance or guidance on what we have seen so far down here in New York, which is similar and we have a bunch of different wine stores that are owned by mom and pop, you know entities and so that kind of structure is very similar to yours up there in Connecticut.

REP. D'AGOSTINO (91ST): Senator Maroney, it's your follow up.

SENATOR MARONEY (14TH): Yeah. Thank you Representative D'Agostino, just a point of clarification that we're actually not hearing Senate Bill 139 today so you're testifying in favor of Section 60 of House Bill 6101 which allows for the inclusion of mead and gift basket, so just a small for, just mentioning for the other people who are listening if, in case anyone was confused, but thank you so much for your testimony.

ANDREW VAHRADIAN: Oh, shucks. Okay sorry, I thought this session tonight.

SENATOR MARONEY (14TH): It's the same, does the same thing just different locations, I just wanted to clarify.

ANDREW VAHRADIAN: Thank you very much for your time.

SENATOR MARONEY (14TH): Thank you.

REP. D'AGOSTINO (91ST): Thank you, seeing no further questions, I appreciate your time to the work, we can go on to next person.

SAMUEL CLARK: Okay up next is Jeanine Behr Getz.

JEANINE BEHR GETZ: Good afternoon Representative D'Agostino and Senator Maroney and the General Law Committee, thank you for your time and consideration today. I am testifying in support of House Bill 6101 and, in addition to my written testimony that I've submitted, I wanted to share some data points that in the last few days I've uncovered. I too held a poll of my own and interviewed 50 private citizens from Fairfield county and New Haven counties. I asked them two specific questions, one was do you approve of wines being sold in grocery stores, the second question was would you buy wine in grocery stores.

Overwhelmingly unanimously 50 out of 50 people said that they agree that wine should be sold in grocery stores and of those 50/30 said that they would still opt to buy wine from their package stores and support local businesses and 20 of them had said that they would buy randomly wine at a grocery store out of convenience and also treating it as a one stop for new preparation and entertainment. So those are just one data point. The second one, I wanted to share with you is in Greenwich, there are three current grocery stores that have liquor stores associated with them and within a 10 mile radius, there are 40 additional package stores that have coexisted with these three grocery stores, for the last 10 years.

So, in response to many of the testimony that they would put package stores out of business, one example is 40 package stores existing coexist with three grocery stores currently and run into that sell liquor right next door so that's just proof. The other thing I would like to ask is person

consideration from your Committee to if you're introducing an expanding wine in grocery stores, would you also consider having them also redeem those wine bottles in the grocery stores, and this is a waste reduction efforts, since that is on the tip of everyone's tongue up in Hartford and certainly environmentalists of reducing waste, this would be an added benefit and service to the State of Connecticut as well, is redeeming these wine bottles at the grocery stores. Thank you and I'd be happy to answer any questions.

REP. D'AGOSTINO (91ST): Thank you Jane, very well done. And I don't see any questions for you, although, we have your ready testimony as well, so thank you for your time.

JEANINE BEHR GETZ: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk.

SAMUEL CLARK: Up next is Doug Rankin.

DOUG RANKIN: Good afternoon.

REP. D'AGOSTINO (91ST): Hey Doug, we can see and hear you. Great. Thank you.

DOUG RANKIN: Okay, thank you well listen. Thank co-chairs Maroney and D'Agostino and ranking Members Witkos, Rutigliano and everyone on the General Law Committee, thank you for hearing my testimony today. This is really a salient topic, we're talking about and it feels like Groundhog Day, we've been here many years in a row now talking about this, and we did a fast course back in 2013 to really look at the issues of what was good and what needed an improvement in the Connecticut liquor control and the way it's disseminated and I thought it was pretty thoughtful document and I always encourage everyone on the new Committee to go back and look at that.

That mission and those findings, that was valuable time spent on so I'm a wholesaler, an important wholesaler very small business, we've been in business 12 years, my wife and I, and we have eight of us all together in the company. And we're based here in Connecticut, we have our own warehousing distribution, and we are a small business, but we are a vital business to a really vital industry and I think something that I just want to repeat, because we all need to hear it, including it seems like we have a large amount of people from the general population on this conference call, which I've never seen that in the Committee hearing before.

So, lots of public interest that's great, and I want to speak to those people. I travel all over the country and we meet, with, you know I know I know the business in many states, and I cannot convey you enough and more clearly that Connecticut has one of the most enviable and unique wine markets in the in the country. Because of our liquor laws, we actually have more variety, more choices, you want to talk about a pro-consumer market, it is the Connecticut market.

At bounce from Connecticut beverage Mart already really told you about the horror stories that have happened in Massachusetts and all over the country, Washington state a few years ago, or once they opened the door to grocery stores and I'm talking mostly large national chains, we have local grocery stores. I take what they say and fully understanding and empathizing with it, but it's the big change that will shake and change this market and, once you open this door for them to get wine you are inevitably, it's already been shown in market aftermarket, Massachusetts is going through it and living color right now, you will see all the really inspired family businesses start to close and shutter and I really this Bill strikes me more as a help wanted ad for cost over target because that's where a lot of people are going to have to go and

compete for the few jobs that are created compared to all the jobs that are lost when all these family businesses start shutting the doors, one after another.

And I really think about what's going on in the country, right now, and I, and I have to think, if you look at a national level, all the anger and mistrust and misunderstanding in the country right now is bubbling up our economy, because we have relentlessly manfully re-appropriated sector by sector, all these industries and taking profits, the way too many stakeholders and to a precious few is where this all ends up. If you want a choice and wine and your consumer in Connecticut, it is worth going to one of our package stores that they have a greater variety because they are small, and we have a very, I'm a supplier, we have a robust supply chain in Connecticut because we have so many independent retail stores.

You start putting it in grocery stores and you can't, you don't get your library books at the grocery store, you can't get everything in the grocery store, so why would you expect to have everything there, life isn't about perfect convenience and usually taking the extra effort actually goes, it rewards you and you go to one of these stores, where you have expertise and they really can show you things you're never ever going to see in the grocery stores. Like I said I travel and I gave this testimony before last time, I was in Arizona, I went to find wine, I went to three markets, it was the same brands, yes, a couple different labels.

They were all from constellation from Gallo and that's all there was because large stores operate at scale, they don't operate based on unique skews. Farm was the biggest supporters of farms, I know of go look in our refrigerator, we've got or we go everywhere to support the farms in Connecticut. I guarantee you go to your wine stores, then you talk

to them about hearing some and you have to call them, I mean my mind, my wines don't get placed unless me or my sales people go to the stores and we asked them to place our wines and we show them and they taste them and they're happy to everyone here wants to support.

Businesses that's not a mystery, but if we turn it over to large national chains, we're going to lose, our, we're going to lose, something that we should be jealously guarding. Thank you very much for your time. Any question.

REP. D'AGOSTINO (91ST): Thank you. Representative Rutigliano, please.

REP. RUTIGLIANO (123RD): Thank you, Mr. Chairman, good afternoon, Sir, you know you mentioned the competitive liquor Task Force that I'd be remiss, not to say that I was on that task force and it was amazing that at the end, we found out that a we had more skews and more product availability in Connecticut and just about any other State around and if not for our excessive taxation, where we're super competitive in our pricing, so we spent six months studying liquor and studying how we can be more competitive and we found out that the reason, many people go to Massachusetts because at the time, gas was 30 cents cheaper a gallon, so they're going up there, filling up their tanks and buying the six back why they were there so, I appreciate you referencing that you know hasn't been a while, since I've revisited it, but it did really, the task force was looking for something, and you know what it found, it found that we had a pretty good system already and things were going okay. So, I think that was the ultimate conclusion.

DOUG RANKIN: Yes, Sir, may I respond to that.

REP. RUTIGLIANO (123RD): Well, you can.

DOUG RANKIN: Okay yes, in fact what they, what they found was really, you know people, people will buy you know, unfortunately, people, some people on here already said that they would go. They would still support their local wine store, even if grocery stores had wine, but we all know, human nature, and we know that if we're running around doing things, if you're in the grocery store and it's right there that impulse purchase and you grab a big brand and you don't stop your local on the way home and that that just has been that's what happens and again in Massachusetts, you will see that play out you see it everywhere and, unfortunately, you have, I mean 1250 licenses plus the small wholesalers, like us, that bring things that you will not find in these other states to these stores and if you, what we're basically advocating is legislating a very healthy segment of our economy, and one that people enjoy if you go to a local wine store and you get to know them they get to know you with like your Barber they know how to cut the hair, if you need the haircut.

And then they know how to do that and the wine store starts to know what you what you like and it's a great experience and, and this time of big-box stores everywhere, we still have something that most states don't have and it's not modernizing. Modernizing is about efficiency and efficiency, you know and big-box terms eliminates choice and variety and you can't have everything, and you have to make choices, and we have something good here and as I said a few speakers back, I wish I could remember his name, that this is worth, this is a hill worth writing for, and protecting what we have and thinking about the big. We really have something great let's not legislated away when there's nothing wrong operating on a patient that is perfectly healthy.

REP. RUTIGLIANO (123RD): Thank you, thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Seeing no other questions for it, thank you for your testimony.

DOUG RANKIN: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk.

SAMUEL CLARK: Okay, up next is Cristin Generoso.

CRISTIN GENEROSO: Hello, I want to thank you all for allowing me to speak today, my name is Cristin Generoso. I'm a manager at a local liquor store in North Haven. I have worked here for about 10 years and I enjoy working in the liquor industry because it allows me to have the ability to work with the public. Connecticut State law regulated the sale of alcohol, based on the alcohol content, because those alcohols were deemed as a more dangerous substance and needed to be regulated. This created a need for liquor stores in Connecticut leading to the creation of an industry that has grown over the years into a highly respectable business. Today there are over 1200 family liquor stores that rely on the success of their businesses to feed their families and help their staff provide for their own families.

These sections threatened and industry on Connecticut that Connecticut created threatening these people's livelihoods. These local businesses provide many jobs to kind of get residents, those jobs are put into jeopardy, if you allow these sections to pass. Grocery store will not hire more people to handle the expansion of their inventory to include wine. Grocery store employees would not know have knowledge that the staff of the liquor store would have when it comes to the consumer.

I personally have acquired a vast knowledge of beer, wine and whiskey that I am able to use to guide my customers on their purchases. In fact, many liquor stores have conveniently located, are conveniently located near to or next to grocery stores to make it easier for the consumers do their weekly shopping.

If these sections pass than those stores located in those locations would be at risk of closing and any jobs at those stores created would be eliminated. Back when Connecticut made it illegal for liquor stores, to be open on, for sales on Sundays, people believe that it would lead to an increase in sales justifying the change. It turned out that those people that came in on Saturdays to purchase for Sunday's were coming on Sundays.

People in favor of allowing grocery stores to sell wine and box stores to sell beers think that it will increase liquor sales overall but there's no promise to that. Looking at the law change in 2012, we saw that there was no increase in market interest. The sales just moved around. Looking at this, we can show that the market won't expand, they will, they will no longer visit their local liquor store, taking away profits that would go towards people's pay. I strongly oppose sections 55 and 56 of House Bill 6101 dealing with various issues in regards to the liquor control act. It is my, it is my desire in life to have my own liquor store. I've invested nearly 10 years of my life learning the business to succeed when the time came, that I could open my own store. These sections would ruin any chance, I would have at opening my own business and I'm free to open up, open for questions.

REP. D'AGOSTINO (91ST): All right. I don't see any for you Cristin, but thank you for your testimony. We appreciate it.

CRISTIN GENEROSO: Thank you.

REP. D'AGOSTINO (91ST): Thank you and Mr. Clerk.

SAMUEL CLARK: Okay. Up next is David Leone. He is unmuted.

REP. D'AGOSTINO (91ST): There we go, we got you on the line. You unmute yourself.

DAVE LEONE: Can you guys, can you guys hear me.

REP. D'AGOSTINO (91ST): There you go, here on.

DAVE LEONE: Fine, been here since 09:30 this morning. Can you hear me?

REP. D'AGOSTINO (91ST): You're on. Go ahead.

DAVE LEONE: All right. Sorry for the for the technical difficulties. I'm Dave Leone, I just want to acknowledge my Senator Witkos, Representative Gibson, where a fourth-generation family in the liquor business, one of the longest standing in Connecticut. We presently have four stores. We presently have stores in Bloomfield, Deep River and Avon, employing close to 40 people, we also won the three properties, where the stores are located and take considerable taxes in these communities. I served on the State of Connecticut Alcohol Task Force 2012 nominated by Senator Witkos. And I'm Market Watch National Retailer of the Year, recipient 2006. I'm also a long-standing member of the CPSA.

So, we are here today to discuss with the pandemic and all the important issues that face our state away to pad the pockets of supermarkets, Walmart's targets, et cetera, at the expense of the hardest working small business people in Connecticut, package store owners and employees. As said before, we essentially have only three categories to sell versus hundreds by supermarkets, Walmart's etc. We are in every Main Street, in every town in Connecticut. A consumer would be hard for us to drive longer than five minutes to find an incredible selection of alcoholic beverages from the USA internationally, but especially from Connecticut.

To use the pandemic to go after us because of increased sales is ludicrous. Any gains during the pandemic are certainly well deserved versus all the years fighting to break even. In the publication

supermarket news, October 6, 2020 supermarkets were projected to be minimally 10% in 2020. In markets for grocery store cell line, selection is dominated by national, international suppliers, you would be hard pressed to find any local wines. We are a much better option, not supermarkets. Reality is shelf space is very limited in grocery stores. Most Connecticut farm wineries won't even get an appointment to sell their wine.

In today the percentages dabbled around of minimums that maybe legislated could and would never ever be enforced. We, the package stores have lived with Sundays increase permits, which have been used primarily by big box stores, bottle redemption, excise tax increases, which have driven more out of state business. There is a little public consumer demand for this, no one is picking it to capital or at the Governor's mansion demanding this. This is because we, the package stores take care of all our customer needs. This would be another major financial blow for us, we would have to cut at least half of our employees, all Connecticut residents.

SAMUEL CLARK: Excuse me Mr. Leone, you are at three minute mark.

DAVE LEONE: I got a couple more sentences. There is no direct benefit legislatively your financial, financially for the State of Connecticut passing this Bill. There is no need to hurt us during these tough times, where there are too many important issues in the state to deal with, please vote against this Bill 60, 101, 55 and 56. Please I'll take any questions, thank you for your time.

REP. D'AGOSTINO (91ST): All right, Representative Gibson. Sir you have the question.

REP. GIBSON (15TH): Thank you, Mr. Chair. How are you?

REP. D'AGOSTINO (91ST): Good, good.

REP. GIBSON (15TH): This is a long day. Mr. Lee, for you, Mr. Chair, Mr. Leone, we've been here for a long time, then the honest with you, we've heard a lot of arguments from both sides. Very compelling.

DAVE LEONE: Yeah.

REP. GIBSON (15TH): What about compromise could be made, for example, Connecticut wants only in package store.

DAVE LEONE: Well, here here's, that's a great question. Here is what a couple of our speakers even our president of the CPSA. Package stores would be willing to definitely agree to some type of an agreement with the Connecticut wineries. Enforcing a percentage, while may sound good, is going to be close to impossible to enforce. We already are the best avenue, as I stated in my testimony to sell Connecticut wines and, quite frankly, if you want to speak honesty, if this was to pass and Connecticut wines were entered into supermarkets, there would obviously be some antagonism between you know package stores and Connecticut wineries. I mean, you know it may go on said to be politically correct, but that would be reality.

That could possibly even hurt Connecticut wineries more and like I said, the majority of Connecticut wineries other than a couple big Connecticut wineries, the majority would never ever get an appointment with a supermarket chain to place their wines in the store. That's the reality, that's what happens in other markets, that's why you don't see local craft wines in many supermarkets and other states. They will not get an appointment with the supermarket change. So, we would go out of our way and I've even offered to Steve Downes our President, I would be, I would volunteer to be the front person to act between the package stores and the

Connecticut wineries to ensure success in increased sales for Connecticut wineries and package stores.

Connecticut wineries should know, and I think would acknowledge we there's 1250 of us. Every potential one of us could sell their wines. There's no way in Connecticut, Connecticut you're going to get 1250 supermarkets to sell Connecticut wines that's the reality.

REP. GIBSON (15TH): Quick, another quick question.

DAVE LEONE: Sure.

REP. GIBSON (15TH): Is the package, if the big stores like us stop and shop, took the big growing companies and Connecticut wineries couldn't get in there. Will that be better, so then people wanted those Connecticut wines then go right to the package stores.

DAVE LEONE: Yeah. This is the situation. The best situation for Connecticut wines is to be sold by Connecticut package stores. National wines and grocery stores, in general, you know, like we've been testifying all day you know, are going to put a lot of us out of business. We already have 1250 outlets that sell all the national brands of wines. There, every street corner, it has in stocks to national brands that the supermarkets would put in, so now all of a sudden, our business would be spread over more outlets in addition to the 1250, so it doesn't make any sense to put national brands in supermarkets, because we, the 1250 stores already sell them.

Furthermore, it's a win, win because the Connecticut package stores would go a step further in helping all the Connecticut wineries, especially the small ones who will have no voice in in the large supermarket chains.

REP. GIBSON (15TH): Thank you, Mr. Leone. Thank you, Mr. Chair.

DAVE LEONE: Thanks a lot, Mr. Gibson and we appreciate you representing us in in Bloomfield and in Windsor.

REP. GIBSON (15TH): Thank you.

DAVE LEONE: Thank you.

REP. D'AGOSTINO (91ST): Thank you Representative Gibson. Senator Witkos.

SENATOR WITKOS (8TH): Thank you guy for holding the line to come and testify.

REP. GIBSON (15TH): Thank you Senator for helping me up.

SENATOR WITKOS (8TH): You know we've all been here.

REP. D'AGOSTINO (91ST): I appreciate you're getting there.

SENATOR WITKOS (8TH): We've all been here since 09:30 ourselves and we've heard a lot of our friends' opinions, but I --

DAVE LEONE: I appreciate.

SENATOR WITKOS (8TH): I do want to push back a little bit one of the things that you said was that the reason why we're hearing this Bill today is because of the pandemic and that can't be farther from the truth. You know, we're meeting virtually because of the pandemic, but we're not changing how we do business in the legislature if somebody has an idea, and they want to put a Bill forward and the Committee wants to hear about it, the general public that's what we've always done. So, I think that was kind of an unfair assessment.

DAVE LEONE: Well, I I'm sorry, you missed you understood me what I said, verbatim, as I said, any gains we've made during the pandemic are certainly well deserved versus all the years fighting and breaking. I didn't say anything at all about meeting, I think this is a great idea I know I respect the fact of the pandemic and you know, and I made no mention or any attempt. The, my only wording with the pandemic was that people are paying us, as you know, as making a lot of profit and you know that's what I was speaking to. So, I'm sorry, maybe I may, I came across the wrong way.

SENATOR WITKOS (8TH): Maybe I apologize if I misunderstood what you said.

DAVE LEONE: Sure.

SENATOR WITKOS (8TH): We did hear that a lot of package tours have testified that. The Connecticut craft or Connecticut farm winery count to less than 1% of their total sales and, as the Chairman had mentioned in his opening comments or during one of the speakers that, if the Bill was written such that grocery stores were only able to put Connecticut wines on their shelves, because they have to be, because of the way that they're manufactured at a certain level, it wouldn't allow the national wines to go in there.

Help me understand why the groceries or the package stores would be upset when we've heard consumers testify that they want the convenience if they're shopping just to grab a bottle of wine for dinner, and they can go home soon to make multiple stops and this may be the only time that they would sample a Connecticut wine because that's the only thing that's available in a grocery store and now they say, well, next time I'm in the package store wait, I tried this, and when I got it the grocer now I'll come here, because I know you carry it as well.

DAVE LEONE: It's not reality, in what you're referring to with a consumer wanting to try a different wine in all the other states really involves national brands things like Josh, Coolabah, I hear what you're saying that potentially this would be a Bill only to put Connecticut wines in grocery stores, but you have to understand the reality is like I said even if it's only Connecticut wines allowed in grocery stores, the majority of the smaller farm wineries in Connecticut will not be represented and I think to enforce minimum percentages is not going to work. I think, if anything you know, again, we, the package stores 1250 of us with a Committee or a point person like myself could do 100% more for Connecticut farm wineries than supermarkets could ever do.

SENATOR WITKOS (8TH): Let me explain that.

REP. D'AGOSTINO (91ST): Go ahead.

SENATOR WITKOS (8TH): So, you already have the ability to do that now. The package stores have the ability to go out there and sell the farm wineries making it 100% better than what they're having now. And we're hearing from the farm wineries that there they can't get their product out to the masses, if you will, that anywhere from 60% to 90% of the wines that the manufacturers are sold right at their facility so they with, they meaning the wineries thought that this would be a mechanism to get their product out to a wider audience and the you're saying it that the grocery stores won't work, but we've heard from the grocery stores associations themselves, and I think we have the President, coming up that they will, they're willing to make space available on the shelves for Connecticut wines for convenience to their customers.

And the national brands can't get in, if it's in our state statutes, the way it's written that would preclude them from coming in, so I guess that's where I'm having difficulty understanding and when

you saying that's going to, it's going to close or loss of jobs for factors and close factor down you're only talking about 1% of your sales.

DAVE LEONE: That's that that's not that's not what I'm saying.

SENATOR WITKOS (8TH): That's what others have testified to. Well, I disagree because most, at least 700, it may be 1% or 2% in people who are bantering that number around some wineries, Connecticut wineries are saying that percentage. But it does vary and the fact remains that the majority, you know of Connecticut package stores, a lot of them do can, do carry Connecticut wines already. There definitely may be a need to grow, you know the inventory in those stores, but I'm just saying, the fact remains that, you know to be able to say that right now that you know that supermarkets, you know, first of all to 1, 2, 3 4% you know that that's out of maybe 8000 SK use.

So that that could be 80 to 100 wines Connecticut wines and a lot of the you know the AMB stores and that's a big representation over what over the you know the gross number of farm wineries many whom you know don't produce enough to be distributed, so you know I be careful with the one or 2% that is making it sound like you know virtually no package stores Connect, carry Connecticut wines, that that is you know that's not that's not true, a lot of what there's what.

DAVE LEONE: Those are those are Connecticut package store saying that the one to 2% is the percentage of their sales of Connecticut wines. Not how many percent of box stores carry that product.

SENATOR WITKOS (8TH): Well, that product, that that some package stores, that some CPSA stores or whatever you know I think we before we rush to judgment, I think, on this Bill, we should really do a thorough research, and you know do a survey in all

1250 stores. See exactly how many Connecticut wines are sold and, you know, let's maybe put a Committee which I will Chair, you know, to really examine this further before you know, maybe we push something through that you know we're bantering numbers about that I don't I don't think are totally 100% accurate that's just wrong comment.

DAVE LEONE: You know, again, and your friend, but I, these are numbers from owners of stores that I would hope are testifying truthfully to this Committee and what we're trying to make decisions and so we base a lot of our decisions on the comments that we're hearing today, but I.

SENATOR WITKOS (8TH): No, I get I get that but, there are 1000 stores in Connecticut that we are testifying today.

DAVE LEONE: Let me ask you one final question.

SENATOR WITKOS (8TH): Sure.

DAVE LEONE: And then I will it back to the chairman.

SENATOR WITKOS (8TH): Okay.

DAVE LEONE: So, we heard folks testify that in package stores that wine sales are the largest, the profit-making portion of the business and could be up to 35% that's what somebody testified to earlier. In your stores what's the profit that you make on Connecticut farm wines, if you will percentage wise.

SENATOR WITKOS (8TH): Well, it varies, because you have situations where the cut, you know where the prices to us on certain wineries are high, you know relatively high they there may be a Connecticut cabernet that comes into my stores at \$15 dollars and you know, for us to make it competitive for the consumer, you know we may have to sell that at 1999. So that's what a 10 or 15% gross profit, so you know

it, this is a common theme across the country with craft wineries you know and we understand that that their cost of operating or higher, so you know we don't mind paying a higher you know, maybe a relatively higher price let's say versus California cabernet but we will work at lower margins to sell their wines so connect, so will be an attractive price to the Connecticut consumer.

DAVE LEONE: Okay.

SENATOR WITKOS (8TH): Thank you sure, thank you, thank you very much Kevin.

REP. D'AGOSTINO (91ST): Representative Hayes, did you follow up.

REP. HAYES (51ST): I don't think it's a follow up because I haven't asked a question yet.

REP. D'AGOSTINO (91ST): Go ahead Representative.

REP. HAYES (51ST): Okay, thank you, Mr. Chair. David, I want to thank you for hanging in there, I know it's been a long day, was a long day for you. And thank you for being here you're very informative today.

DAVE LEONE: Thank you, thank you.

REP. HAYES (51ST): However, I am going to use a question to you, hoping that I can get response from other Members of this Committee, because I think I just heard the good Senator say that only Connecticut wines would be sold in grocery stores, now that caused a little bit of confusion to me, because it was my understanding that the major brands would be allowed in grocery stores or well as well with a certain percentage of Connecticut wines being mandatory so I'm going to ask the question was that your understanding that I can bring back.

REP. D'AGOSTINO (91ST): Why do we not use the witness to ask questions of.

REP. HAYES (51ST): Why, I didn't want to ask a question directly.

REP. D'AGOSTINO (91ST): It's okay, it's okay I know you are clarifying, but clarify, so again, as we sort of said at the beginning, and this is kind of as we've talked about during the day that we are the leadership of the Committee and we're going to make sure the whole Committee obviously has this, we certainly will do. We're working on revised language, we did get some additional research about how we can assure, ensure that that should we do this, that the supermarkets would be required to carry certain producers below a particular volume and while we can't say this particular Connecticut wine, for legal reasons, we can do other things with respect to the volume on it, and we will discuss as a Committee, as a whole, whether that's, if we do this, we do that for all wines that are grocery stores, or we phase in a percentage amount over time, as we heard today.

I think we'll have a full Committee discussion about the parameters of that, but I think we can I can confidently say that the final version of this Bill that we vote on as a Committee will ensure that smaller manufacturers are guaranteed shelf space in in the Bill whether that's 100% or 10% or 50% the Committee will look at, but that is, that is the idea and that's why you've seen some of these questions in that regard that go to ensuring diversity of choice at the at the at the supermarkets, or you know whether what the package tours carrying would really be impacted by the by that or not so. We are looking at that, and I want to ensure you and the rest of the Committee that that obviously that language will be turned will be circulated to everybody, it'll be public, the lobbyists everybody on this call will see it and I'm sure they'll contact you where their thoughts again

and work tomorrow Committee meeting just dedicated to, to talking about that before we even just the discussion item for the Committee since if it's gone or such so let me, let me assure you and all the Committee Members, I hope that clarifies your question.

REP. HAYES (51ST): Okay, okay we'll, let me say Dave one more time, because I think he did a great job. I want to thank you, Mr. Chair for trying to clarify that up, however I think we're leaving this very confusing for people in the general public on what type of wines would be allowed and sold in a major supermarket, I think I think that's confusing. Thank you.

REP. D'AGOSTINO (91ST): Any further questions for Mr. Leone. Seeing none, thank you for your testimony that's very helpful.

DAVE LEONE: Thank you, thank you so much for, thank you for bringing me back in out of line. I appreciate it.

REP. D'AGOSTINO (91ST): No problem, you can thank you, your senator for providing for you there.

DAVE LEONE: No, I appreciate. Thank you again Senator Witkos who represented Gibson. Thank you.

REP. D'AGOSTINO (91ST): Thank you. Next, Mr. Clerk, who we have next.

SAMUEL CLARK: Up next is Larry Cafero.

LARRY CAFERO: Hi.

REP. D'AGOSTINO (91ST): I know we can see you and hear you.

LARRY CAFERO: Great, great. Well Honorable chairs, ranking Members, vice chairs, and Honorable Committee Members. My name is Larry Cafero and I'm

the Executive Director General counsel of wine and spirits wholesalers, I'm here to speak in opposition to Sections 55 and 56 of House Bill 6101 and there's been so much testimony, I, like everyone else, have been here since 09:30 and you've heard so much from package stores, which we certainly support you've heard from supermarkets, you've heard from wineries, I don't want to repeat a lot of that in my written testimony, I sort of did a different way of giving testimony and that was by Q and A, so I'll be glad to reserve a lot of your comments to for that.

I'd like to focus, if I may, on the consumers concerns and most importantly, the Connecticut wineries concerns and a lot of what I'm about to say goes to what the recent back and forth it just happened between some of the senators or Representatives and the good gentleman who just testified. I think Chairman D'Agostino you said it correctly, right now, the Bill that's before us says that you would allow wine and need to be sold in grocery stores, there's absolutely no mention of Connecticut wineries of setting aside a certain percentage, et cetera, it just generally says wine.

Now, Chairman D'Agostino who has just said that he will assure everybody that there will be subsequent language that will in some way try to specify or reserve a portion of what gets sold in these grocery stores for local or for smaller wineries and I think he's clever, genuinely clever enough to say that because he knows, probably as an attorney better than most that you cannot, you as a legislature cannot say that a supermarket will sell only Connecticut wines, you cannot say that a supermarket will only, or at least 10% of its shelf space will be devoted to Connecticut wines, you cannot say that because of the United States constitution dormant commerce clause, which specifically said and held in a case in 2005 that no State can mandate "different treatment of an in state and out of state economic interest that benefits the former and burdens, the latter, and it was specifically had to do with wine,

so you can't do that, so I think would Chairman D'Agostino's referring to is maybe getting around that by saying supermarkets we want you, to if you're going to allow you to sell wine, but you have to reserve say 10% of your shelf space for wines that come from wineries that are less than 100,000 gallons ,I read that in the current article.

And here's, the only thing I want to caution you on. Do not believe for a second that that will issue our Connecticut wineries to be in that 10%, it will not. Here's some facts, I think that might interest you.

SAMUEL CLARK: Mr. Cafero, your time is up. You are at three minute mark.

LARRY CAFERO: Okay. There are 11,000 wineries in the United States of America. 10,750 of them make 100,000 gallons or less. There are a lot of California wine wineries out there that fall right in line with our small Connecticut wineries. Also, you should know that there's a lot of small wineries out there that are owned by the big boys, they're owned by Gallo, they're owned by Jackson family wineries, they're owned by same Michel wineries. Inglenook is owned by the Francis Ford Coppola Company. They produce only 20,000 cases per year, so I guess what I'm saying is if the best you can do to protect Connecticut wineries is put in 100,000 gallon limit or below, do not think for a moment that that will assure Connecticut wineries to be on that shelf, I have a lot more to say, but I will wait to see if there's any questions.

REP. D'AGOSTINO (91ST): We do have your written testimony, where I think that's always well thought out. Representative Cheeseman.

REP. CHEESEMAN (37TH): Thank you, Mr. Chairman, thank you for coming here today, Mr. Cafero.

LARRY CAFERO: Thank you Representative.

REP. CHEESEMAN (37TH): So, in recognition to what you're saying, what would you say to those people who say, hey you're denying consumer's choice by not allowing them to go when they pick up their carrots and Doritos at Stop & Shop to buy the wine, they want or when they're doing their grocery shopping at target, so if I'm explaining to my constituents why this is a bad idea what should I be telling them.

LARRY CAFERO: Well, two things I think Representative Cheeseman, because what you've just talked about has to do with convenience and choice and those two things are going to be affected if this Bill happens. Let me explain. I've heard a lot of people testified today that when is Connecticut going to come up with the times and you know, allow the sale of wine in grocery stores, there's a reason we don't. We have 1250 package stores, more than any State per capita in the United States of America. We have more variety and when I say variety, I'm talking about brands, skews, sizes, then, many, many states that are much larger than us.

So, let's take the state of Tennessee, for instance, they just recently passed wine in grocery stores. Well, one of the reasons they did it is one they have twice the amount of people we do. They have, their geographical size is seven times the size of the State of Connecticut, and yet they only had 500 package stores, so it truly was a logistical and convenience issue in that state they needed more venues to sell wine.

But what has happened since the small variety, they did have was cut in more than half. In the state of Florida, well I don't know, God knows how many times bigger than Connecticut. They have less than half the variety that we do. They sell the big-box stuff. They sell the big-name brands. So would, you if you ask the consumer for convenience's sake, and, by the way, I'll argue that COVID has proven, we have one of the most convenient, not you didn't

hear many people say why I'm having a devil of a time getting my wine beers or spirits delivered or picked up, it was plentiful and so goes the profits of the package stores, because we have delivery systems curbside.

It is easier than ever before to have the convenience of alcoholic beverages brought to your home. So, convenience frankly with due respect I'm not really buying that. If you want to relegate the wine to grocery store in addition to liquor stores, you're going to have a problem, because they are only going to sell the large sellers, so someone might add, and they did ask, oh, why is that a problem. So good, the liquor stores could sell the other stuff, but you have to know the economics of a liquor store. The wine as mentioned is the driver, the biggest profit Center of a liquor store. But within the wine family, what allows them to carry these rare and esoteric brands and even our local Connecticut winery brands is the profit they make off the big sellers.

The standard national brands that you'll see, you know constantly barefoot, josh, etc., Mondavi, Gallo wines, those are ones that you're going to see in the grocery stores, take that out of the liquor store or have that being shared now with supermarkets, you're cutting into that portion of the wine market that supplements the liquor stores that allows them to sell the other variety. So, when you talk to that consumer you could explain to them, not only that convenience they currently have to get that product, but the variety, they have.

That is unique, I would argue, to any other state in the Union and that you will jeopardize that variety, by putting the biggest profit item and they don't have many in a liquor store, three by putting that in a package store, which will only, in my opinion, even with what's discussed, 90% of their shelf space will be with those big items and the 10% that will be regulated by law, can't specify Connecticut

wineries to wineries that say produce under 10 hundred thousand gallons a year or less than 42,000 cases a year. Boy they're going to have a PIC and if they're doing big business, some of these big shopping centers with the gallows and the cupolas of the world, and they say, hey listen, we happen to own some of those little wineries put those on that 10%.

REP. D'AGOSTINO (91ST): We can get to another question; I will be great.

LARRY CAFERO: Okay.

REP. CHEESEMAN (37TH): Okay, my final question is so and again you're obviously not running a large supermarket nor you running a small package store, is it fair to say if we give supermarkets the ability to sell these new products, they are unlikely to take on new staff, whereas if we inject this new option into the system smaller package stores may very well have to lay off staff if they see their business decrease.

REP. D'AGOSTINO (91ST): Yeah. Representative Cheeseman, he is froze there.

LARRY CAFERO: I did.

REP. D'AGOSTINO (91ST): No, no.

REP. CHEESEMAN (37TH): Sorry, so, is it fair to say if we give this new product to our supermarkets at one, they're probably not going to increase their Labor force, whereas on the other hand, if we see a real impact on the smaller package stores, they're going to be forced to decrease their Labor force, so this may not be a net game.

LARRY CAFERO: Well, Representative Cheeseman, I'm not certainly not an expert on that part of the economics of either supermarket or package store, but I do know this. I don't know how many will

close or how many jobs will be lost, but there is no question in my mind that one of the biggest and few profit centers the product that has a price, is a profit Center to a liquor package store will be seriously negatively affected. No ifs ands or buts. There's not more wine being bought it's the same amount of wine being bought in different places, that will have an economic effect, whether that translates to a loss of jobs or closure that's not for me to say.

REP. CHEESEMAN (37TH): Right. Thank you, Mr. Cafero. Thank you very much, Chairman D'Agostino.

LARRY CAFERO: Thank you.

REP. D'AGOSTINO (91ST): Thank you. Senator Kissel haven't from you today. I appreciate if we get some of your time, are you there.

SENATOR KISSEL (7TH): Yeah. I'm here.

REP. D'AGOSTINO (91ST): There.

SENATOR KISSEL (7TH): With my Herman Munster grandpa hair, until I get a haircut.

REP. D'AGOSTINO (91ST): We're all suffering the same Senator.

SENATOR KISSEL (7TH): Oh man. So, Larry good to see you.

LARRY CAFERO: Good to see you Senator.

SENATOR KISSEL (7TH): I appreciate where you're coming from. On this Bill I think what I'm hearing is like it's like Sections 55 and 56 or the problematic sections and is that your position as well, or are there any other portions of the Bill that you have problems.

LARRY CAFERO: I don't have problems with the other portions of the Bill that I applaud, for instance, you know, we know that our -- I'd like to call our partners as our package stores our restaurant partners suffered dearly, dramatically, and if we can help them by extending that period of time, we're in they could sell take out alcoholic beverages, we or all afford.

SENATOR KISSEL (7TH): Okay, thanks that was my only question Mr. Chairman. Thank you.

REP. D'AGOSTINO (91ST): Nice questions, Senator Kissel, I appreciate that. Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you Mr. Chairman. Hey Larry, hey I was hoping, I really found that Gallo comparison interesting I was hoping, you could just finish your thoughts on that.

LARRY CAFERO: With regard to the large.

REP. RUTIGLIANO (123RD): Gallo, is going to come in and they own some of the smaller ones, you are here, I think what you find them interrupted your train of thought and I had found that that is one of one of the arguments I find most compelling because I, you know even is the fact that the even the small wineries are controlled by the large wineries.

LARRY CAFERO: Well, just to give you a four examples Representative, I don't know if you've ever heard of Pahlmeyer Winery. Pahlmeyer Winery is owned by Gallo, it only produces 4000 cases per year. But Gallo as a whole produce, I think over 60 million cases a year, classic example of a big player who will, without question, be one of those that will be in the supermarket arena owning a small winery that anonymous, I'm anticipating that the one of the safest legal ways you'll be able to specify or mark off a certain amount of shelf space is by Gallonage, they own the small gallons and other wineries these

other Jackson family winery produces over 6 million cases a year.

They own WillaKenzie Estate, which produces only 15,000 cases a year. Ste. Michelle Wine Estates which produces, you know, 6 million a year, they own Northstar Winery which produces only 5000 cases a year, so don't be I guess none of us should be confused with the fact that these small okay, we're just going to allow, we're going to reserve some shelf space for these small wineries thinking that's how we're going to help our Connecticut wineries. I don't think so folks, I don't think so what I did here today that's there's a whole bunch of package stores out there that do sell the Connecticut winery stuff.

Maybe not enough to their liking, and we could certainly work on that, but to me, that is the best way to pursue, as opposed to doing something that could come back and bite you, and that is here, we thought we were helping somebody and we actually hurt them.

REP. RUTIGLIANO (123RD): That small winery that you referred to that was owned by gallon same, they incorporated as a separate entity.

LARRY CAFERO: Yes, they're separate, yes.

REP. RUTIGLIANO (123RD): So, there would be no discerning, they're not a subsection of Gallo, so they would show up as a small batch winery as well.

LARRY CAFERO: Yeah, I mean, maybe in creating the Bill, you could try to carve them out and that's certainly possible, I don't know how you would do the Inglenook, you've heard of Inglenook that's owned by the couple of wine estates. You know Inglenook produces 20,000 cases a year, and yet you know COP Francis Ford Coppola 2 million a year, so it happens, but not only that remember there's over 10,700 wineries that produce less than 100,000

gallons a year, so whether it's owned by a big boy or not, supermarkets and let's face it they're in business, they sell what sells off their shells. If they feel there's another brand that matches the same description that was putting statue that would sell better than a Connecticut brand, they're going to sell it. I get it during business.

REP. RUTIGLIANO (123RD): Thank you there's anything else that you wanted to share before I turn the questions back over to the Chairman.

LARRY CAFERO: No, listen, I know you guys are always very thoughtful about this, you have taken great time certainly today and, in the future, I just say proceed with caution. Having been a legislator myself, I know that sometimes, with all the best of intentions, we draft pieces of legislation that have these unintended consequences. I don't think anybody on this Committee is trying to hurt package stores, I don't think anyone's trying to hurt supermarkets or help them at the expense of anyone else. I think we're trying to make a good system better I just asked you two things, take stock of what we have, it is a unique and very successful form of alcohol beverage delivery number one and number two please be aware of what you think might be helping someone could turn around and hurt them.

REP. RUTIGLIANO (123RD): Thank you, thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you. Senator Witkos and followed by Senator Osten.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman. Thanks Larry for your testimony, really was helpful and clarifying, but I did have a question and since I'm not an attorney and I know that you and our chairman, I'll oppose it to you and when we spoke about, if we were trying to limit it to Connecticut farmers, we cannot do that and I understand your

testimony and even if we tried to limit it to a smaller manufacturer, that there are thousands across the country that would fall within that category, but I'm aware that in Connecticut we made an exemption to the min bottle a few years ago and allowed one SKU to be sold below the market price and I'm curious if you could limit a number of SKU that could be sold in this case wine in a grocery store therefore or thereby if it, if you say two or three, then the variety of wine, to be sold in a grocery store is limited to two or three whatever that they happen to want to purchase.

Whereas if people wanted a large variety or selection and they would go to their package store, so this would, this would accomplish, in my opinion, the couple goals that we would try to set in that not for the fine wineries, unfortunately. Unless you limited space available is that we're almost force them to do an SKU but can you do something like that is that permissible under our laws, under laws.

LARRY CAFERO: I think, Senator and I'm not a constitutional lawyer and maybe someone on the Committee, who is are familiar with can answer better than I, but I think, so long as your restriction applies across the board to both in state and out of state manufacturers or retailers of the same class, then I don't think you run a file of the Dormant Commerce clause, it's when you start to pick sides, if you will. In state versus out of state that you're going to run into trouble, so if we did what you suggested I'm thinking and said okay supermarkets will let you sign so wine, but no more than three skews for you got to be careful with, that is, you know, a skew not only pertains to a brand, but it pertains to a size, so you could have different sizes of Gallo wine, for instance that's rich cues right there for you have three different sizes.

If you had three different flavors Chardonnay, Muller, and Sauvignon Blanc that's three skewers right there so I'm not sure it'd be a practical thing to do but if that were the case, I will assure you this, then the wines that would be sold those three skewers would probably be the most popular wines in the nation those three they would sell.

SENATOR WITKOS (8TH): Yeah, my thought was, I mean I just picked three out of the top my head, but it's would accomplish the goal of the most consumers I'd have testified today and the earlier testimony from a woman who did a survey of 50 people and all 50 people said they like to have the convenience, but if they're limited the grocery stores, as to they have to choose what they want and it would also continue to drive customers to the package stores. Just off the top my head, I was just wondering if that was legal or not.

LARRY CAFERO: You know I told you what I thought, by the way, with regard to that woman and I enjoy hearing from, especially those Members of the public that aren't in it, with any folks like us, or whatever, but, of course, you know it's like saying, do you want your taxes cut. I think you'll get unanimous reply with that, but if you did, if you want your taxes cut, you're gonna to have to take away half the roadways or close half the schools. People might think different. So, if you ask them do you want wine and groceries but it might cost you the variety you enjoy right now, people might have answered differently and that's some of the problems with these sorts of unofficial polls that get taken.

SENATOR WITKOS (8TH): Appreciate. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you. Senator Osten.

SENATOR OSTEN (19TH): So Good afternoon, Mr. Cafero. I just, actually, I have no questions for you, I appreciated your testimony and I just wanted

to say thank you very much for coming back to the legislature, and I wish that it was in the timeframe of being in person, because I always enjoy watching you in the cafeteria, work your magic as you go from person to person to get someone to agree with your position and I admire the your depth ability to get people on your side on this very complicated issue and I just really wanted to say thank you very much for coming today.

LARRY CAFERO: Thank you Senator. It's good to see you and I don't know if that's exactly true, but I appreciate the sentiment.

REP. RUTIGLIANO (123RD): I respect it. I would say sack the senators. No doubt.

SENATOR OSTEN (19TH): Thank you. Have a nice afternoon.

LARRY CAFERO: Good be safe.

REP. D'AGOSTINO (91ST): Representative D'Amelio.

REP. D'AMELIO (71ST): Thank you. Larry it's great seeing you, looking forward to the day when we all can sit down and have a glass of wine together, for sure. You know Larry, you brought up some good points about the variety of wine, you know growing up here in Waterbury, we used to have so many neighborhood bakeries. You know, unique places that you know one bakery would make bread and other make pastry and that all kind of big grocery stores when they started baking breads and pastries, the little MOM and POPs close and I use that argument a lot with people that are really in favor of you know, having the wines in the grocery store, because lot of people, the convenience of it other lot of people don't really want to go into a package store either their grocery shopping and they want to be able to be you know pick up a bottle wine to go with the state that they're having.

If wine is allowed, what would you do you really believe that the package stores would close, is it that big, big? Are their sales big, big? You know, they need that support them to stay open.

LARRY CAFERO: Representative, first of all, I am the last guy in the world, I think any of us are I got no idea whether a guy or gal who owns a liquor store is going to close or lay off, but I do not here's fact. They're only allowed to sell three things that's a fact. One of them, they already share with a grocery store. We're debating whether they should take the second one and share that with a grocery store and, by the way, it's not like there's only four grocery stores there's a heck of a lot of. Okay.

We do know fact that they make their biggest profit margin on one, and we know fact that of the wine, the biggest profit margin, they make is the national brand. And we know fact, if you look around the United States of America, supermarkets, because they sell thousands of items, devote a relatively small amount of space to their wine. And therefore, they only sell the big bestselling national brands, so if now you're not only taking one of the three things a package store sells, but its most profitable within that class are they gonna hurt financially, of course, yes.

There's no question about it now what we debate, I don't know, will they close their doors, I don't know, but I will say this, even in Tennessee which I, which I quoted, even in Tennessee they allowed some accommodation for gross, package stores that were in a certain proximity to a supermarket which they were about to give the privilege of selling wine to.

They gave them actual veto power. They said if you're in a package store and you happen to be within the same shopping Center of a supermarket, you can veto their right to get it, that's how much

difference, they gave to the package store and, by the way, there's there was only 500 package starts in the whole state of Tennessee which is I mentioned has twice our population and is seven times geographically, the size of ours. And they still felt it was enough of a financial hurt on a package store that they gave them some rights, so do I know the exact answer, how many close if they'll close no, but is it going to hurt them finance it, of course.

REP. D'AMELIO (71ST): Right and they don't have the ability to sell other products like a grocery store.

LARRY CAFERO: And, with all due respect to hear that the Committee is thinking of other things, but with all due respect to allow them to sell chocolate and olives, I'm not sure that's going to put them over the top.

REP. D'AMELIO (71ST): Yeah.

LARRY CAFERO: It's a nice thing to have. When you start allowing them to sell it people were talking about how food goes great pairing one when you allow them to sell Prime Rib and Pasta and maybe it's a different story, but chocolate and olives I'm not sure that's going to make up the, you know, the loss.

REP. D'AMELIO (71ST): I agree, and you know, I thank you for shedding the light on the Connecticut wineries because I think you're absolutely correct, they're going to go with the profit-making big names that people know. So, I don't think it would benefit our local wineries at all, so I appreciate your testimony, it's great to see you, my friend.

LARRY CAFERO: Good to see you Representative.

REP. D'AGOSTINO (91ST): Thankfully, we will actually be hearing some from some actual wineries here what they think is best for them. Seeing no

more comments, so thank you for your testimony Mr. Cafero, so he's entertaining and informative.

LARRY CAFERO: Thank you, Mr. Chairman, everyone be safe, please, and thank you for what you're doing.

REP. RUTIGLIANO (123RD): Thank you Larry.

REP. D'AGOSTINO (91ST): Mr. Clerk.

SAMUEL CLARK: Up next is Analiese Paik.

ANALIESE PAIK: Good afternoon, Members of the General Law Committee. My name is Analiese Paik. It's P-A-I-K. I'm zooming in from Fairfield Connecticut, thank you for having me. I've been listening with great interest to the dialogue because I am a wine lover and a wine enthusiast, I travel the world to taste wines. I love the Connecticut wineries. It was just before the pandemic hit that I visited with the motels at Sunset Meadow Vineyard in cautions it's one of my favorite places to go because of the sustainable agriculture that they practice and it saddens me deeply to know how much they and other small businesses and Connecticut wineries in particular have suffered.

But I'm also really excited to know, based on Connecticut Department of Labor statistics that our craft beer industry has exploded, since our state laws changed in 2012. They have believed that industry, such that the Connecticut brewers association believes that that industry will reach a Billion in sales this year, and that is really remarkable to grow in industry like that in such a short period of time. I'm sure there were many people who wondered what changing those laws would do and what it did was it opened up the market and created tremendous economic growth within our State, as well as the creation of a really exciting reason to visit Connecticut.

So, there are these knock-on effects that happen, interestingly, when we grow our own businesses. So, I'm also a small business owner and I love small businesses, but I just like not having the option to buy wine, where I buy my food. I'm lucky in Fairfield we have trader Joes, whole foods, ShopRite, we have a bunch of different stores and many, many years ago, probably over 20 years ago when I visited San Jose California went into the first trader Joe's, I was like surprised, shocked, I didn't even know how to react, that there was wine in the store that I could buy wine with my food, it was a revelation.

And then coming back to Connecticut and not being able to do that is really, really frustrating so while it's true that my local package store does carry some local wine, they have reduced the amount of local wine that they carry. These are small businesses, they do not have big budgets, they cannot advertise the way all the really big brands do. So, I think to myself why would we limit their ability to sell their wine. How does that make sense for the wineries? How does that make sense consumer choice?

How does that make sense for economic growth in the State of Connecticut for tourism, great reason for people to come over. I know a lot of people who will, when they're visiting family, on family in New Hampshire, I load up the car when I'm in New Hampshire because there's a price differential, so there are all of these little nooks and crannies that we could go into but I don't want to do that because I don't think that's productive. What I think is productive is to talk about fair competition and the OECD, the Organization for Economic Co-operation and Development.

SAMUEL CLARK: Excuse me, Ms. Paik. You are up three minute mark, so start rapping up, please.

ANALIESE PAIK: Oh okay. Says that competition is good for everyone and the effects of stronger competition can be felt in sectors other than those in which competition occurs. I don't think it's a great idea to force the stores to carry a minimum amount of Connecticut wine. And I do think that we, consumers can walk in those stores and say hey where's that sunset another venue it's one I'd really love to buy some from you. Thank you very much.

REP. D'AGOSTINO (91ST): Great. Thank you. Let me see if there's any questions for you. Seeing none, thank you for your testimony, very much appreciate it.

ANALIESE PAIK: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk. Next who we have.

SAMUEL CLARK: Up next is Carroll Hughes.

CARROLL HUGHES: Okay, Mike on.

REP. D'AGOSTINO (91ST): You are on.

CARROLL HUGHES: Okay, great. Thank, thank you very much Chairman D'Agostino, Chairman Maroney and Members of the community rankings. I think I'd like to tell you the concerns we had originally on this and still continue to have probably anywhere from 30 to 50% of the sales in my package stores, are in wine. Every different kind of wine, Connecticut wines, whatever probably somewhere near 40% of the wine sales are profitable. They're basically the major carrier of the stores. If food stores have all types and varieties of wine, they essentially displace wine sales at package stores, as nothing to a stopping and especially vital. It's you reduce your sales in those stores, if they fall below certain levels that are not profitable the store can't survive.

And there's a ratio here, and let me describe what it is, because I know of no more objective ratio, then the number of persons in another State, as Larry was speaking to earlier today about Tennessee. Florida, is the best example. If package stores in Florida, they basically supermarkets dominate the wine market. Public dominates it more than even Winn Dixie. You can't find package stores in Florida. I think it's up to almost 10,000 persons per store, we have 2500 per store, so under the same competitive conditions, we can only support at that ratio probably about 450 stores. That's empirical definition.

I think you have to look at, not the Connecticut wines, when I first heard was Connecticut wineries looking for food stores, I was not, I was sort of hurt not really upset economically, but then economically, I should you know nobody's ever going to allow just Connecticut food stores to sell in those stores. They may not sell a lot, they may not produce a lot, but I went to that hearing last year, news conference at the farm wineries had many of you did also and it was on the \$1000 dollars, a 100,000 gallon provision, is in stature in the 2019 legislation and it allows new people that come in Connecticut to open a winery in Connecticut and to call Connecticut wines, as long as they produce with 25% of the grapes.

Let me give you a perspective. 100,000 gallons of wine and take these numbers down is 43,000 cases and 100,000 gallons. Mr. Jones testified; he produces 5000 gallons a year. And the other one, one of the best ones in Connecticut, I know because he's supposed to this Bill told me he produces 15,000 cases. Probably all the wine is produced in Connecticut right now is probably less than 150,000 gallons. We have unlimited capacity for people, new wineries, a subsidiary of a different winery coming into Connecticut and opening up these hundred-thousand-gallon match producing wineries. We get

six of them that's 600,000 gallons that's basically the fine wine, which would be at probably 4 to 5% of the capacity. They understand the picture and painting. It's not it's not what you're able; it's what you're able to do.

SAMUEL CLARK: Mr. Hughes, you are exact at the three minute mark, so start rapping up, please.

CARROLL HUGHES: I think there's a number of suggestions I could make, I think, which might be somewhat helping the stores, excuse me, the farm wineries and we all want to help them, we all want to help the distilleries and we all want to help the breweries and we're always willing to open up those discussions, because we initiated many of them ourselves.

REP. D'AGOSTINO (91ST): Senator Kissel.

SENATOR KISSEL (7TH): Thank you, Mr. Chairman. Hi Carroll. How are you.

CARROLL HUGHES: Hi John.

SENATOR KISSEL (7TH): Alright, so, first of all, I just want to comment like I've heard people testifying this afternoon about Florida, and the Carolinas. My brother lives in North Carolina when we went to his wedding and we went to Baptism of my nephews. We had it in our head that we were going to look to get some alcohol from a package store. I gotta be honest, I mean we drove around for like an hour. We could not find one package store in the Raleigh Durham area. If you wanted to smoke in a restaurant that was fine, so it was a whole different culture and I don't know what's going on but first of all, I'd like your comment that, our, I think our state is very lucky that we have convenient markets, as opposed to other states where I don't think it's very convenient and am I completely wrong on it.

CARROLL HUGHES: Whatever state you go to, alcohol sales very, very little. They may drink different products, they may drink more whiskey in a certain state, they may drink more wine in certain state, like up in the Northeast or they may drink more beer in certain states, some of its climatic, some of its cultural, it's every different reason for it so but the off-premise stores, or you can buy across the top of a bar, so you won't find a patch store because that satisfies that for beer. They're all different systems, but the number of outlets is very discernible in every single state.

There are only so many places that that the public can support for off premise. There's only so many for on premise and that is pretty true almost to every State, so that you ran into a state that I don't know what North Carolina does, as it was one of those that kind of rejected, I make comparisons of Connecticut with Kentucky also, in Tennessee and particularly Florida, which is the state everybody's familiar with, so I don't know what because I'm in North Carolina but believe me, the consumption levels, there are the same average all over the country.

SENATOR KISSEL (7TH): North, North Carolina is pretty religious state, but if you want to smoke, it's easy to get tobacco.

CARROLL HUGHES: You could have found -- you could have found a still easier than a package store probably.

SENATOR KISSEL (7TH): Probably, if I went into the woods, but I didn't want to do that down there. Second of all, I did sort of like a little bit of research on my own talking to local package store owners and they said spirits, what are the three products is not really profitable, I mean they sort of like shook their head and said, we have them as a convenience for our customers, but we don't make a

lot of money off of that, is that true to your understanding.

CARROLL HUGHES: Yeah. Remember it starts with the taxing of that structure, it's for, in Connecticut that is \$4 dollars and 50 cents a gallon, excise tax on top of the sales tax, on top of the federal excise taxes. So that court if you want to call it your court size, that probably has \$3 dollars of taxes, so you can only get so much for your product. So, the margins are very set by the manufacturers, whereby the wines are more flexible, because there's so many of them and everybody's willing to shave a little and get a deal just to make money on kind of product.

SENATOR KISSEL (7TH): And my last question Carroll and we've been working together for 28 years now. A long time. I know we're getting old. Well not, not you, me. You still look great. My last question was do you feel, are you against, just check Sections 55 and 56 and are you okay, with the rest of them.

CARROLL HUGHES: Very much so, yes. We're good with the restaurant that provision, which is the same as the companion Bill on your calendar today. We think that's a good thing.

SENATOR KISSEL (7TH): That was it. Thank you, Mr. Chairman.

CARROLL HUGHES: Thank you.

SENATOR MARONEY (14TH): Thank you. Representative Hayes followed by Representative Cheeseman.

REP. HAYES (51ST): Thank you, Mr. Chairman. Hi Carroll, good to see you again.

CARROLL HUGHES: Good to see you Representative Hayes.

REP. HAYES (51ST): Carroll, on the box stores, do they have package store permit.

CARROLL HUGHES: Yes, they do. This morning, the Commissioner spoke a little bit to that, but I don't think was clearly you guys. Every box store is allowed to have, if they wish to, five package store permits, or they could have grocery beer in every one of their stores. Most of those box stores have chosen to get a full package for permit. BJ'S have five, Costco has five, Sam's has five and even Stew Leonard's, I think he has five and he's a grocery store. He's like a little grocery store, nothing prevents those grocery stores from having a package store permit. What prevents them is that some of them shows 40, 50, 60 years ago to take grocery beer only and put grocery beer, as the sales item in their stores.

The box stores came along, more in the 70s and they said wait a minute that's not gonna be my model, I don't want grocery beer in all my stores. I'd rather have wine, because we think the future is wines and spirits and more than this just beer, so what they effectively did was they went out and built package stores. And the ruling came down back in the 70s, I first represented these people in 1976 and box stores started coming along and all the spark players there opened a package store, separate entrance separately from the place either outside or in the lobby, like Stew Leonard's does in Berlin store, they got one in Brookfield, Norwalk, they, those stores there's at least 30 of them in there, in 23 towns, because some of them there's two boxes with package stores, like in Enfield. There's a there's a that's one of the full package stores of Costco.

So that's the model, so you know I hear this, we can't get this, we can't get that, there's food stores that are real, real busy, and people buy a lot of products that the food stores, but they're

all under the conditions of other package stores and nobody's complaining about it.

REP. HAYES (51ST): I find that very interesting how many either --

CARROLL HUGHES: Box stores --

REP. HAYES (51ST): Yeah, with their permit.

CARROLL HUGHES: The permits you get up to five each and I know at least five have five. In another words, Sam's, Sam's has them, Costco, BJ's who else who's in the mix here, and Stew Leonard's has them and I don't know of others, but there probably are others. But those are some pretty busy stores, and let me tell you something about the stores. Costco, the one I go to, and the one BJ's with a test package store in Waterford Connecticut. There's, not a single Connecticut wine in those stores, all due respect.

REP. HAYES (51ST): Thank you Carroll, it was very informative. Once again it was nice seeing you. Thank you, Mr. Chair. I'm all done.

SENATOR MARONEY (14TH): Thank you Representative Hayes. Representative Cheeseman followed by Representative Winkler.

REP. CHEESEMAN (37TH): Thank you, Senator Maroney, good to see you, Carroll. So, I understand this correctly, if a Stop & Shop wanted to sell, your suggestion would be getting a full package store license and then you can sell what you want, as opposed to well we're just going to sell beer and now wine.

CARROLL HUGHES: But they'd have to give up their beer permits, which they have in 90 stores and I'm not sure of the people in the Netherlands that own their store are willing to do that.

REP. CHEESEMAN (37TH): So basically, they want to piggyback wine on their beer permits. Those are getting a package store license under this legislation.

CARROLL HUGHES: Yeah, they want, but remember now what happens here, even the box stores, with the proposal before you, even the box stores, those 30 box stores, package source, they're going to be able to get wine and beer under the dual proposals, so they're going to get beer and wine inside the, Sam's or Walmart's whatever it is, even if they have a package, or else I would still probably close unless they want to make a lot of money on the spirits, or they think the spirits is worth it. Because that's all be left outside. They basically be getting something that jumps what everybody else has got to go through and hoops, they will get it automatically through this Bill.

REP. CHEESEMAN (37TH): And what do you say to those people who say hey, look if consumers want to have that one sort of one stop shopping. Why should we be standing in their way, what are you telling to the consumer, who says, you know what this is not going to be a good idea in the long run, so what's your answer to a question like that.

CARROLL HUGHES: You know, I'm going to tell you, as a consumer, I used to have a place in Florida, which, which I sold, I just never used it much and we go to buy five six areas of Florida. Florida is like 12 states of Connecticut, you know its Tampa area, it's a Jacksonville whatever, so it's like 12 states in one, the population is 21 million in Florida. And is the best example I can give you because you go into the supermarket or you go into let's put take the BJ's down there.

They have 30 items I used to go in there and I buy Irish whiskey and there once in a while and then one day blend is not there anymore, it's what happened, nope we didn't sell enough it, threw it out. I went

to the Publix. I go to get some wines in there and they were a little better than Winn-Dixie but you couldn't get what you wanted. And BJ's had one in the store, it was the same label, with five different types of red and white wine on their shelves, so I said, I gotta find a store where I can get some good stuff.

Eventually, I think I gave up in a couple of those areas I used to go, because I just got to buy this stuff here because I just can't find a store, which has good stuff. And one store I went into, it was the Food Store and asked what brands do they have, and he says to me, we got red, white and rosé and I said she working today, you know it's like I need help.

REP. CHEESEMAN (37TH): So basically, your contention would be this isn't actually a pro-consumer choice Bill, it would, this would hurt consumer choice by basically making available only a limited selection where's the peck that 1250 package stores can really offer a wide variety and are going to serve the consumers better. Now I should be working for you Carroll.

CARROLL HUGHES: Okay. Thank you.

REP. CHEESEMAN (37TH): Okay, thank you, thank you Sen. Maroney. No further questions.

SENATOR MARONEY (14TH): Thank you Representative Cheeseman. Representative Winkler.

REP. WINKLER (56TH): Yes, thank you, if a small chain wanted to give up its beer permits and go for a full liquor license, so that they could sell wine and beer in its stores.

CARROLL HUGHES: Uh-huh.

REP. WINKLER (56TH): Would they have to follow number one, the rules about how many permits are allowed to 2500 Bill.

CARROLL HUGHES: Yeah, they, wouldn't liking it, you know what's important here, and I have to tell you. I've been through this world here, where there were 2000 permits. And they set that 5000 population issue up in 19, I want to say it was 1987, 88 they set that number up, one per 5000. So, there were already more in almost every towns, especially the big cities, right now almost every city is over what they allow for population in the next census coming up, then everybody knows, nobody's moving into the central city, they're moving away to other towns for different reasons, whatever.

And so, those that towns everybody watches, because the judgment is if there's one more person or one person liquor control what issue additional package to our permit for that town. But you know what these guys don't do that well that there's always something for sale, but it's cheaper, the way it is. In some places, just to go get a permit and then they can move the permit later on. So, there's no permits for sale, I went from 1950 permits in 1976.

They went up that high and I started dropping in the early 80s, they took the way a couple of the price support issues and fair Trade was the old term given to was been marked up. In the package store permit started to fall dramatically from the 1950 stores, it went just below 1000 into, I want to say 2000, maybe seven or eight and started to climb after that. Where it is today with 1250 stores, but at one time it was up almost to 2000 stores and don't ask me why, but people still buy them.

They, they think they're there they fall away, you do something dramatically in Hartford like this one, you'll see a dramatic drop because he just can't keep it up anymore, you know it's reality.

REP. WINKLER (56TH): So, the same scenario, a small chain gives up its beer license and it buys a full liquor store license. Let's just say, I'm sorry.

CARROLL HUGHES: Up to five.

REP. WINKLER (56TH): So, let's just say that one of their stores is a one in a town that already has all of its permits assigned. Do they have to wait or buy somebody out?

CARROLL HUGHES: Buy somebody out.

REP. WINKLER (56TH): Okay.

CARROLL HUGHES: They can move a new one, and if the ratio isn't the 5000 population per store.

REP. WINKLER (56TH): Connecticut its 2500, is it 5000.

CARROLL HUGHES: Excuse me, we didn't track that.

SENATOR MARONEY (14TH): Its 5000 in Massachusetts. 2500 in Connecticut.

REP. WINKLER (56TH): 2500, 2500 excuse me. Yes.

CARROLL HUGHES: So it's 5000 in most states, it's 2500 here.

REP. WINKLER (56TH): Got you. And if the town has rules like thousand feet from a school, now 1500 feet from another package store, whatever to the, because that chain, small chain that gave up its beer license and went to liquor license, does it have to follow all those rules.

CARROLL HUGHES: Yes, however, there have been a couple of court cases one recently in Bridgeport and I think the presser has been set, most of those distance issues, schools, churches, whatever else is in there. Most of them were Central City issues,

they are big city issues, I don't think you're gonna find a lot of those in the suburban towns, maybe in your place, maybe Rockville, have them because it's so old, you know but generally they're in central cities and the court struck down the one in Bridgeport, which was a flood after issue over like 12 months.

And they allowed you want to come in and the moon, because they couldn't they couldn't justify what originally went on, except for competitive purposes. And you're dealing with one right in your Community right now, not package stuff, you deal with tobacco bar, it's undetectable. No more than five miles between tobacco bars, so when we lose track of things, they may seem like they're not modern, but somehow, they come back into Bills.

REP. WINKLER (56TH): So, let's say that we had a rule in Vernon that there has to be 1500 feet between pocket stores.

CARROLL HUGHES: Uh-huh.

REP. WINKLER (56TH): And let's just say that the, that in this particular strip mall that same store I've been describing buys an available liquor permit, but can't do anything with it because there's a store within 1500 feet in the same mall I would say, do you believe that would be overturned legally or where the store have to buy the liquor store.

CARROLL HUGHES: Well, first of all, I think he's the fool to buy t, a fool to buy it, if he doesn't know he can move it. Okay that's number one. I think he'd have to go for a variance and it'd be local zoning variance and you make a good point, though I have probably 175 package stores that are right next to grocery stores and in the same Plaza there's an ocean state, which could go get beer under this Bill. I went to an old Saber Keys; right

next to a food store and across the, across the way is an ocean state job lot.

And across the way we think that the home goods qualifies now for the same permit, so every area has a little different so just things we don't know here. So that's why I'm suggesting to all of you come up with something, I can give you some ideas, I think of how wines could go different places, without changing in bringing other players into it. That's a significant tweaking, but you have already done it and statute here, you did it with the consumption of individual drinks allowed at breweries, wineries and into distilled, breweries distilleries and wines wine facilities, you will allow all of their other products to be consumed on premises.

That was pretty clever actually. You allow beer from Connecticut to be consumed at the winery, wine could be consumed at the brewery, I like it, you know I've been in the one in each line, and they have Connecticut wine. I'm the drinking beer, I just, I don't drink beer anymore, but you go in there, and you get a guy's Connecticut wine and then you probably if you want to some of them have Litchfield county distillery, so what's the difference if I go buy a bottle in there. We could accept that package stores, that would help those guys out a lot, and nobody else is going to make the argument that I have to go in there because you're treating retail differently. That's just my suggestion and there's probably a couple of other ideas that might work equally as well.

REP. WINKLER (56TH): All right. Thank you. Good to see you again.

CARROLL HUGHES: Thank you, so much.

REP. WINKLER (56TH): Thank you, Mr. Chair.

SENATOR MARONEY (14TH): Thank you Representative Winkler. I don't see any other questions, so Carroll, thank you for your testimony. I just want to verify, I heard you before say that you supported the Bill, with the exception of Sections 55 and 56.

CARROLL HUGHES: Yes.

SENATOR MARONEY (14TH): Okay.

CARROLL HUGHES: And it is after five o'clock, I'm going to point that out to you all.

SENATOR MARONEY (14TH): I noticed that Senator Witkos now has a sunset background to be appropriately timed, he had to change the background, so thank you.

CARROLL HUGHES: I thought it was most unique when I saw the green leaves of the tree at the front of the stage gap location.

SENATOR MARONEY (14TH): Thank you, Carroll.

CARROLL HUGHES: You maybe feel good. Thank you, thanks a lot.

SENATOR MARONEY (14TH): Mr. Clerk, can you call our next speaker please.

SAMUEL CLARK: Up next is Cass Larry.

CASS LARRY: Hello.

SENATOR MARONEY (14TH): Yes, we can hear you now, and if you proceed with your testimony. Hi, how are you.

CASS LARRY: Thank you very much, after eight hours and after a couple of big hitters there, it's going to be a little difficult, but this is my fifth time testifying in front of the General Law Committee and

I applaud all of your hard work and your admiration for doing the right thing. My name is Larry Cass. I own two stores Glen Rose spirit shop, one in Monroe and one in Shelton and I actually worked in the Monroe, one high school. We won't say how long ago that was, but in the 80s. So, three owners in 49 years, quite a bit of history, we are predominantly a wine shop. And again, like everyone has said I'm trying, I'm trying not to repeat, you know something that's been said about 40 times but wine is our bread and butter.

No pun intended because there's a wine called bread and butter. With that I wanted to just focus in on a couple things. First and foremost, we are a service-oriented shop, both in Monroe and Shelton. We are also bounded to our responsibilities as like a bartender, so if someone comes in, we have a gonna green, yellow and red light. You know, you come in one time, you're served. In the second time, we're going to be a little cautious but there will be no third service and then is a policy of mine.

The staff is well aware of that, during shift change, they'll say oh Dave was in already or Mr. Smith, Mr. Smith was in already, so I'm very concerned about wine in grocery and how, especially now during COVID how that is going to be and I will do a point of clarification, I believe 18 year olds can legally run self-checkouts and to be able to self-checkout someone who has three bottles of wine and is going right to his car with cold wine and they've already been drinking that is a major problem, and that is something that we are very diligent about, as well as minors and the 1%, I would also kind of entertain a study on that.

We do catch a lot of minors and there's one trick everyone could pull out their wallet right now, look at the first two digits of your Connecticut license and it is your birth month, if you're odd year, so I'm November of 69, I'm 11, if you're an even year at 12 to your birth month, and that is the number.

It's been a trick, and I use it all the time, and it is superbly successful.

Couple of other little things, I just wanted to touch on. Wine is three times the potency of beer, so putting something that's three times the power of, you know, bud like [inaudible] you are tripling the risk of having any possible ramifications of that.

We've all seen during this pandemic, divorces are up, domestics are up, DWI's are up and, you know, do we want to continue to build on that by adding wine to grocery stores. And again, I don't think the Committee would look at that favorably. I don't think the police chiefs have been pulled or have had any access to this and have stated their position on this, because I don't think especially now with the current climate, I don't think they're going to be wanting to sit outside of grocery stores now with people, with, you know, a case of wine coming out and having to worry about the intention.

So, we're very, very, very cautious. We've been there, like I said for 49 years. I would like to just add one more point of clarification, we do sell cheese, we do sell lemons, limes, and oranges, as per the Sunday sale agreement. You know if this agreement, you know, do we get deli meat and veggies and then, if we give up liquor down the road, do we get pasta in Tex-Mex. I know, I'm really stretching the point there, but you know there, there has to be a point in where we say you know what the system does work, you know we have really tough gun laws.

We have really tough strict three tier system; I worked for Connecticut distributors for three years, one of the bigger suppliers.

SAMUEL CLARK: Excuse me Mr. Larry, you just have heads up, you are at the three minute mark. Can you wrap up, please?

CASS LARRY: Please. Thank you. So, I had, as I believe Senator Kissel said once, I had inside information and my information was that, you know, we make money when we buy properly and if we don't buy properly, then we are buying at cost and selling it at cost. So, I'd be happy to answer any questions.

SENATOR MARONEY (14TH): Great. Thank you, I believe, Senator Kissel, do you have a question. Can you unmute yourself, Senator Kissel?

SENATOR KISSEL (7TH): Okay, I put my face on but I didn't have my voice on.

CASS LARRY: Long time seeing you Senator Kissel.

SENATOR KISSEL (7TH): Yeah, so I sort of missed the last remark, the inside information like when did I say that I don't even know what that means.

CASS LARRY: So I worked for a distributor, so I was able to see post off patterns and see both sides of the Sunday sales part when we were debating that a while back and you know it's amazing when we have to buy Tito's for 60 days and it's you know if I don't buy it for proper amount of time I buy it 3091 and I sell it at 3099, so with that being said, you know these wine companies will, of course, like Gallo and Kendall Jackson will buy space in these stores, there's no doubt about it, they can send a check to the Netherlands and have that space because Kendall Jackson is the number one Chardonnay in the US.

SENATOR KISSEL (7TH): Okay, so it wasn't anything that I said this afternoon and, by the way, Stop & Shop just went through that giant strike which seems like a long time ago, but it was like probably in the last year, but I just was sort of confused by that remark, I appreciate what I perceive as a compliment. That I that I sort of understand the three tier system, but I didn't think that I said anything this afternoon that refer to that.

CASS LARRY: No, this was years ago, Sir.

SENATOR KISSEL (7TH): Wow. Okay, wow good memory. All right thanks Mr. Chairman.

SENATOR MARONEY (14TH): Thank you, Senator Kissel. Does anyone else, oh Representative Winkler, I apologize. Okay, I'm sorry, your hand was still up from previous question okay.

REP. WINKLER (56TH): I assume, somebody was taking it down my mistake.

SENATOR MARONEY (14TH): Okay. Are there any other questions? Okay hearing none, Mr. Larry, thank you very much for your testimony.

CASS LARRY: Thank you.

SENATOR MARONEY (14TH): Mr. Clerk. You call the next person, please.

SAMUEL CLARK: Up next is Michael Andreo.

SENATOR MARONEY (14TH): Mr. Andreo could you unmute yourself, please. Mr. Michael Andreo. All right, should we come back to him, then, Mr. Clerk.

SAMUEL CLARK: We can do that. Mr. Wayne Pesce.

SENATOR WITKOS (8TH): Mr. Chairman. Mr. Chairman.

SENATOR MARONEY (14TH): Yes.

SENATOR WITKOS (8TH): We, there is folks that I'm where I'm trying to follow the agenda of the sign up for speakers and excuse like we skipped a couple, they just not in the waiting room to the Clerk.

SAMUEL CLARK: They were not in the waiting room, so I highlighted them so that when I see them, we can just go back.

SENATOR WITKOS (8TH): Okay, thank you, thank you, Mr. Chairman. Sorry about that.

SENATOR MARONEY (14TH): Thank you, Representative particularly honor without your same question.

REP. RUTIGLIANO (123RD): I had, I noticed the same thing, so I was an excellent explanation, thank you Senator.

SENATOR MARONEY (14TH): Okay. Okay. It sounds like Mr. Andreo is unmuted himself, so we can go with him and then Mr.

MICHAEL ANDREO: This is his assistant, he's currently out of the office.

SENATOR MARONEY (14TH): Okay.

MICHAEL ANDREO: He stepped out to run to the bank before they close.

SENATOR MARONEY (14TH): Okay, well, we will come back to him then.

MICHAEL ANDREO: Okay, great.

SENATOR MARONEY (14TH): Mr. Pesce, you know, I apologize if I'm pronouncing your name correctly, but if you would proceed with your testimony.

WAYNE PESCE: Yes. Thank you, Senator Maroney and Members of the General Law Committee. My name is Wayne Pesce. I'm testifying in support of this Bill, I can tell you it's been listening to a lot of the testimony today, it's been a tough guy, it's been a tough day for the reputation of supermarkets and some of the amazing work that we do in the State of Connecticut. Where do I start, big why ShopRite, Highland Park, Geisler, Stew Leonard's, Adams, Low Bonds, Care Lucy's, all family businesses, all family owned. The protocols and the work that we

did through the COVID to keep our associates and our customer safe and the food that we donated and all the things that we do in the state, you know, I want to begin there because I just think that you know we're in the arena here and the gloves are off and it's kind of here it's kind of hard to hear some of some of the stuff that's been going around in this hearing.

So, I want to say that I respect the package store and the work that they do and small business in the State of Connecticut and a lot of our Members are small business owners as well, so I think I want to start there and give them the respect for the work that they do. But there's been a lot of talk about you know money being taken out of state and decreases in state revenue and all of the, you know the margin play and what this means to businesses closing and disaster and things of that nature. It's been my experience from what I've seen and what I know about the grocery business is that when the laws have changed in Connecticut, the business has grown.

And Sunday sales didn't slow down business, there's more package stores today than there were in 2012. The business grow. We've opened up other licenses and other things and modernized the law, business has been healthy, so I know margins are thin. But at the end of the day, we're dealing with everybody else as well and trying and trying to survive in business, as well as retailers, as gross retell it so again, I think there's room for everybody, I think that the package store should be allowed to sell items to make up for margin loss.

I think that Connecticut wines and the vineyards are our partners, our marketing strategies around acting local, we would support them, whether it's written into a law or not. That's part of, you know how we're operating as grocery retailers and good stores in the Community. So more to come will be getting this Committee, I know I shared some polling data

and also not only the polling data, but the economic impact, we know that the pie grows, we know the competition is good, and if we could work together with this Committee to figure out a way to work together and allow for consumers to have the option to purchase wine in grocery stores.

It's probably what most people outside of you know, the special interest and the folks that have been debating this today feel I think you know we did some polling and it said that 72% of Connecticut residents want wining grocery stores, but then, they, those same people don't want to hurt package stores, at the same time, so you know, trying to find out that that line, that allows for consumer choice, but also you know protects these businesses and doesn't shutter them so that's, I don't think that's our intent. I think that the pie is big enough, I think that the pie grows, a lot of the businesses incremental.

SAMUEL CLARK: Excuse me Mr. Pesce. Just three minute mark, so we can just wrap up a little bit.

WAYNE PESCE: Yeah, I look forward to working with the Community and sharing some more information with this group, and thank you for your time today and certainly, be willing to answer any questions. I know there's been a lot of questions today around, you know safety and slotting fees and things of that nature, certainly like to answer some of those questions.

SENATOR MARONEY (14TH): Mr. Pesce, thank you very much, I think you can't hit the nail on the head as there we're trying to tread that line between protecting consumer choice, providing consumer choice and protecting small businesses and that's why we are glad that all of the stakeholders took the time to come, testify, so that we can try to work together to find a resolution. And I think earlier Senator Witkos said pointed out the good

contributions that his local ShopRite makes to their community.

And I also wanted to take this time since you did bring that up of the -- you know, a lot of the grocery stores being -- are small business owners, they're local, maybe not necessarily small by some people's definition, but my ShopRite is owned by the Garofalo family who are excellent corporate citizens and are very important part of our community. So, I would be remiss if I didn't thank them and comment on them. I do have questions. I'll ask you later, but I am going to start with, I believe Representative D'Amelio had his hand up first and then followed by Senator Witkos.

REP. D'AMELIO (71ST): Thank you, Mr. Chair. Good evening, Wayne. Good to see you, my friend. Wayne, we heard some testimony about -- if we open it up to the grocery stores, the variety of wines that will be given, or that we have now, we won't see that. Because grocery stores will just go with the big-name brands or whatever is really, you know, profitable for them and all the little boutique wines that you would find in the package store by moving the package stores, you won't have any more. What are your thoughts on that?

WAYNE PESCE: Well, I think that we carry, you know, 30 to 50,000 skews in a grocery store and that we're going to add wine as another part of you know, something that's available for customers when they come in. It's not -- it's not our main focus. And you know, a lot of the package store owners and the business owners have talked about, you know, the service and the variety of wine and the things that they offer. Well, that's their specialty and that's, what's going to set them apart.

You're going to come to one of our stores and you're going to be, you know, visiting your brother-in-law or your sister-in-law and you're buying flowers, and you're buying something else to go. And you pick up

a couple of bottles of -- bottles of wine. I think that a lot of the narrative on this call today, and a lot of people -- and there's no data to support this. There's these numbers being thrown out there that we're going out of business and that there's this trade off from one bottle. If I didn't -- if I didn't buy it in a package store -- if I bought it in the grocery store, it wasn't brought in the package store. And that's just patently untrue. So, any good merchant will tell you, there's a reason why you have soft drinks and Mentos and candy bars up at the front because they know that 90% of those purchases are actually impulse purchases.

So, we also know that the pie doesn't stay the same, the pie grows. So, we know that the -- from the data that we have that we've shared with the Committee, that wine and grocery stores is worth about \$13 million in sales, in retail sales for the State of Connecticut. And again, this gets back to, you have to plant the line -- a line in the sand on a number. The numbers from Sunday sales were exceeded. That was going to put package stores out back then. But the fact is, is that the pie has grown since then. It's the same thing with wine and grocery stores.

I mean, there's a lot of people running around saying that they're going out of business, but in fact, what happens is they'll adapt. And I'm a -- I'm a firm believer and a lot of people have talked about this on the call today. They should have a variety of items that make sense that go along with the purchase of alcohol, whether it's limes and lemons and salty snacks and gift baskets. There's plenty of money in those things. They're highly consumable and they make up for some of the loss.

The other thing I've heard here today, which is -- which is a little distressing is that Connecticut grocery stores are local. We're, you know, we're out of state entities, we're from other countries, but the fact is the thing that makes us different is

our ability to act local. So that's our strength. That -- that's what -- that's how we compete against online. That's how we compete against true national retailers. We sell Husky chips; we sell Naples craft products. We sell -- I'm trying to think of the company in Bristol, the spice company in Bristol.

But we give those businesses the Carla's Pasta because they're Connecticut businesses. We want to work with them. And it's the same thing with the wineries. You know, this idea of are they going to get space in grocery stores. That's a competitive advantage for us give them space. So, you know, there's a lot of folks saying that that's not going to happen, and that's not true. We would give them the space that they need, whether we're written into the language of the Bill or not.

REP. D'AMELIO (71ST): Well, if you take that figure, I believe you said \$13 million or -- would generate in sales, is the -- I think that's what you said about wines. Is that money gonna come from the package stores, would that --

WAYNE PESCE: The \$13 million dollars is the pie growing in sales because the incrementality of the purchase, because the pie has just gotten bigger. So, if you sold a million dollars last year, you sold a million dollar -- a million for this year. The state makes more revenue because you sell more -- you're going to sell more wine. And again, that -- that's not -- that's not my figure. That is based on the data that I've shared with you from an economic impact study that was done.

So, I'm not pulling that number out of the air, Anthony, the data suggests. And by the way, if you go back to 2012 when the idea was is that the pie wasn't going to grow on Sunday sales and those numbers have been exceeded. We think that the \$13 million dollars is conservative as to the opportunity for retail sales.

REP. D'AMELIO (71ST): I have one more question. If I may, Mr. Chairman.

SENATOR MARONEY (14TH): Please go ahead, Representative D'Amelio.

REP. D'AMELIO (71ST): Well, you know, local grocery stores in this area employ a lot of younger people, you know, at the register and stuff. Some of them are probably not 21 years old or younger, so, you know, how do you envision them selling wine? You know, I mean, carding people, making sure they're of age? What protocol will you guys be putting in place?

WAYNE PESCE: So, a couple of things, and, first of all, again, back to statistics and real numbers. If you go to the department of consumer protection website and look at suspensions and violations, Connecticut grocery retailers, the food association Members, most of the stores that I mentioned there was one violation in 2020, there was one violation in 2019, and there's been less than a dozen violations in the last decade. The fact is because there's -- in a grocery store because of the way it's managed and there's -- and I want to get to very quickly if I could self-service as well. But if you come up to a cashier, you know, you can't purchase -- they're not allowed to sell it. They have to get somebody who's of age or a manager who's of age to sell it. Right? So that's worked really well because we've got statistics that prove it.

And you know, some of the stuff -- some of the stuff earlier in this, somebody had mentioned that they go in and ask to get carded in a grocery store. That's patently not true. You know, you don't ask to get carded. We -- we've got mechanisms and business practices in place that work and the statistics bear that. So, this idea that we're not carding people or that we're part of the problem, that's not true. And as far as the self-serve at the scan, Russ

Greenlaw from Adam's Hometown Foods mentioned this earlier, though that's done by SKU.

So as soon as somebody were to ring a beer, there's somebody at the front end who -- who's checking purchase. There's somebody who's watching those five self-scan units, and it would be the same thing with wine. So, I -- you know, again, I don't answer -- I don't want to create a problem where there wasn't going to be one. But one of the arguments has been that grocery stores, aren't going to be a safe place to sell either beer or wine. It's not true. So.

REP. D'AMELIO (71ST): I thank you, Wayne, and I, thank you, Mr. Chairman. Appreciate it.

WAYNE PESCE: Thank you so much.

SENATOR MARONEY (14TH): Thank you, Representative D'Amelio. I believe next is Senator Witkos followed by Representative D'Agostino and then Senator Kissel.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman. Good evening, Mr. Pesce. Thank you for joining us today and hanging on the line. I'm noticing you're back on that must be a Massachusetts store or store not in Connecticut -- a grocery store based on the pictures.

WAYNE PESCE: Well, that is my dream come true behind you.

SENATOR WITKOS (8TH): There we go. Okay. Crystal ball.

WAYNE PESCE: Exact right.

SENATOR WITKOS (8TH): And I want to thank you and all the grocery stores for all that you do as good corporate citizenship. And I -- as the good Chairman, as Senator Maroney mentioned, I took

exception to some of the comments made earlier because I just didn't think that it was said that the grocery stores is a big corporate behemoth that doesn't care anything about the communities in which they reside in. So, I wanted to set the record straight in that. But I did have a question for you. I don't know if you were on the line when I was having a conversation with Mr. Cafero by limiting the number of SKUs if we did two grocery stores for wines. And is that a picture of Representative of a grocery store in a different state? Just so I get an idea of how many SKUs that you carry?

WAYNE PESCE: Well, they do carry a limited -- I think I kind of touched on this a little bit earlier, Senator. We aren't going to be carrying, you know, port wines from Belgium and I don't -- I don't think they have Pueblo for wines from Portugal and also you know, certain Barolos from the Northern region of Italy. That's not what we're going to do. Right? We're going to be in the highly consumable fast game. And this is where the package stores that are good, that should survive in a market, will survive, and thrive. Because the fact is they're going to have that subject matter expertise to make those sales. So, they're going to be, they come in, you're doing things you're - you -- you've got kids, you're busy, whatever. It's convenient for you and it's an option. That's what it is. It's not this big, long conversation in a supermarket. That's not how we operate.

SENATOR WITKOS (8TH): So, I -- that kind of begs the question that we heard from the farm wineries. You were saying that we're a highly consumable, fast game grabbing -- are the farm wineries, this is not a demeaning towards them, but by having their product on the shelf, is that gonna -- if people haven't had a tasting experience, that doesn't know what it is, it's probably gonna be a little bit higher because of the manufacturing costs to get it

to on your shelves. Is that going to be the type of product that moves that they think it's going to be.

WAYNE PESCE: So, this gets back to, you know, as a business operator, how do you operate? If Sunset Meadow Vineyards was to come to a grocery retailer in the State of Connecticut and say, "We would like to partner with you for five weeks and have somebody there to kind of talk about our wines in the front of the isle." They want to invest in that strategy. That's smart. And a lot of our smarter retailers would do things like that because that's how they operate. So, the answer is -- the answer is yes, they could, but it's going to vary just like -- you know, look, this package store thing, some of these guys are mom and pops and some of them are. Okay? Let's just be honest about that as well. You know, there -- somebody say Connecticut is unique and I heard a bunch of stuff being thrown around about Florida and Tennessee in the stats in those states.

We are Connecticut, and that's a fact. And what we're discussing -- and we have a lot of package stores in the state. And there's nobody in the grocery community who wants to see those folks here. We want the ability to sell wine to our customers. We get hundreds of thousands through our doors a week who wanna as well. Take all of the special interests out of this, do some real polling, and you will see that Connecticut residents -- again, they don't want to hurt their package store. How many people came on this call? And I said -- I started my testimony with this. I have relationships with these people. I am still going there. But when I'm at a Highland Park and I'm doing something else, and it's a different purchase, I want the option for that.

This is not about, you know, that's me as a consumer, I feel that way. But when you take the grocery stores out and the wineries out and the package stores out, and everybody who's got a stake in this game and just talk to regular people, they

say, "Yeah, why not?" It doesn't mean they're not going to their package store anymore. They still will. Everybody has said, I will do that. So i'm passionate, because part of this argument is you know, we're trying to put a stake in someone's heart and you're going to do this. I just don't see the facts.

SENATOR WITKOS (8TH): One of the things that came out in testimony today was the subject of slotting fees. And if you could just talk a little bit about that to give the Committee Members a better understanding of if it's still ongoing, the history behind it maybe how, if it was phased out, and what kind of marketing cost, if there is any or requirements from grocery stores, from the big chains. And I want you to hit, not just a small, you know, you said the, Laban's, the Highland Markets, the Geissler's, IGA, ShopRite. I want you to talk about stopping shops. So, the bigger ones as well.

WAYNE PESCE: Yeah, no, no, thank you. Thank you for that question. And it's a very -- it's a practice that exists and it's really what it is. Is it's for -- it happens with larger companies who are introducing new brands? So, if like my background is with Coca Cola, right? Spent a lot of time there and a lot of negotiating with large retailers, small retailers. And, you know, if I wanted to get a new brand in there and I had existing space, for me to take out the brand, I wanted to take out and put the new one in, they would charge a slotting fee for that because they own the space. They sell the real estate. They own -- think about it. You've got about 15 aisles in a supermarket with 60 feet down the middle on each one, that's all-real estate. Some of that they're able to you know, sell off in a way.

Technically if that's what a slotting fee would do, you bought the space. But not every single person who comes in to do business, not every vendor is

paying a slotting fee. Certainly not a little company that can't afford it. So, for example, the Connecticut Food Association, some of the work we do is with all of these small specialty food companies around the State of Connecticut. You know, we introduce them to retailers to help start their businesses, right? That's one of the functions of what we do. And none of those guys are paying slotting fees. They cannot afford to. So, the idea that, you know, grocery stores are going to be charging slotting fees to local wineries is just absurd because somebody heard the word slotting fee and said, well, that's what they're going to do to these guys. And maybe we can use that against them.

SENATOR WITKOS (8TH): But you said -- you talked about so much retail space and you have to exchange that out. As -- and what's the -- how does that practice work in a grocery store in that I guess it depends on what you want to specialize in or what you're going to be selling that you live -- you give X amount of space for this type of product, X amount of space for that type of product. And then they compete the different vendors to get your permission, to put their products on the shelves?

WAYNE PESCE: So, you know, grocery retailers are pretty sophisticated, and they manage data, right? So, there are SKUs, and they understand what's going through the registers and every periodically they're constantly shifting and shaping their shelves to the velocity of the brands that sell in the store. And then they leave room for new items. Now, if Coke or Pepsi or General Mills wants to put a new item in and they can afford to go in and say, "I want it now." They don't have to ask. They pay a slotting fee, and they get it in.

The little guy who we save room for, because again, Kevin, slotting fees exists, but they're not the way the business is run. The key for a good retailer, somebody who's whether it's a ShopRite or Stop & Shop or a Big Y, they need to make sure that they

can act local because that's what separates them from the competition. So, they're not going to charge a company that can't afford a slotting fee, a slotting fee. A slotting fee goes to a company that you know, they have established space and they're looking to move, you know, brands in and out. It's not associated or attached to a startup company who they really want to bring in so that they can differentiate themselves --

SENATOR WITKOS (8TH): We -- In Connecticut we operate in a three-tiered system. And when you get -- if this were to pass, how would you envision the wines that come into your stores? Would you envision that to come in through a wholesaler or distributor, or it would be direct from the manufacturer?

WAYNE PESCE: Well, we would anticipate they were through the distribution system that were set up, but again, if there was a local situation where they couldn't get in through that distributor -- again, we're going to abide by the law, Senator. I'm guessing, and I'm almost 100% certain is, you know, through the distribution network that's set up. They would have to come in through that.

SENATOR WITKOS (8TH): Well, thank you for the answers. I'm going to kick it back to Mr. Chairman. Thank you.

WAYNE PESCE: Thank you, Senator.

SENATOR MARONEY (14TH): Thank you, Senator Witkos. Representative D'Agostino.

REP. D'AGOSTINO (91ST): Thank you, Wayne, and sorry to keep you, but I think it's important to finally hear a little bit of the other side of the story. I agree you've been sort of much maligned throughout the day. I'm glad you got a cadence to address particularly the safety issues, which I agree on those arguments rather disingenuous, and I'm glad

you got a chance to talk about what you do as best practices. What I should know for the Committees is also a law in terms of who can sell at the -- at the supermarkets. Can you just talk a little bit more about -- just to back up, you know -- again, it this, correct? We cannot simply say to you, you have to carry Connecticut once.

We can do things in mural, looking things in terms of volume units, skews. And we're going to look at all of that in terms of the shelf space, that's dedicated to ensure this selection. But it was alleged earlier that even if we do that, they're going to carry all the small California vineyards and affiliated companies and not bother with Connecticut. Can you talk just a little bit more? You touched on it with Senator Witkos and Representative D'Amelio about the sort of benefits you see in partnering with Connecticut wines. Should we allow you to do so without requiring you to do so?

But also, frankly, there're some of the stakes that are involved for your understanding of the role you play in this community, the relationship, how you're viewed in the legislature and understanding that what the legislature get with it can take us away as well. So, I'd just like to get your reaction to this sort of the carrots and sticks that will guide your views in terms of Connecticut and wine.

WAYNE PESCE: Again, I can tell you, I can speak for a lot of these -- a lot of these companies, because you know, their ability to stay afloat in this market, which is so competitive, and you've heard it from the package stores as well. You know, a grocery store is under the same pressure, whether you're a stop and shop who's, you know, a larger retailer, who's working at a 1% margin and trying to figure that out and compete for market share, or your Dinova's grocery store in Middlebury, where I shop, or Laban's where I shop. And, you know, you're making a little bit higher margin. You've

got three, two or three or four stores, and you're just surviving too, because there's online competition, there's national retailers, there's -- you know, you're competing with drug stores and convenience stores. So, there's a -- there's a landscape of competition out there. Right?

How does a grocer, whether it's any of the ones that I mentioned, right? I'm talking about a traditional grocery store. I'm not talking about you know, and I don't want to name names, I'm talking about traditional Connecticut grocery stores, the ones that I named. They understand that these ties to the community, but the grocers have always said that, you know, we're local and the customer is always right. And you found that out through the pandemic, because during the pandemic you know, we had to do some things and kind of pivot and work our business around, you know, just staying above and beyond. And I just can't tell you enough how important it is for these businesses to support each other. And that's what we did through the pandemic.

And that's how we operate. And we operate locally in our communities. And I can tell you just knowing the relationship that we have with other Connecticut companies and other Connecticut brands that we welcome, the ability to give you know, local wineries. And by the way, I'll give you -- listen, go into a store right now and see what we've done with craft beer, because the Budweiser and the Constellation and the big companies, aren't that excited because we've given so much space to these local beer breweries.

You go into a store, you'll see it. They've got, you know, if you went in there three years ago, you would have had 90% of the space, which would have been Constellation brand, Bud, whatever. Now you go in and what you see is 50 - 50. So, you know, they're going to get the space and the opportunity, because that's something that separates us from you know, these big-box retailers and the national

retailers that allows us to really look as if you know, we're part of that local community. And I think the breweries be the first one to come in here and support that argument.

REP. D'AGOSTINO (91ST): Thank you Pesce. Thank you, Mr. Chair.

SENATOR MARONEY (14TH): Thank you, Representative D'Agostino. Senator Kissel.

SENATOR KISSEL (7TH): Yeah. Thank you, Chairman Maroney. Just following -- this isn't a really a question, but you gave a shout out to your local ShopRite owners, and I wanted to do the same, the Miller family up here in North Central Connecticut, ShopRite owners of the ShopRite here in Enfield. They are great community heroes. They've filled out the food shelf, they've filled out the soup kitchen. They do food drives; they're involved in the chamber of commerce. It doesn't necessarily mean that I'm on board with the Bill because I'm not really, I'm sorry, sir. But I wanted to give them a shout out since Chairman Maroney gave a shout out to his ShopRite people.

WAYNE PESCE: Thank you, Senator. Well, yeah, no, Senator, I wanted to respond to that. Thank you. Because it's been a very, very combative day on both sides of that issue. So, I really appreciate that comment that, you know, you may not be with us, but you, you understand what these folks are doing up there in Enfield. So, thank you.

SENATOR KISSEL (7TH): You're welcome.

SENATOR MARONEY (14TH): Thank you, Senator Kissel, Representative Ackert.

REP. ACKERT (8TH): Thank you Mr. Chairman, and it's a very good testimony by the way, and you -- and you support your grocery stores and as you should. They are a true partner to their communities. I have --

I do shop at Big Y, and Stop & Shop, and my favorite is Highland Park. So, and what my concern is a little bit, you know, I got an odd district, I guess although I shop at those stores, in my district I only have one grocery store. That's pretty odd and I have four towns and literally the area that I serve, I only have one grocery store.

In that Plaza is the grocery store and the package store right next door. So, convenience is pretty convenient. To be honest, it's the fact that stores, you can go to the grocery store. My concern is that in a grocery store you kind of have your niche product, and I know, you know, they are being attacked by the you know, the CVS and the -- and the -- in a manner of space. I go to CVS, I can get, you know, some cereals and I can get some other things and CVS.

Or there's a Dollar General opening, which is going to be the same thing. It's gonna take a little bit more away from that grocery store. You know but that's my main grocery store. It has the fantastic meats that I want. The -- you know many, many dairy products and substantial selection of great brands as we all know. So, the selection is much greater there. And I look at that little niche of some pieces, but the whole run product seems for our local package stores the niche product is the wines. They talk about the main product that they have in there is wine. They make a little bit because of the bottle on the -- on the beers. They don't do very well in spirits. So, I look at that as this isn't that product that, you know, could hurt.

Why not -- why not hurt the one that's three miles away, then the global grocery store? That person at that little store is right next door to that. The Grocery store is the one that I'm kind of concerned about. And I've heard a lot of the testimony today from the some of local package store or liquor store owners that said you don't want them right next to the grocery store. And my home one product is wine.

So that's why -- that's my concern on this -- on this legislation. And that's what, you know, I will look, I don't want that because the convenience for that person that may have gone to the grocery store or went over and got a bottle of vodka, that store may not be -- the same is going to be -- we've all people, you know, we don't know what's going to happen. And, but that is the concern that I have at this point. And you can welcome the comment to back at that. But that's the concern that I have is it represents a district that has more, many more package stores than they do grocery stores. And I -- and I look at those small businesses and I don't want them that the store comes to be empty, so or a job loss. So once again, I want to thank you for the time for a very informative testimony.

WAYNE PESCE: You know, Representative, thank you so much. In the spirit of the -- how you asked that question. So, you started off the question and said, you know, I'm concerned because there's a package store right next to the grocery store. Well, okay. If that one doesn't make sense, because it's literally right next to the grocery store, then maybe that one doesn't have wine. Right. Like, so, okay. That makes sense. And if we had to carve out areas that were -- that were the case, and then so be it. I think that -- I think we need to be flexible, right? So, Representative D'Agostino, I really respect a lot of what I heard from you today, not because you support the Bill, but because of your ability to try to figure out different ways to take care of a bunch of different stakeholders who want in on this.

And I respect that because, you know, we're willing to give, because we're trying to get in. It just feels like on the other side, there's no give at all, not an inch, right? They're not giving an inch. So, we're going to do what we need to do to be respectful and work with this Committee and work with people and continue to try and figure out a solution that, again, you know, I will tell you that

we know that consumers want this, but we got to figure out a way to make it make sense. So, it's a change and it's hard and that's okay too, and we're willing to be flexible.

So, if there's a flat -- a plaza that doesn't make sense or some other workable work around issue where we allow, you know, where you allow items to be sold, that we don't currently sell, again, let's talk about it. Let's figure it out, but this idea that we're not giving an inch anywhere, it's just it's disheartening. It was -- and we attack each other and stab when we're all pretty good people. And like I said, I think we all got a lot of respect for those small business owners. I know I do.

SENATOR MARONEY (14TH): Mr. Pesce, thank you very much. And actually, you raised an interesting idea of perhaps setting. I mean, we can already say you can't have a liquor store within a certain number of feet of a school. So maybe looking at that grocery stores within a certain number of feet of an existing permit would not be allowed to add in, or some form of a carve out they are. So, thanks for bringing that up as an idea. I wonder if, since you did provide us with other numbers, if you could look at you know, there is like in restaurants, there are certain businesses that do well when they're paired together. Right. And I wonder if there's any way of telling -- and this is something we would have to look at.

But if, you know, when you do have choice in an area, right, there are some people who would go and wouldn't have the wine they wanted, and then they would want to go next door to get that wine. Right. So, I don't know, but there was no way to quantify the impact, I guess there. One this question, I guess I do have one actual question for you that you can answer right now. So, I apologize for kind of just going off the cuff there, but you did mention allowing the liquor stores to your package stores to sell additional items. We did have someone testify

before on allowing liquor packaged stores to sell chocolates. Is that something that, you know, you would be opposed to?

WAYNE PESCE: And I'm glad -- I'm glad you're not asking you know; I got a kick because the package store lobbyist actually approved the entire Bill except for Sections 55 and 56 earlier this afternoon. So, I'm glad you're not asking me if I will allow that, but absolutely don't oppose it. Again, Senator our position is that we want to figure out a solution and work within the context of maybe modernizing the law and making it -- again, if this drives more revenue and consumers are happy and we find a way to protect package stores any way we can, then it's -- then it's good work. And that's why I said, I respect Representative D'Agostino, you know, passion on trying to figure out different ways to make this work. And I think that -- I think I land closer to that than the -- you know, this has got to stop here, and these guys are bad people because -- cause that's kind of a slope bridge too far for me.

SENATOR MARONEY (14TH): Well, thank you very much for your testimony today.

WAYNE PESCE: Thank you so much, Senator.

SENATOR MARONEY (14TH): And Mr. Clerk

SAMUEL CLARK: Up next is Scott Dolch.

SENATOR MARONEY (14TH): I had seen him for a while. I don't see him right now.

REP. RUTIGLIANO (123RD): So, I heard that he was trying to get back in.

SENATOR MARONEY (14TH): He is, there he is. While he's on muting himself, I will just congratulate Mr. Dolch on his being nominated to the 40 under 40 for the Hartford Business Journal. So, congratulations

on that. And the floor is now yours. I did not take any of your three minutes. I apologize.

SENATOR WITKOS (8TH): After you just made him blush.

SCOTT DOLCH: I didn't know if you guys didn't like me. I kept getting sent out as a viewer. I can present. So, I appreciate you know, you guys giving me some time. As I have in my testimony, I guess it's good evening, or good afternoon. To Members of the General Law Committee. As some, you guys know I'm Scott Dolch, I'm the executive director of the Connecticut Restaurant Association. During a normal year, I'd be testifying inside the LOB, representing an industry that had more than 8,500 restaurants and employed over 160,000 people, about 10% of the state's workforce. Unfortunately, the pandemic has not only caused this hearing to take place on Zoom, but more importantly, it has had a devastating effect on Connecticut's restaurant industry.

Over the past 11 months, our industry has watched more than 600 restaurants close across the state. Even for those that have managed to stay afloat, they have faced incredible challenges that they have adjusted to the limits of their business. And have worked really hard to find new ways to operate while keeping their customers and employees safe. I assure you; they have done just that. Restaurants have invested in PPE, installed new barriers, created new ways to dine outside, even in cold weather and much, much more. It's a credit to their ingenuity and their resolve and their work is helping to keep local economies throughout Connecticut moving during these difficult times.

It's also true that while we've seen many dark days during this pandemic, we have had a few bright spots as well. One of those happened in mid-May when Governor Lamont signed an executive order to allow restaurants, the opportunity to safely sell alcohol with their to go food orders. This change gave

restaurants a chance to adapt and generate a new revenue opportunity while also giving customers a new convenient way to have alcohol with their takeout order.

Like everything else I mentioned, restaurants have implemented this new change responsibly. As this industry slowly begins to recover in 2021, restaurants will continue to remain dependent on takeout sales for the foreseeable future. Alcohol to go provides a much-needed revenue stream to an industry already struggling with reduced profit margins. Forward-Thinking smart policy ideas such as this is exactly what the industry needs to keep our doors open.

While this may seem like a small change. I assure you that every small change matter to our industry right now. For most local restaurants, the line between staying in business and keeping people employed and losing their business forever is still razor thin. Restaurants are asking for all the help they can get. This will help provide much needed support as our industry continues to recover. Please help us do all that we can to ensure that as many Connecticut restaurants as possible survive this dark winter so they can be a part of states -- the state's economic recovery in the months and years ahead.

For all of these reasons, I mentioned above, I'm here today in support of both House Bill 5306 and Section 59 of house Bill 6101, which will allow our industry to provide, to go alcohol beyond the GOVERNOR's emergency orders. Thanks again for all of your time. And I welcome any questions.

SENATOR MARONEY (14TH): Thank you very much. And I believe Representative Rutigliano had his hand up first followed by Senator Witkos and then Representative Cheeseman.

REP. RUTIGLIANO (123RD): Thank you, Mr. Chairman. Just a couple of questions. Hi Scott. How are you?

SCOTT DOLCH: I'm doing good.

REP. RUTIGLIANO (123RD): Congratulations. You're under 40.

SCOTT DOLCH: Yeah.

REP. RUTIGLIANO (123RD): Just to share with everybody. Do you know you have any number value of the impact, the economic dollar amount impact to the restaurant and hospitality industry over the past year, the dollar amount losses?

SCOTT DOLCH: We know that over \$250 Billion dollars across the country has been lost in our industry in the most recent report nationally. We are a \$9 Billion industry in Connecticut and normal times. We don't have exact data right now in our state, but I would be safe to assume on that same par probably close to \$1.8 or \$2 Billion dollars in losses.

REP. RUTIGLIANO (123RD): All right. Do you have any idea what the continuing unemployment rate is amongst the people who work in the hospitality industry?

SCOTT DOLCH: I do. So, in Connecticut, like I said before, we were 160,000 strong. We knew in the first two weeks of the pandemic over 85,000 went on unemployment, one of the darkest days of our industry really ever. We've been working diligently to get people back to work. I know we got as high as about 127,000 was back in October. Unable, unfortunately, as I said to some of the folks in the media that was when outdoor dining and there was opportunity and options. We were at 75%. We've seen a slight downward tick in the last few months even in our state of employees just based on capacity limitations and what we're dealing with right now.

REP. RUTIGLIANO (123RD): So are you comfortable with the department of consumer protections, revised rules on takeout alcohol and restaurants. And do you have any comments on that? I know the executive order is a little bit of, you know, things are a little wide open and DCP was trying to clamp down a little bit. I didn't know if he had any comments on the regulation.

SCOTT DOLCH: Yeah, no, listen, I think, you know, the emergency order as David, you know, we did that quickly, but obviously to look to try to make a statute or make a Bill more permanent, making sure that everyone is responsible. And, and as the restaurants look to try to move forward with this, they know the rule and they know how they can -- how they can use to go alcohol to their benefit, but also safe safely. I mean, we're dealing with alcohol here, so there was nothing in there. I think you know, looking at the DCP language that was anything concerning. I think we've looked at; I think there's 32 other states that are doing to go alcohol. Across the country there's other states that have been working on Bills that I know even our own DCP took in -- took into consideration when providing their resources to this.

REP. RUTIGLIANO (123RD): So, some of that concerns that I had heard were that they thought the impression is that somebody is going to come in and order a burger and then get a case of beer to take home with them. I didn't know if -- I didn't think that's how this was going to go. I wondered if you could speak to it.

SCOTT DOLCH: Yeah. That's not how anything I interpreted, even if you've looked at the last -- what since May. So last eight, seven or eight months with this. The big piece to this, as well as food has to be a part of equation. We're supportive of that. I think that that's what our industry does. We are food with alcohol. So, making sure,

you know, having this as an opportunity, you're looking at being able to have a bottle of wine with two meals or have, you know not a case of beer or a case of wine was -- you know, that there was never the intention of this for the restaurants. It was obviously offering, as you know, when you're in a restaurant, you're not bringing a case of beer added to your table with your guests. You're having a few beers. So -

REP. RUTIGLIANO (123RD): So, you're supposed to -- in theory, you're replacing the table experience with a to go offer. If they ask two drinks and a couple of meals, then that's what they would get to go.

SCOTT DOLCH: 100%. I think, you know, just -- I didn't bring it up so much in the testimony, but just so you guys know how they -- you know, Dave and many others that are in the industry have had to adapt in normal times, take out in to go is about 8% to 10% on a national level of your revenues. It's as high as anywhere between 35% and 45% now. And obviously the revenues are much lower. But you know, looking at that piece to trying to give an experience, you know, we also know when you go to a restaurant, a chef does a very good job of saying pair this wine with this meal. You know they know this very well, like pair this beer with this burger. So being able to offer that for even folks that are vulnerable, that -- or have a takeout to give that as an option is obviously a benefit.

REP. RUTIGLIANO (123RD): Yeah. And so, I'm going to open up the floor and let other reps up ask questions. But I wanted to confirm that we are running about 35% - 40% takeout to this day. Even in the summertime, when we were expanded in outdoor dining, we were still running at that number. So, it hasn't really let up, but thank you, Mr. Chairman. Thank you, Scott. Congratulations.

SCOTT DOLCH: Thank you.

SENATOR MARONEY (14TH): Thank you, Senator Witkos.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman, and congratulations, Scott. And I -- and I tell you with heartfelt feelings to all of the restaurateurs out there in Connecticut using their Yankee ingenuity and just, you know, doing whatever they can to survive. And they do that not only for themselves, but their employees and their patrons. And I visit as many as I can. And I tell you that the work that they've done and the things that they have to go through are just overbearing. And to hopefully everybody sticks in and survives this. And while we're talking about, you're testifying on this one particular Section of the Bill to go alcohol. As you are aware this is an omnibus Bill. So, I'd like you to think about if there's anything else that may not be contained within this Bill that can help your industry.

Please let us know so we can consider that for the association, because I know restaurants are hanging by, on by a thread in some cases. And we're just hoping that spring that -- what's his face? Punxsutawney Phil didn't see a shadow. So, we get spring six weeks early, so we can start the outdoor dining. Because I knew I did talk to a lot of restaurants and they felt that. You know, with the outdoor dining, people wanted to get out of their homes. They wanted to go visit the restaurants. They felt safe to do so. That if mother nature can cooperate with us, you know, we can get folks back on track a little bit earlier, but please feel free to reach out to the Committee. If there's something else that you think would be helpful to your industry, that's not contained in this Bill. We'd certainly like to entertain that. That's all I have Mr. Chair.

SCOTT DOLCH: Just to follow up, Senator, listen, I -- to all of you, I think I've talked to you guys pretty much individually through this pandemic and

the support you provide to our restaurants going out. It means a lot to them. So, I appreciate, I appreciate that first and foremost, definitely will take it back to the association. As we look at all kinds of ways to help, I think you brought up expanded outdoor dining. We talked to planning and zoning. We're trying to figure out ways, any way that we can build back recovery here for this industry as a whole. And one thing that we are in Connecticut, we want to be proud of we are about 70% independence.

Everyone knows the local owner of a restaurant. That we don't have the chains and franchises when you go to the South. And I don't want to lose that. Those are the sole proprietors. The things that I worry about is making sure they have the resources to make it through not only this tough winter, but you know, the next year is still going to be extremely difficult. There's projections that say, could take four to five years for this industry to fully recover. And they see even longer in some of the cities, you know, Hartford, New Haven, Bridgeport. That, you know, we, we don't know what's going to happen with employees and events and everything else that impacts this industry so much. So, I appreciate it Senator, and we'll be sure to continue to communicate. You guys have been great and helping.

SENATOR MARONEY (14TH): Great. Thank you, Senator Witkos. Representative Cheeseman.

REP. CHEESEMAN (37TH): Thank you, Mr. Chairman. And good to see you, Scott. So, what proportion of restaurants would you say are selling alcohol and liquor to go to supplement the meals that are using, doing takeout?

SCOTT DOLCH: We haven't surveyed directly. Holly, I would say, you know, in an adaptable view, it's probably not that many that are going outside the box or doing different things that you're seeing,

you know, trying to create those to go cocktails or such, but, you know, being able to provide a bottle of wine, we also seeing a lot of great partnerships, even in locally. I saw, you know, just give an example, like we heard New Park Brewing out of West Hartford is partnering with seven local restaurants in a can release. Obviously, you have to have food with it, but, you know, I think you're seeing the adaptability and I know that's been a request brought that up, like the creative side of this.

So, I think that, you know, it's by far [inaudible], it's not a revenue, it's not a savior. It's just -- but it's something that can hopefully entice more folks to even think about you, think about your local restaurant. Like, I know the main pub is doing the new park brewing, I think engine room down in mystic as another way to say, "Hey, everyone knows that brewery. You kind of have to go there, you know, to get their beer." But now you can go to the restaurant and get it. So, I would say the vast majority are finding ways to do it, I think -- but a very small few are really thinking outside the box creatively, but hopefully this Bill might make it more of an opportunity to help all these businesses think about it. It's the same way with outdoor dining.

It took a long time in the summer to make people like, "Should I do this? Should I not? You know, I don't have anything." So, I think if this becomes, you know, a long-term Bill, I think that the creative side of our industry to try to make it -- make it an option would be there.

REP. CHEESEMAN (37TH): I know, and I think a lot of people who are not in the industry, don't realize. You know, the margins in the food are very small, that ability to have the alcohol sales really can be in many cases, the difference between life and death. So, this is very important to you. So, in terms of the alcohol that's being sold, you mentioned people are not doing so much the cocktails

to go. It's more the additional bottles of wine. And because I see, you know, we didn't want like sippy cups going out with margaritas or something like that. I presume that this is something you're -- you know, you don't have a problem with. That sort of, this is going to be sold in an appropriate, proper manner. So, it's not like -- yeah, like a kid's drink.

SCOTT DOLCH: Yeah, no, I think the responsibility piece of this is very, very important. And if you even look at the DCP, like -- even if you're doing it to go cocktail, it has to be a sealed container. Can have, you know, drink straws or things like that. How it's packaged? As a part of this conversation, I think as this -- if this Bill continues hopefully to move forward, we want to work with that. I think the responsibility of our restaurants, they will take that. They've taken that to heart even now. And you're seeing creative ways. Like they've got, you know, labels and stickers, they're putting over that ceiling even more so with their brand on it and things of that nature. And you're seeing, you know, the creative sides of that.

So, yes, I think we need to be obviously cautious and careful and responsible, which I think that our restaurants will do. And I actually was talking to media source the other day. They actually reached out to DCP to see if there were any concerns of this process. Had they had any calls and they said there wasn't -- they didn't even have one issue on to go alcohol from -- which was a great sign to hear. I didn't even know that that was coming from Hearst and they reached out to me. So, I think the responsibility aspect is extremely important and we need to make sure we continue to do that and do that the right way.

REP. CHEESEMAN (37TH): Well, I'm pleased to hear that because it only benefits everyone. If this is going to continue, then it, you know, the

restaurants to be responsible. And you've obviously set a great tone with everybody out there. So, I want to thank you for hanging in there. You know, I love my local restaurants again, you know, trying to support them because they support everything else in the community. Working for a nonprofit, you know, how often your restaurant gets called and say, : Hey, we're having a fundraiser gala. Can you contribute a gift certificate?"

So, people forget about that aspect with so many of our small businesses. How many other businesses they support? Not only the people you employ and the tax money you send to the state, but what they do in their local communities for their rotaries or their children's museums, or their -- so, you are such an important part of our economy. So, hang in there, kid. We were going to get through this, but thanks. I call you a kid you're under 40. Do you have any --

SCOTT DOLCH: I appreciate your support as always.

REP. CHEESEMAN (37TH): Okay. Thank you. Thank you very much Senator Maroney. No further -

SENATOR MARONEY (14TH): Thank you Representative Cheeseman. Senator Kissel.

SENATOR KISSEL (7TH): Hi. So, the last time we met was at the grand opening of the Panera in Enfield.

SCOTT DOLCH: That's right, Senator. That's correct.

SENATOR KISSEL (7TH): And by the way, congratulations. Do you -- don't look a day over 40. That's great.

SCOTT DOLCH: I try to keep the beard, you know, trying to do what I can.

SENATOR KISSEL (7TH): Well, you know -- you know, the pandemic sort of allows you to do that. A couple of things, I'm going to give a shout out to my legislative aide and her husband's restaurant Agave, which a lot of people love, but they're facing the dilemma of people aren't working in Hartford. They're working from home. So that has drastically cut into business. Have you seen that trend in other urban areas?

SCOTT DOLCH: Yeah. Senator is great to see you. You know, as like pre COVID, it's like you gotta have kind of different dates when it was Panera opening in Enfield, but yeah, at Hartford, I'm extremely worried about our cities. I talk to Mayor Bronin on a weekly basis. His support for the industry down there has been incredible. As I talked to Mayor Elicker down in New Haven because you know, no fault of any of these restaurants, every call that I receive, I give five minutes to let the restaurant explain to me where they are, what they've dealt with -- everyone's dealt with the pandemic differently and how it's affected them.

And in Hartford, in particular with the Agave and Kenny's, that team, like they didn't add -- their business is driven by, you know, the travelers, and employees -- and employees. Hartford, the XL Center being open and having basketball games or hockey games. You've got, you know, trying to talk to [inaudible] trying to get the yard goats back up this spring or just conventions and people coming down and staying downtown. And it's been different than even West Hartford Center, six miles away of how those restaurants have fared.

So, I am extremely concerned. I think we're trying to figure out creative ways to revitalize our main streets, our cities, of those restaurants, because we all know that they're the lifeblood. If they go it's going to be hard to get a business back down in there. So, I'm trying to be as creative as I can as we continue to talk through issues of how do we make

sure we entice and help these businesses, you know, because it is -- it's going to be a longer road for them. Much longer road for them to recover than unfortunately some of the other restaurants just, and no fault to where they are -- where they are -- where they're located.

As you guys know and being at the Capitol and probably going down to Agave to have a meal or going to, you know, Max Downtown or Trumbull Kitchen now is temporarily closed. Like, you know, they're not seeing you guys either. So that -- that's -- it's very hard for them and they're trying to do everything they can for their employees to stay open as long as they possibly can. I can promise you the calls I get from Johnny Vaughan, like they've said to me "The hardest day was me letting everybody go. I don't want to have to do it a second time, Scott. I'm trying to figure out these federal dollars. I just can't do that again." And that's that. It's not so much of them. They're bleeding out in dollars, but they know how important their employees are to them.

SENATOR KISSEL (7TH): Well, Scott, I just wanted to let you know that. Please reach out to me as a resource if you need to, I consider you a friend not that I have a vested interest through my legislative aid, but they certainly have concerns. And my second question, and then I'll wrap it up is that I have heard that the package stores have actually tried to pick up a little bit of the slack from the people from the restaurant industries that have lost their jobs. Do you have any anecdotal evidence of that?

SCOTT DOLCH: I mean, I can't speak specifically to the package stores. I mean, listen, I will commend, you know, whether it's Carol, Phil Pappas, even Wayne that was on earlier, I think everybody has reached out knowing how hard our industry has been hit, and to be helpful, finding ways to raise dollars, finding ways to support. I know some of

the package stores individually have reached out to me early on, you know, we started an employee relief fund through our foundation. We've raised \$165,000 dollars and given out grants to, you know, hospitality employees that have been that maybe didn't get unemployment or have on the challenges, which has been phenomenal. We just launched with DoorDash to half a million-dollar fund that we're going to give out about a hundred grants. Actually, have a call with Uber Eats tomorrow to see if they'll try to do some things as well.

But yeah, no, the package store with Carol and those guys, I feel like everybody understands the effects that small business. We want to see all of us make it. And I think that that's probably the more the message John that I've gotten, and I can't speak directly to the -- they pick up certain employees, but they've kind of come and said, you know what? We worry about you guys. We want to help. So, it means a lot.

SENATOR KISSEL (7TH): Well, Scott, thank you for your leadership. I really feel bad about the 600 restaurants and you know, we just gotta weather through the next, I'm not a big winter person and the older I get, the lesser I like winter. Especially like Monday and Tuesday with the snow. So just letting you know, you're doing a great job and congratulations. I can't believe you're under 40.

SCOTT DOLCH: Thanks. Thank you, John. I appreciate your support as always.

SENATOR KISSEL (7TH): You're welcome. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): Thanks, Senator Kissel. Representative Rutigliano I see you -- okay so Representative Rutigliano for a second time.

REP. RUTIGLIANO (123RD): Thank you, Mr. Chairman, if you don't mind, because Senator Witkos brought it up and there potentially another issue becoming for the Committee. I know we've had a long day, but if Scott can quickly talk about the third-party delivery issue that has become apparent, or it has been starting to come up. Maybe just give it a quick minute and then we could move on.

SCOTT DOLCH: Yeah. So, as you guys know, 35% to 40% of business, we've seen different states. You know, I try to be a partner and I brought up the DoorDash piece and Uber Eats, you know, we're a business trade association. I'm not here to bring the General Law like I think some states have capped fees for them and understandable during the pandemic. And that's a conversation we can have. My challenge is, as you guys know is, you know, you guys weren't in session last year.

You know, the Governor didn't want to have that conversation executive order wise. But the one thing that on the third-party piece, and I know Representative, D'Agostino asked and I kind of talked a little bit briefly about, but what I'm seeing some other states at least do. So, I try to give you guys a little bit of understanding with third parties, there's Bills being passed right now on consent or contract legislation with third parties.

What they're doing is they're coming into our market like a DoorDash or Uber Eats or DoorDash. Actually, some of these guys aren't doing as much anymore, but they'll take a restaurant like Dave's Restaurant. They won't even call him. They'll just put up his menu and say, you know, come get it from us. And it could be a menu from three years ago, it could be wrong pricing. It could be all kinds of information and people will call and try to order something. Then they'll reach out to Dave and be like, "We don't have that item. We -- that's actually \$18.99 dollars, not \$14.99 dollars." And then it becomes a

fight with the customer because there was no relationship. So, we're seeing in California, some other states that consent language to make sure that you can't use a restaurants, likeness, or menu or anything of that nature without the consent of that restaurant and to protect the side of these restaurants.

So, and I can tell you that it is a big deal. It's a lot of, you know of frustration from a restaurant to say, they seem they have a customer that wants to buy to go from them and do delivery. Then all of a sudden, they find out it's the wrong item. It's too -- it's more expensive now than what it was, but it was just -- they never reached out to the restaurant specifically.

So, I think for me, legislatively, I'd love to talk about, you know, similar Bill, what happened, I think in California, I think Texas has some. It's about consent. It's not about, you know, someone, and they're all actually, DoorDash, Uber Eats on the national level actually support this model. It was what they used to do, but they're kind of going away from that. And I just think protection of these businesses would be -- would be great.

REP. RUTIGLIANO (123RD): Thank you. Thank you, Mr. Chairman.

SENATOR MARONEY (14TH): Thank you Representative Rutigliano. Scott, I just have one other question for you on -- unrelated to what you're talking about. Now you did mention relationships with other states and what other states are doing. We have another Bill Senate Bill 265, which is to allow for self-tour. I'm not sure if you're familiar with that from other states. And if there's anything you could -- anything that you could add on that. And obviously you may not know anything about it and that -

SCOTT DOLCH: No, it's a great question. Let me do a little more digging. I mean, I've -- they've reached out to me in other ways. I just think from an industry side, I don't want to -- I don't want to comment on it. I know that it has been passed. I've known a handful of other states and they allow it, and they ask us for a year, but you know, I also think there's other players involved and just want to make sure, you know -- but I'm happy to do a little bit more research and get back to the chairs, to yourself Senator and Representative D'Agostino, and obviously Senator Witkos, some Representatives, particularly on our thoughts from an association side. Because obviously if it generates more business or it brings in more local business, I don't see why that couldn't hurt us. But I just -- I don't know enough about it yet.

SENATOR MARONEY (14TH): And I appreciate that. So, yeah. So, if you -- you know, again, not to add too much onto your plate, but if you could look into it and get back to us, I, you know, I think we would appreciate, you know, we value your input and your insight. So, I think that would be helpful for us. So, thank you very much. Mr. Clerk.

SCOTT DOLCH: Thank you guys.

SENATOR MARONEY (14TH): And then Representative D'Agostino or --

REP. D'AGOSTINO (91ST): Yeah, I'm happy to pass --

SENATOR MARONEY (14TH): Pass the baton. Thank you.

SAMUEL CLARK: Next on is Michael -- is on Michael Andreo. He should have returned, I believe.

SENATOR MARONEY (14TH): They had actually sent a message that -- to thank us. But that -- I think he had gone home for the day.

SAMUEL CLARK: He did?

SENATOR MARONEY (14TH): Yes.

MICHAEL ANDREO: Yes. He went home for the day.
It's his wife's birthday.

SENATOR MARONEY (14TH): Happy birthday to Mrs.
Andreo

MICHAEL ANDREO: Basically -- he basically said to
me before he left, though. That he agreed with a
lot with Larry said earlier. He agreed with a lot
of that. And a lot of things had already been said,
so pretty much he didn't really have much more to
add. So, take your time today.

SENATOR MARONEY (14TH): Thank you.

SAMUEL CLARK: Next we move on to the next, which is
Nathan Clothier. I'll be adding him now. You
should be in if -

SENATOR MARONEY (14TH): Nathan, can you hear us?

NATHAN CLOTHIER: Hi, good evening.

SENATOR MARONEY (14TH): You are live. Thank you.
Good evening.

NATHAN CLOTHIER: Can you hear me? Thank you.
Yeah, it's been a long day for all of us. I'd like
to just echo the comments of Larry Cafero the
executive director of the Wine and Spirits,
Wholesalers Association, and Other Wine
Distributors. I'd also like to echo the thoughts of
Scott Dolch from the Connecticut Restaurant
Association, who we just heard from. Very
interesting points, especially, you know, about
takeout, alcohol. I think that's very important.

So, my name is Nathan Clothier, I've been in this --
I'm a sales manager for Mr. Touton Wines and I have
been in the wine and spirits distribution industry

for 21 years. Currently work for Mr. Touton. We have over 3000 wines distributed in Connecticut alone which is a pretty good amount. And I'd like to voice my opposition to just the provisions of 55 and 56 of these Bills and support our retail partners investments and life savings.

My personal opinion is, you know, designing a Bill, allowing wine and just supermarkets in a pandemic that could potentially orchestrate some sort of collapse of business and jobs, and Connecticut seems not like the right idea right now. Most liquor stores that I know of and great wine shops are already located either right next door or fairly close to supermarkets and big-box stores as is. Working for a wine distributor and importer leading customers away from independent family run businesses who only sell three items and driving them into big-box stores and supermarkets will lead to the loss of jobs, that's actually my own company. So yes, I am talking about my own self-interest as well.

Technically I'll have less points of distribution, so it'd be cheaper for me to do business that's for sure. But guess what? I'll need less salespeople I'll need less drivers and I'll also need less people in the warehouse. All these people are Connecticut residents, and that's the way I see things going. Thank you. And I'll take any questions if you have them.

REP. D'AGOSTINO (91ST): Thanks, well done in a short amount of time. Senator Witkos, please.

SENATOR WITKOS (8TH): Thank you. And if I flip -- Thanks Nathan. If I flip your comments around. If we expanded wine sales to grocery stores, you need more salesmen, more employees, more delivery routes. So, we would say, well, that's job creation in Connecticut. So how do you -- why is it that you want to focus on just having your wines in the package stores versus expanding your business

opportunities to a larger audience by say through the grocery stores?

NATHAN CLOTHIER: So, Mr. Touton lines, the company that I work for just like in grocery stores and package stores, there's a hierarchy to life and to everything. There's small mom and pop operations, and there are the big Walmarts and the Targets of the world. I happened to fall into one of those companies that is right in the middle. We like to call ourselves the biggest of the middle people. I'll sell to anyone that will buy from us. We, you know, like I said, we have over 3000 different wines and we have over a thousand customers here in Connecticut.

I'd relish the opportunity to have more customers, but I'm smart enough to know that opening wine up to supermarkets and big-box stores, they would not be taking -- I - listen, I don't work for a company that has national, national brands. Okay? So, when we talk about Gallo and all these other companies, those aren't the wines that I distribute. I represent a lot of family run companies, wineries, things of that nature. And those work in harmony with small independent retailers or even large independent retailers. One is supermarkets for me as a wine geek myself. You know, if you want to pick up your bottle of Yellow Tail or Woodbridge, that's about as good as you're going to get.

SENATOR WITKOS (8TH): Do you do -- you don't think, I mean, based on -- because you've been on a day that the consumers that were here and testified today that they want maybe to want to just grab a simple wine. And I think even the package stores testified that it's going to be the national brands that are in the -- in the grocery stores where you can make the most profit, the ones that kind of everybody buys, not necessarily the best brand, but -- or the best tasting.

If you want a specialty wine, then you're going to go to your wine cellar or your local package store that you can talk to an associate that can say, "If you're having this for dinner, it's best to pair with this." They can differentiate and speak from authority, if you will, what is a better wine and, you know, how well it affect your pallet, blah, blah, blah. Then you're going to see, you know, an 18-year-old or 16-year-old at a grocery store, "Where's your wine selection." "Well, it's right over there on isle B."

You know it's gonna -- it's not -- you're not gonna have that service if you will. And I think that's the niche market of the package stores to be able to provide that service that you're not going to find in a grocery store. But I'm kind of surprised that from -- and I'm not -- I don't wanna say surprised, but to hear from somebody that is the middleman that you would prefer to sell to a package store as opposed to a local grocery store, when you know, some of these package stores, they say they're small mom and pops, but they own four or five mom and pops groceries. So, they're able to move, you know, maybe they, you know they're not what I guess what the public perception is, even though it is family owned, but so on and a lot of the grocery stores. So, if you could just comment on that.

NATHAN CLOTHIER: Well, I think it hacks back to what we were talking about earlier about Connecticut wineries. So interesting. So, I mean, obviously love and would love to support Connecticut wineries. However, wines that will be for sale in supermarkets and big-box stores are wines, you know, "that will sell." If it doesn't sell, it will be eliminated. Sure. They'll give it -- they'll give it a shot three, four months, whatever. But a company like ours that represents a lot of family run wineries and things of that nature, there's not a million-dollar budget behind these things. There is not a budget for national tasting programs and all this -- and all those stop and shops and supermarkets and

Costcos of the world. We go direct from the winery through us to the consumer. So, it's a very simple business and we work with who we can. That's the way I've seen it, and that's the companies I've worked for 21 years.

SENATOR WITKOS (8TH): And one last final question. Are any of your wines in a Costcos, BJ, Stew Leonard's or any of the other big-box stores that have attached to box stores

NATHAN CLOTHIER: Sure. A few. Yeah.

SENATOR WITKOS (8TH): All right. So how do you differentiate between, "It's okay for that, but not -" because they've gone through that process. But if we were to enlarge that to a lot more customers, that's not cool.

NATHAN CLOTHIER: Because the reality is the products that we have in the locations that you've just mentioned are not necessarily items that are -- again, we have over 3,500 different items. We have a lot of items that -- I'm not going to mention them right now, but they're our mass distribution as well. Those are the items that go in.

SENATOR WITKOS (8TH): Okay. All right. Thank you. Thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Just to clarify these things. You are doing distributor for over 3000 types of wine.

NATHAN CLOTHIER: Correct.

REP. D'AGOSTINO (91ST): And you included -- I'm assuming you have some Connecticut wines in that stable.

NATHAN CLOTHIER: We have had items in the connect -
- in our portfolio from time to time.
Unfortunately, you know, it's -- we actually have

some New York wines as well, but you know, I don't want to say they don't sell, but it's one of those things that, you know, we love to have more interest in. You know, I -- as you know, most people enjoy wine from places like California, South American, Malbec, French Bordeaux, things of that nature.

REP. D'AGOSTINO (91ST): So, I take it that you don't have Connecticut wines among the 3,000.

NATHAN CLOTHIER: At this current moment, I don't believe we have any Connecticut wines. That's correct.

REP. D'AGOSTINO (91ST): I've heard a lot today about what's best for Connecticut vineyards from [inaudible] owners and wholesalers. And I'm looking forward to hearing from Mr. Bishop a little later. [inaudible] Connecticut wine maker. But you've also heard the conversation today where we talked about having a volume on that and reserving shelf space, not specifically, necessarily for Connecticut wines, but for a number of smaller winemakers who I assume were in your stable. You talked about how you have this diverse and some of the smaller manufacturers.

NATHAN CLOTHIER: Oh, no, I've been listening all day. Obviously in big supportive Connecticut vineyards, one of my personal favorites is, you know, Hopkins up by Lake Waramaug loved to go up there in the summertime and drink the wine. Great Rosés. I'm not going to, you know, a lot of other names, you know, other places in Stonington, Jonathan Hopkins earlier. Well, all those wines.

Wonderful things to drink. How to get them into more mass distribution, certainly not through grocery stores. I don't believe that grocery stores -- I think that they might take them on as some sort of token way to give Connecticut some play, but there'll be discontinued within three months because I doubt -- I doubt if you put it next to a bottle of

Yellow Tail, people will have to take it off the shelf, especially when it's twice the price.

REP. D'AGOSTINO (91ST): What I'm getting at is we are also talking about requirements for markets to carry the lower volume producers, which is not necessarily just kind of get it, will include some of these newer lines or other -- do they care?

NATHAN CLOTHIER: So, you're talking about making a quota for supermarkets.

REP. D'AGOSTINO (91ST): Yeah.

NATHAN CLOTHIER: Well, listen, my personal opinion is, you know, I -- I'd like to see -- you know, I guess, you know, that's something that could be discussed. I mean, it's nice to have local products. I mean, the other side of this whole equation is, you know, putting wine into, you know, possibly a full aisle or a half aisle of a supermarket, doesn't that take away from other products that people could be buying, whether it's local Connecticut cheeses, or God knows what else?

REP. D'AGOSTINO (91ST): I think that's a question for the supermarket. I guess what I'm trying to get at with you is the law we're talking about -- revising would benefit you in particular quite well. And you're here testifying against it.

NATHAN CLOTHIER: It could benefit our bottom line, sir. But at the end of the day, I would not need as many salespeople. I would not need as many drivers and I would not need as many people driving the trucks or in the warehouse.

REP. D'AGOSTINO (91ST): Yeah. I want to be specific. It's not just benefit you, benefit the winemakers you represent. And I'm -- I guess one of the things that's that I'm trying to get out of this, it's kind of perplexed me all day, is I hear a lot of wholesalers defending the retail side, not

the manufacturers they supposedly represent, which to me is, gets to a larger point that I've tried to bring to this Committee before, which I'd like to bring back again, which is, I'm not really sure whose interest you have as a wholesaler. The manufacturers you represent or the retail side? Because everything I've heard today, it makes me think that the wholesalers --

NATHAN CLOTHIER: Well, I think Representative, you know, at the end of the day we walk a fine line, as you can imagine. You know, I have families that I represent, and I also sell wine to a lot of my retail partners that have been on here all day, of course. Okay. But at the end of the day my job is to get wine into the marketplace. And I'll tell you that if wine goes into supermarkets, it'll be about 30 or 40 brands. You know, if you want to give a token Connecticut section, you can, but that's going to be it. You know, and you're going to take --

REP. D'AGOSTINO (91ST): Then how will the package stores do exactly right now?

NATHAN CLOTHIER: What do they do?

REP. D'AGOSTINO (91ST): They have 30, 40 brands and a token section for kind of like your wine.

NATHAN CLOTHIER: No, the wine shops and liquor stores in Connecticut have far more than 30 or 40 brands. I think if, you know, -- there's a large variety of wine in most packaged stores, but -- thank you.

REP. D'AGOSTINO (91ST): Yeah, I hear what you're saying. It's an interesting conversation. I appreciate to --

NATHAN CLOTHIER: No, of course.

REP. D'AGOSTINO (91ST): Seeing no further questions. Thank you for your testimony. Can you

guys hit your mute button, please. [inaudible]
Remove Mr. Clothier, please. And then go to the
next person and just that one person in.

SAMUEL CLARK: The next person is Rich Saunders.

REP. D'AGOSTINO (91ST): There you go. Mr.
Saunders, can you hear us? Mr. Saunders? All
right, Mr. Saunders, you can dial back in when you
get back online? Sam, can we go to the next person?

RICHARD SAUNDERS: Can you hear me? Can you hear
me?

REP. D'AGOSTINO (91ST): There you go. Mr.
Saunders, is that you?

RICHARD SAUNDERS: Yes, indeed.

REP. D'AGOSTINO (91ST): All right, you are on sir.

RICHARD SAUNDERS: Well, thank you. Good evening,
coach, peers, and Members of the General Law
Committee. I'm speaking in support of Senate Bill
265. For disclosure, I have ownership interests in
three bars and restaurants in addition to chill
proof. My background is in real estate in which I
look specifically for demographic trends. New
trends are becoming apparent in the food and
beverage sector, driven by a changing demographic,
the growing number of millennials, today, the most
populous demographic in the nation.

Relevant figures from the most recent census in
2019. Millennials from the peer research center
defines the ages 23 to 28 -- 38 as of 2019, number
72.1 million and boomers, age 55 to 73, number 71.6
million. The gap will widen as the millennial
population continues to grow driven by young
immigrants. Of equal importance to future trends,
over 50% of the population is now 39 or younger.
And as their disposable income increases, they will

have a significant impact on our state and the industry.

In context, we learned from Darren Nicholson of I Pour it, that the average age of patron in a self-pour -- in a self-pour setting is 31 years. So, what industry trends can we -- can we identify from those millennials and those under 39. Number one, they're looking for shared experiences. Going out to an inviting ambiance will be an extension of their social calendar. Number two, they're looking for new experiences. The story behind the product is increasingly important. Relevant to self-pour in our state will be the stories behind the craft beers and wines of Connecticut.

Number three, they're looking for freedom of choice. Self-pour allows for a wide selection of beers and wines. For example, our concept envisions some 60 different self-serving taps, mainly focused on Connecticut, craft beers. Number four, active engagement. The millennials, the young people today are looking to be actively engaged in what they're doing, and the ability to pull their own beer and wines.

Looking forward, we, that is chill proof, have identified self-pour as the concept that best meets the future for inviting taproom, encompassing both the experience I've just outlined. So, by growing millennial population, and in the end, addressing the lessons learned and being learned from the pandemic. Just two examples, minimizing touchpoints and eliminating congested bar areas.

For the same reasons, these trends and demand will beneficially impact the state. For example, through protecting existing food and beverage businesses, by giving them a new revenue stream, in incubating new businesses, reduce retail vacancy and main streets. And through the increased footfall and eyeballs will benefit to other stores and immediate vicinity, which in turn will benefit our downtown retail

communities. This in turn will provide the state with increased tax streams. Thank you for considering the significant merits of self-poll as you discuss our proposed Senate Bill 265. I genuinely believe its time has come. Thank you for your time.

REP. D'AGOSTINO (91ST): Thank you, sir. Questions. Seeing none. Thank you for your testimony.

RICHARD SAUNDERS: Thank you.

SENATOR MARONEY (14TH): Mr. Clerk.

SAMUEL CLARK: Up next is Phil Pappas.

PHIL PAPPAS: Hi everyone. Can you hear me?

SENATOR MARONEY (14TH): Phil, good to see you.

PHIL PAPPAS: Always good to see you too. Thank you for having me. So Representative D'Agostino, Maroney, Ranking Members Witkos, and Rutigliano and distinguished Members of the Committee. For those of you who don't know me, I'm Phil Pappas, the executive director of the Connecticut Brewers Guild which is comprised of our 116 beer manufacturers. And we're grateful to be able to offer today's testimony, question modifications to HB 6101 and 5306. I know you've heard from a number of our Members earlier today and appreciate the Committee's response and willingness to modify the language surrounding on-premises food in conjunction with beer sales.

Especially after all of our hard work a couple of years ago, increasing those sales to nine gallons. Our appreciative to see moving forward with the more of a permanency on that. In regard to delivery and our curbside pickup, we're also appreciative of the Committee extending the executive orders in more of a permanent language so we can use those revenue

streams as we move forward in the future and what the new world may look like in the future.

So, we also wanted to provide some supportive thanks to the language surrounding two drinks per customer. That will provide some convenience for not only the consumer, but for our staff as well, especially as tableside services the way that we are operating right now. But we wanted to address some small concern that we had in regard to language in Section 47 on page 50 in HB 6101. Represented Rutigliano, I know this was a question that came up before earlier to [inaudible] New Park Brewing. So, on page 50, you'll see language specifying that for curbside pickup, sales would not be able to conduct in a drive-up parking spot for alcohol when purchased via the internet or another computer network.

So, I know that there are certain restaurants, as well as breweries that have set up designated parking spots at their establishments. Like wooden taps. I know have those as well. We have one in Toxin, New London, among others. So, we do have a little bit of a concern around the language around that. Especially not only for the convenience factor for busy families that are leaving work and picking up food and beer on the way home, but for obviously the safety concerns is around that surrounds that as well. You just saw that language pop-up and wanting to address that with the Committee tonight. And so, at this time I'd want to kind of open the floor and see if there's any other questions regarding breweries and open it up to the Committee.

REP. D'AGOSTINO (91ST): So, I apologize. Go ahead. Maybe I can jump in. I wasn't following the pick-up issue. Can you explain that in layman's terms what's the issue?

PHIL PAPPAS: Yeah. So, on Section 47, on page 50 of HB 6101 Section part C there, no permittee or

backer who is authorized under this chapter to sell alcohol liquor for consumption premise may sell or deliver such alcohol from a drive-up window or similar exterior wall opening. And a new language is in there that says, or to a drive-up parking spot [inaudible] was purchased via the internet or another computer network. So, from my understanding that language, that if anybody placed an order online for pickup and drives up to the establishment, whether it's a bar restaurant or brewery or another retail spot -- from my understanding and the reading of that, that they can't have a designated pickup spot.

REP. RUTIGLIANO (123RD): I don't believe that my question was on that specific issue today, but I believe that's a good pickup that I understand your point now.

REP. D'AGOSTINO (91ST): Okay, thanks. Agreed.

SENATOR WITKOS (8TH): Thanks. Sorry about the late hand raise. Phil, I just wanted to ask you a question and I had asked the folks from New Park and I wasn't sure if I asked Alvarium or not, but for the to go portion of the language, I personally don't believe it should involve the delivery of kegs to individuals. And I just wanted to get some response from you or what your thoughts on that.

PHIL PAPPAS: Yeah, absolutely. I appreciate the question on there. And as we've learned with our new limits of nine gallons with beers have been implemented. You know, that riding a lot of -- a lot of people have enjoyed it. And we've been seeing a lot of increased sales, especially through COVID and the pandemic. If we didn't have those limits increased to nine gallons, I don't know who would be open at this point. And to your question Senator Witkos we believe that we -- a lot of breweries will not be selling kegs and delivering kegs to people's homes. It's a very small markup and a drop in the bucket of the sales.

A lot of them will be more around cans and things like that. We are seeing a very large, canned shortage going on across the country and nationwide, and we're extremely nervous about what that's going to look like for our future or packaging for off premise consumption. And I can address that, you know, especially for -- we're very thankful to see restaurants and bars, being able to sell more direct to the consumer and the -- and the to go sales out of that. And, you know, we're going to be -- work very closely with that, but we would like to continue to see the availability for breweries that have implemented it to continue to see them deliver keg.

You know, it's not going to be happening a lot. You're don't see a lot of breweries implementing that, but for the ones that have, or that higher Mark of a sale in terms of, you know, when we do get back to having in-person events, such as graduation, parties, weddings, birthdays, things of that nature, where somebody would like a larger package, we would absolutely love to support our breweries in that and see that sale completed.

You know, we do see package stores that do -- you know, we would have e to then go through a package store and the process and convenience would be a lot more steps for consumer and for our breweries for that sale. So that's why we wanted to fight for that increase to nine gallons to include it. And again, it's only nine gallons, so it only includes a \$6 dollar, a pony keg at 5.16 gallons. So, these are not half barrels. These are not the 15.5 kegs that you see at bars and restaurants. These are small pony kegs that only hold about 50 to 55 beers.

SENATOR WITKOS (8TH): So, if I work with the folks on this Committee to allow that, but not allow the half kegs and the full kegs, because I just think that's a recipe for combatants with the underage drinking. If it's not controlled through a package

store where they have to document, they put the stickers on. I like the process that we have now. You wouldn't be -- your association wouldn't be opposed to that.

PHIL PAPPAS: Yeah. We go through the same process when we're delivering or selling the keg with the same sticker, same identification process, same recordings that we have on our backend, as well as with DCP and liquor control. And to your point, and that's why I wanted to note that as well, they're not half kegs or full kegs. These are the slim pony kegs, the sixtels, it's only 5.16 gallons that you'll see out there. Very small sales.

SENATOR WITKOS (8TH): Okay. And on your testimony, you know, I think this Committee agrees 100% about the food issue, and it's just a matter of the executive order of trumping our state statutes cause it all goes away once the executive orders go away. So, you know, we worked very closely together for public act 19 -6, to make sure that we -- the state wasn't too onerous and allowed your business to expand and flourish. And I was glad to hear what 126 now breweries that you represented?

PHIL PAPPAS: We're at 116. Fortunately, we've continued to see not in growth rate, but we've been able to see our breweries continue to open throughout the pandemic. We had you know, for Senator Maroney, we had Dockside open up, you know within a month of the pandemic back in March. And I -- and a few others pop up during the way. And we're super thankful of that. If the brewers had been putting in the work over the past couple of years and they weren't going to stop, and neither were we. So, we appreciate that.

And to your point, I appreciate you like your comments there. I appreciate the Committee recognizing the continuation of these certain types of revenue streams for us. Like I said, you know, I wasn't sleeping in the past first six months of

being concerned about what industry we were coming back to, and probably the most explosive industry in the State of Connecticut. We're super thankful to be working with the Committee.

SENATOR WITKOS (8TH): So, one of the things that we talked about -- I actually went to go visit a brewery that actually opened during the COVID period, which you know, for them congratulations and boy, what a tough when you pull the trigger to make that business decision, and then COVID hits you follow through with it. And the place looks amazing. But I had the conversation where -- and I think that maybe some languages either misinterpreted by DCP or we didn't have the Bill crafted correctly. And maybe you could explain to that in that brewery, if they take the Connecticut cafe -- craft cafe permit, they can sell any alcoholic liquor that is manufactured in Connecticut, but if they wanted to move forward and get a -- you know, be able to sell a Tito's and Seltzer or something along those lines and they had to get -- they would go get a restaurant permit. That department of consumer protection is saying, "Well, now we're going to look at your kitchen facilities and you have to meet those standards in order to be able to sell those additional non-Connecticut based products." And so, could you just speak to that a little bit?

PHIL PAPPAS: Yeah, absolutely. And I appreciate your raising this concern that we've had regarding our permitting and licensing through the -- all the work that we did in SB 647. So, for the -- I'll go -- I first discuss the Connecticut craft cafe permit which allows Connecticut breweries, wineries, distillers et cetera, to be able to sell each other's products for a very small few hundred dollars for -- per year. We're super, super thankful of that, and we were exploring this process.

The application process is a little bit repetitive. Breweries will have to complete eight - 13 page on-premises application form in which we work with DCP and liquor control to waive 11 items -- 13 items, excuse me, of those in terms of financial affidavits and backer information, as long as they didn't change. So, we're happy for that, but we still go through the process of getting our public, you know, fire Marshall, town clerk and public health and all that.

So, we still have to go through a placarding process as well as posting the newspaper twice to make the consumer aware that we are adding on a Connecticut craft cafe permit at that establishment which causes a little bit of confusion for the consumer, seeing a big DCP sign outside of a place that's been open for, you know, 10 - 15 years or for the past year.

In terms of the restaurant liquor permit, you know, I know -- I know when we work with the Committee surrounding the language to streamline and modernize the liquor licenses for Connecticut brewers and reducing them down. So, breweries were able to add on a restaurant liquor permit, which we were in -- under the impression that we would be able to apply for that permit and be able to sell any type of alcohol at the \$15.50 dollars price on top of our \$1,400 dollars permit that we've had on increasing our permits to about \$3,000 dollars.

And in that process, we've learned that we have to meet the restaurant liquor permit that states, "Breweries have to serve hot meals from a suitable kitchen." And 95% of our breweries do not have kitchens. And as we've learned through COVID breweries, we're not in the business and have not and were never in the business of serving on-premises food. We've had to rely on third party vendors, such as food trucks, caterers who may cancel only hours before they show up. And we were forced to close our doors. We're still dealing with that.

And moving forward with a license that reflects that is extremely detrimental to a lot of our breweries.

So, what we would like to see is breweries utilizing these really great local restaurants that are struggling that if we do have a restaurant liquor permit to be able to get our food from local restaurants, local bars, local establishments to be able to continue to offer options to our customers in terms of wine cider and liquor. And again, these are very small sales that we're talking about. These are not 50%, 60%, 70% of our sales. Our focus is on our beer. Our focus is on the beer that we make.

And we just provide options to the consumer as options, as simple as that. That if we come into a group of party and you want to have somebody that's not really beer drinker, they're not used to it, people will enjoy a glass of wine. And we obviously of course, want to support local as much as possible, and we do. We have great wineries and great ciders and distilleries in the state and want to support that. But as options in out there if they -- we have 116 brewers. It's a lot of -- a lot of wine, a lot of cider, a lot of liquor in state.

SENATOR WITKOS (8TH): Although if the -- what was the answer for DCPs reasoning, unless it's just part of their regulations that we didn't address, that if you are going from a beer manufacturing permit to the Connecticut craft cafe permit that you have to read placard and reposts all over again?

PHIL PAPPAS: Yeah. That's a new regulation through DCP and liquor control. And as manufacturers currently hold a permit, there is no difference or streamlined for any of our current permit holders. We are treating, you know, we're acting like we are applying for the first time in terms of that placarding and newspaper protocol.

SENATOR WITKOS (8TH): And how long does that process take if you want to do something like that?

PHIL PAPPAS: Depending upon you know, of course, with proper signatures and everything signed off on, you know, of course, you know, I oversee that every day. During application DCP said that they can turn those around pretty quickly. Connecticut Craft Cafes, we have to wait for the placarding process, you have to wait at least two weeks in the newspaper and post twice within, I believe it's 10 or 14 consecutive days. So, there is at least a two week process there. And then we're hearing anywhere from 10 to 14 days after that. So, you know, and that is for the Connecticut craft cafe. For anybody who wants to sell those other types of alcohol that are from out of state, we don't have an answer in terms of a permit that we can apply for in order to do that.

SENATOR WITKOS (8TH): Has anybody -- are you aware --I didn't mean to interrupt, just sorry about that. Is anybody gotten their Connecticut craft cafe permit, or everything is because of COVID, it's not ready yet?

PHIL PAPPAS: We have a few breweries who have gone through the renewal phase. The renewal is great. You know, that's through the license's website, it takes five minutes to add your permit to your cart, and you're done. That takes five minutes as -- you know, when you pay the \$1,400. And the -- we have, I would say about 10 to 12 that have gone through the Connecticut craft cafe process.

SENATOR WITKOS (8TH): And have they -- have you investigated with them? Has there any been -- has there been any negative comments or from either town officials or folks that live within a certain radius as to what they need to modify in order to get this additional permit? I'm just trying -- my point is if there's -- if there's zero comments on it, you know, maybe it's an unnecessary step. We have to

change our regulations. That's what I'm kind of looking for.

PHIL PAPPAS: Yeah, absolutely. And the only comment is that it causes, like I said, consumer confusion. They come in and they see the big [inaudible] and they wonder if there's a change in ownership, especially with COVID, we've seen 600 bars and restaurants close. We've seen actually a few breweries closed as well and change hands. But if you're -- if you're a brewery that's been open and you're going strong causes a lot of consumer confusion in whether it's a brewery changing hands or whether they shut down and somebody else has taking over. And people are kind of just like, "What's that big sign outside." So that's where a lot of the comments add on that end.

SENATOR WITKOS (8TH): Okay. Thank you. Thank you, Mr. Chairman. Mr. Chairman, I want to say that if you're going to speak to that last issue, that I certainly differ.

REP. D'AGOSTINO (91ST): Well, and a couple of things and, I would appreciate your input too. I needed just a couple of comments based on the discourse with Senator. The Committee is looking at language on the faculty, and I think they're just talking amongst themselves. And I'm certainly receptive to you. Just reducing the regulatory burden and quite frankly, whether it's -- whether it's getting negative press or not, but I appreciate Senator Witkos to point it as well. So, we are looking at the faculty language. On the larger point, I will say that don't get greedy though. I mean, part of it -- part of the compromise here was if you wanted a full bar, you needed to pull a restaurant from 647.

So, I can appreciate you doing what you're doing for your Members. But we wanted to be as flexible as possible in the cafe permit, and if you're going to sell Connecticut wine and Connecticut cider and your

Connecticut brewery, yeah, have that restaurant and that menu available from the restaurant nearby. Have the food truck, whatever. That's great. But if you want a full bar, we got the restaurants to buy onto a lot of that expansion, because we said to them, "Hey, level playing field for everybody." If they're going to operate as a full bar, they got to have a full kitchen. So, I appreciate where you're coming from. But that's from my perspective, it's too much of an ask. Certainly, right now, but let me -- let me kick it to the represented, particularly on them.

REP. RUTIGLIANO (123RD): I don't know if I could add anything to that cause that was the deal. That was the agreement, and I think you've covered it nicely, sir.

REP. D'AGOSTINO (91ST): Not regarding you for asking. So, all you gotta do what you gotta do for you're doing a great -- you always do a great job.

REP. RUTIGLIANO (123RD): I am certainly sympathetic to the re-placarding. I mean, that was never the idea when we created a new permit that you would have to start over. There is language that the Committee is contemplating to fix that for the breweries. I would urge that we do that. And I think we're done.

REP. D'AGOSTINO (91ST): Yeah. Thank you for getting the testimony. I don't see any other questions for you. Thank you, Phil. We appreciate it as always.

PHIL PAPPAS: Thank you, everyone. Appreciate it.

REP. D'AGOSTINO (91ST): Mr. Clerk.

SAMUEL CLARK: Next is Nicholas Conti Jr.

NICHOLAS CONTI JR: Honorable Members of the General Law Committee. Hi, my name is Nicholas Conti Jr.

And I oppose HB 6101 Sections 55 and 56. My father is also testifying today. He has been at the package store business, my entire life, and now I work at one of his stores. I've seen how hard my father works, the long hours, the sacrifices he had made for our family. Now that I've graduated high school, I decided to take business courses in college. I'm in my freshman year. I'm not going to lie. It's a little strange. It's not what I expected. The seriousness of question. What I'm gonna do with my life has become more and more real. I didn't know how to answer that. I've decided I want to do what my father has done. I want to build a business here in Connecticut and I've seen how stress it could be, but also how fulfilled. The staff at the stores are as family too. I see that now. And I'm a part of it.

We all struggle and succeed together. We also failed together. The last year, it definitely hasn't been easy, but we've managed to make it through side-by-side. Now this Bill that all could change, all my family's years following the rules, doing the right thing will be thrown away. Some of my work family not -- may not be my family any longer.

And I also wanted to touch on how in previous testimonies I've heard the word convenience, but for those who aren't aware in reality life, most of the time, isn't about convenience. It's about family and friends, keeping a roof over our heads, or what are we're going to eat for dinner. And not to mention during a global pandemic, no offense to the grocery stores, but the last place I'd like to be is at a grocery store. I mean, have you seen how many people are there?

I would be honest, I can't blame this is what the world is really like, you know, working people pleading to protect their livelihood and those they care about. You know, you can work hard for 25 plus years and do your part for your community, and then

this is what is allowed to happen. I'm not sure I want to be in business any longer. Not sure what I want to do. I urge you please do not approve HB 6101, protect my family's business and my future. And I welcome any questions. Thank you for allowing me to speak today.

REP. D'AGOSTINO (91ST): Well, done in a short amount of time, we gave you. Thank you for that.

NICHOLAS CONTI JR: Welcome.

REP. D'AGOSTINO (91ST): Representative Cheeseman, please.

REP. CHEESEMAN (37TH): Thank you. And I just wanted to thank you for coming here today. I hope the rest of your life is much better than the last year, 18 months have been. And I commend you. I hope you do decide to start a business because it's hard. You know, you'll pay everyone else before you pay yourself. You'll pay the State of Connecticut. You'll pay Eversource. You'll pay that credit card Bill, but to create something and run it yourself and to know you're helping other people have good lives is an amazing accomplishment. So, stick with it. It's going to be worth it. And thank you for being here to stand up for your family, because I think that's amazingly commendable and for sticking it out as long as you have. So, God bless you and I wish you a wonderful future. Thank you for indulging me, Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you. Thank you, Representative. I think that's it. Thank you, Mr. Conti, and good luck.

NICHOLAS CONTI JR: Thank you.

REP. D'AGOSTINO (91ST): Mr. Clerk.

SAMUEL CLARK: Up next is Brian Moran.

REP. D'AGOSTINO (91ST): You're on.

BRIAN MORAN: Thank you, Chairman Maroney, co-chair D'Agostino and Members of the Committee. My name is Brian Moran. I'm director of public affairs for the New England Convenience Store, and Energy Marketers Association. We represent convenience stores and gasoline retailers, fuel distributors and the businesses which supply them across 17 stores in Connecticut and employ approximately 25,000 people. I've submitted written testimony for the Committee's consideration. I'll be brief. I first wanted to echo Chris Herb's passionate comments from SEMA and also echo the sentiments of the Pesce from the Connecticut Food Association.

Next in the support Section 55, as a small number of our Members have been able to obtain a grocery permit. On the other hand, we're posed Section 56 as proposed has a little further marginalize our position in the marketplace and essentially exclude participation as it unfairly favors and advantage the big-box retailers at the expense of local and small businesses. The time has come to disassociate convenience stores from the grocery store permit category, and then -- and identify a fair and equitable and competitive approach for permitting the sale beer, wine need another alcohol beverage.

We suggest the creation of a unique permit category separate from the grocery permit category that reflects consumer choice convenience, which is our middle name and promote competition. Thank you again for the opportunity to present our concerns and I'll be able to entertain any questions from the Committee.

REP. D'AGOSTINO (91ST): It's also well done, Mr. Moran, professionally, so appreciate those comments.

BRIAN MORAN: Thank you for your time.

REP. D'AGOSTINO (91ST): So much so that I see no questions. Thank you very much. Appreciate it.

BRIAN MORAN: Very good. Have a good evening folks?

REP. D'AGOSTINO (91ST): You too, sir. Mr. Clerk. We have somebody in the queue, Sam.

SAMUEL CLARK: I'm sorry. I thought it was you. Next up is Keith Bishop.

REP. D'AGOSTINO (91ST): Mr. Bishop, can you hear me?

KEITH BISHOP: I am here. So let me back my other screens so I can see what's on your screen. Thank you very much.

REP. D'AGOSTINO (91ST): We all got two or three screens going.

KEITH BISHOP: Right? Let's see. I guess I should start my video then just paying popped up. All right. Thank you, Sam, for coordinating things behind the scene there. I know that's a busy job. Good evening. I wish I could say it's morning, but good evening. I'm Keith Bishop, a co-owner of Bishop's Orchards in Guilford, Connecticut. I'm fifth generation farmer. We've got a farm market winery, 300-acre farm, that's been here for 150 years this year. And one of our ventures that we do as part of our attractions is to have a farm winery. I appreciate being in front of the Committee here and thank you very much to the chairs and Committee Members.

I'm in favor of 6101, Section 65 and 56, as well as House Bill 6219 and Senate Bill 650. Well, that is not on your agenda. That is requesting the Hard Cider be allowed to be sold by grocery stores, having a grocery beer permit. Right now, Hard Cider cannot be sold to grocery stores, despite it being the same alcohol content as beer and Hard Seltzer.

So, I'd like you to incorporate that language into 6101, since it all comes together into one Bill.

Hard Cider is a gluten-free product and that's an attraction that those with celiacs and et cetera and like to have an alternative to a beer. Expanding marketing opportunities for small wineries and farmers and cideries and grocery stores will help us to take and grow farmland here in Connecticut. The legislature has been very supportive of farmland preservation by allowing Connecticut wines and ciders and grocery stores that will incentivize farmers to grow grapes and apples and make a higher volume of local products available to them on more way on that can be grown things on.

The cost to prepare and grow these crops on land that's already owned by farmers is over \$15,000 an acre, and it takes multiple acres in order to take and reach production levels that will help to satisfy the demand here in Connecticut, but we need to take and grow that demand. And part of that is a time process of the chicken and the egg concept and other farming acronym, sorry to say. But in terms of -- we can't put money into growing things that we don't expect that we're going to have a market for. And it literally takes four years from the time you plant an Apple tree or a grapevine till you have the first crop of saleable grapes to put into a product for wine or juice.

So, we ask that you continue to support that privately owned farmland as such is a better investment for the state rather than taking and buying development rights of additional farms. And then having to find a proprietor who's willing to take and buy the farm and put it into long-term uses such as capital-intensive fruit production.

So, my number one point here is that keeping land productive and growing under private ownership will benefit us for decades to come. And so high value crops and local markets are where we need to be

going. Consumers are who our businesses respond to, whether it's our individual winery, our farm markets supermarkets, or the liquor stores and they return because of our products, our service, our convenience, and lastly, pricing.

Women in consumer choices by continuing archaic prohibition-based restrictions. It's not logical anymore.

SAMUEL CLARK: Mr. Bishop heads up you're at the three-minute mark. So, try to wrap --

KEITH BISHOP: A couple more sentences. So, we have the means to protect our consumers, age restrictions, et cetera. So, we don't have a violation of that. We generate sales for farms. We generate sales for retailers, more sales, more jobs, stronger competition will mean more jobs. It's just where it's at. That's part of capitalism. So, I appreciate the opportunity here to share with you. And I want to know that our customers want to take and have more choices. They'll see our wines in supermarket when we can take and do that, and that will help drive them to our farms out for the experience that we offer for tastings and other agritourism opportunities that the farm wineries that get people onto the country and support other local businesses during their day trips to visit wineries and other attractions. Thank you. And I look forward to any questions that you may have.

REP. D'AGOSTINO (91ST): Thank you, Mr. Bishop.

SENATOR WITKOS (8TH): Thank you, Mr. Chairman Mr. Bishop, thanks for joining us and hanging in there all day to testify. I just have a couple of questions. As you heard today was -- we had -- we got a lot of different perspectives on everything that's being proposed here and I -- something that didn't come up was, what is the shelf life of your -- of a basic farm wine?

KEITH BISHOP: Most wines will have shelves lives of a two to five years, depending upon what particular product it is, [inaudible] wines generally have a shorter shelf life, and the red one have the longer shelf life. And of course, wines can last a lot longer than that as well. You're talking about some stuff in France and other ones there with time, I'm not an expert on.

SENATOR WITKOS (8TH): Yeah. So, I'm trying to reconcile in my head that -- and I guess it's-- it depends on whose Everest perspective is speaking that if the Bill were to pass and we were allowed to have wine in grocery stores and they would have to reserve a certain percentage of their space for Connecticut wines, why did the wineries believe that that's going to increase the ability for sales versus working directly with the package stores who've also testified that? Make us have a certain percentage of reserved and we can push their product out better than a grocery store.

KEITH BISHOP: I mean, the reality of it is now that there are very few package stores who are willing to take our products and the delivery and the mechanism system for us to deliver and get to them is a difficult one. That's not to say that, you know, supermarket situation will be different as far as that, but volume takes and helps us to cover our costs when you're in a delivery distribution system. Most farm wineries are preferring to self-distribute according to the laws that exist now, because getting in with a wholesaler and the margin cuts that that takes is another impact upon their farm bottom line.

SENATOR WITKOS (8TH): So, if you were to self-distribute, what's the difference between a package store and a grocery store? Just access to the shelves.

KEITH BISHOP: I mean, that'll be a case of how far apart they are, what the delivery schedule is, how

many -- what's the minimum cases that somebody could take at a time in order to make delivery worthwhile without charging and delivery surcharge to get the product there. And that's one of the biggest challenges. A lot of the package stores have limited space. So, they're only buying a small quantity at a time, what they can put on the shelf out front and don't have any backstock to yellows to handle. Supermarkets on the other hand, generally have bigger shelf allocations, and they also have either warehousing, they're doing themselves in a central warehouse, or they got some backroom space where they can turn around allocate, well, appropriate products.

SENATOR WITKOS (8TH): We did hear testimony from the packers, a package store that they felt that we should mandate to them in statute, that they reserve a certain percentage of their shelf space for Connecticut wines. And so, hearing from a lot of the folks from their own vineyards that have testified from this morning, I heard anywhere from 60% to 90% of the product that they make are sold on premise. And so, it would be 40% to 10% is sold, you know, off premise somewhere. What do you think would be the -- if Connecticut wines were allowed to be sold in grocery stores, what percentage of your sales do you think that would increase? By -- now, considering you've heard the testimony from Mr. Cafero and others that we can't limit it to Connecticut only. So, it would be wines in general. A realistic, what do you think? What would be your business plan thinking that "I have to ramp up production if I -- if I'm able to do this."

KEITH BISHOP: Well, I mean because we're in the agricultural business, we're not actual to ramp up our production without having the product available that we grow. So that's the timeframe that hurts us in the planning process. When I look at what we want to take and do on our operation we're currently on Hard Cider for the last six months. And we did 5,000 gallons worth of Hard Cider. I'm looking at

this year to take in more and double that, but that's pushing my capacity of what we actually grew for fruit last year. And I will run out of product most likely by the end of this fall season. And then I've got to wait for the cycle to press apples and juice to have product again, coming up. So that's the challenge here that we're looking for the go-ahead here to take and say, "Yes, invest in the future and to habit."

And no, we can't have 10% of sales here, you know, in one or two years. It's going to take some time to ramp up. We want to have people who are looking at the Connecticut alley farmland, where tobacco farms used to be and say, "Wow, I can turn around and buy a land here, transfer stuff and lease it to another farmer for a 20 or 30 year lease to put grapes or apples on to take in dramatically increased the production there, because I know there's a market for Connecticut fruit. And we know that consumers are asking grocery stores all the time to support local products.

You see the ads and the social media posts, the supermarkets saying they support local, and they've got pictures of their farmers that are supplying them of those types of things. That's how they are helping to support their community. The names of many of the locally owned mom and pop grocery stores here, even though there are three or four -- chain or three or four supermarkets owned within the family system of Highland Park or Geissler's or the ShopRite and how they have their ownership is individual.

Those are the ones that are saying you don't have to worry about getting shelf space at our place. We want support local. There's not going to be a hard sell. We're not going to have to worry about getting an appointment that somebody is gonna cross you off and say, "Don't come in our door ever." I heard that testimony and it was really disappointing

to hear that they're being thrown out there for a reason.

SENATOR WITKOS (8TH): Well, thank you very much. I appreciate it. Thank you, Mr. Chairman.

KEITH BISHOP: Thank you, Senator Witkos.

REP. D'AGOSTINO (91ST): Thank you, sir. Further questions?

KEITH BISHOP: One other piece that we've had, the consumers want to take and come into the grocery stores and part of it is convenience. And I know that's a, you know, catchphrase and the speaker just before me mentioned that. That, you know, it's not all about convenience, but we're facing millennials now. They're the new purchasers. They're stepping into the marketplace; they're pushing the craft beer the hard seltzers and other new products. And they're buying their products in different places and what my generation and our parents' generation has been. And supermarkets are a place where they find more convenient. They're going for places that can serve them officially and easily that are in the place that they already are, and doing things, so a mother with young children, for example wants things on one shop and whether that's picking up curbside and adding a bottle wine into your grocery curbside pickup and appropriately having the age fact verification stuff done.

All those are pieces that add value to local businesses and employ more people and it adds jobs and as we've seen this past year in COVID there's been a job shift has been job loss, but then there's segments of the industry that have hire new people in order to meet the demands and what changes to worse than needed and so that's the part of what's gonna go on, and I feel for some of the stores that think that they're going to be cut back. It shouldn't force people out of business, unless they're not doing a good job, to start with, and I'm

hoping that our farm wineries will continue to take and promote Connecticut agriculture, grow on our properties, grow more products here not only the stuff that goes into wine, but the fresh fruits and vegetables that you can enjoy year-round, and the farm and enjoy the open space.

REP. D'AGOSTINO (91ST): Thank you Mr. Bishop. Oh yeah, well there's been a lot of strands to this discussion today, quite frankly, and one of the more interesting ones was what's best for the farm wineries and I guess I'm a pretty simple guy to me wonder what's best for the farm wineries yes, the farm water is not other, not other industry so appreciate your interview and get your perspective and I'm sure you can you continue to be in touch with your Representatives and Senators on this stuff and thanks for taking that.

KEITH BISHOP: I'm appreciate your comments and allow me to speak today, thank you very much.

REP. D'AGOSTINO (91ST): Thank you. Mr. Clerk and we're in the homestretch Committee Members, I think we've only got a handful more, so you've been doing a good job, that's a part. Mr. Clerk, next who we got.

SAMUEL CLARK: Next is Mr. Jack Baker. He is coming on now.

REP. D'AGOSTINO (91ST): Mr. Baker, can you hear us. Here on unmuted.

JACK BAKER: How about now.

REP. D'AGOSTINO (91ST): There you go, perfect, you're on.

JACK BAKER: Okay, thank you for staying so late, it's a privilege to be in a country where you can speak your piece, no matter how long you wait. Anyway, I'm here, I'm Jack Baker. I'm here

representing Litchfield the story, unless you're Connecticut and I'd like to comment on House Bill 6101. Specifically, we'd like to amenable to include the elimination of the 50 gallon, 50,000 gallon sales volume of wine, at which point of Connecticut distillery can no longer serve at retail for offsite consumption from its tasting room. Tasting room sales are critical to offsetting salaries and overhead.

Even national brands doing millions of gallons per year rely on sales from tasting rooms; no other Connecticut liquor segment has such a limit. Connecticut breweries and wineries, so unlimited yearly volumes without losing the retail sales from their sites. We believe that the aerated drink cocktail, you know if you can see this, I can't see me, you can see me, let me see this. Right here I am. So even the aerated drink cocktail segment which is a new and growing segment makes us very close to that limit and we don't believe that segment was anticipated when we had limits put on the amount of alcohol, that we could sell in the state without losing our right to sell that retail.

Aerated drink cocktails and cans are similar to beer in volume and more consistent with beer in the proof frames, so it's very similar to a beer, that is not limited that adds to our amount of alcohol, that we can sell before we lose our sales from our tasting them. In 2019 this limit was raised from to 25,000 to 50,000, where we are grateful for some relief, we are concerned that our growth potential, particularly in the aerated drink cocktail category, but soon surpassed the new volume women. However, in casual conversation with various Committee Members, we felt the door was open to revisit the issue when the limit came close. So here we are.

We worked hard and invested in equipment and jobs and successfully, who are Connecticut brand and aerated drink cocktails, cocktails. We are now in established respected brand throughout the country.

Last year we sold approximately 10,000 gallons of traditional distilled spirits and 27,000 gallons aerated drink cocktails, totaling 37,000 gallons. This leaves us with 13,000 gallons of potential growth for this year that our current rate, we will surpass that by the end of the year and lose our right to sell bottles more tasting rooms, so therefore we will have to curb or vote in the State of Connecticut.

We have an approved site plan to build an additional 6000 square feet building. We have an acceptable bid from a Connecticut contractor. We are interviewing future employees. Our Connecticut farmers have committed to doubling their crop capacity, investment budgets, about a million and a half dollars, without the amendment, we have to reconsider any additional investment or hiring for our distillery in Connecticut. Since opening the Litchfield Distillery over six years ago, we have introduced Connecticut grown in made products to 10s of thousands consumers from all over the country. Created jobs, sourced almost 1 million pounds of Connecticut growing crops, fuse millions of dollars into local community, community then welcome thousands of visitors to our town and state. Our commitment is not only to our industry, but also to greater Connecticut community.

SAMUEL CLARK: Mr. Baker you're at the three minute mark, so wrap it up, please.

JACK BAKER: Look into the best part. Not only to our industry, but also to the Greater Connecticut Community, our tasting rooms become an integral part of local business community and the major visitor attraction. I'll skip to the paragraph about the last paragraph. Obviously, the corona virus has brought as many new challenges, last March we converted much of our efforts to production of hand sanitizer. We provided free of charge hand sanitizers to hundreds of responders, first responders as well as many state and local agencies

and gave thousands and thousands of bottles to Connecticut restaurants and liquor stores. Every day since we've had a table in our parking lot with free hand sanitizer for anyone in need 24/7. Please consider this in.

REP. D'AGOSTINO (91ST): Representative Rutigliano.

REP. RUTIGLIANO (123RD): Thank you, Mr. Chairman and I'm sure you have something to say on this subject, but I just wanted to maybe revisit the history, a little bit if I could. The, the idea behind the taproom in breweries, and the tasting room in distillers was and your ability to sell your own product, its which means you're operating on all three tiers of the three-tier system, was an effort to promote these burgeoning industries and we put limits on it, because we wanted to make sure you were small and needed to help. And, last year we decided to double that limit, so that we wouldn't have to see it for a while.

The theory behind it was that when you got to a certain point and you're so big, then you wouldn't need the exception to be on all the tiers of the three-tier system because right now you're acting as a manufacturer and sort of a package store, let's be honest you're selling your own stuff. Other people don't aren't able to do that, so I didn't know how you felt about that, I mean if you understand the concept behind this, I mean when the brewery laws were first passed, it was because we were trying to support these people, but we didn't want it for Anheuser Busch to be able to come up and have a bar. We wanted these growing small business folks.

JACK BAKER: Well 50,000 gallons is still extremely small, we still need the help of our tasting room sales. If we told customers that came here to visit us, they can't buy a bottle here, and because the State of Connecticut they would think we were all crazy. The wineries can sell as much as they want.

The breweries can sell as much as they want, no matter how big they get. They have no limit.

REP. RUTIGLIANO (123RD): No, I just think in statute somewhere, if there is a cap to the amount of barrels a brewery can produce to have a taproom. I mean they have a bar you don't really have a bar; you have a free tasting and sort of you're selling balance. Correct.

JACK BAKER: So, we would have to close Litchfield most probably most visited destination in Litchfield is our distillery. We bring 20 to 30,000 people a weekend pre-COVID, a week to the distillery, I mean over a period time here. So, if we don't have tasting room sales, we're done. Okay, you know this product is even more difficult and beer and wine, and they will have their own entities and difficulties because this product here has five years on, it. That means we spent, we produced it or manufactured it five years ago and put it in a barrel and waited five years. A \$1,000 dollars a day for a barrel to go into the barrel room, if we don't have those sales from the tasting room, we can't do that.

Those sales furnish our growth or investment in capital, the investment in the building I'm talking about that you can actually probably see on the wall behind me. I don't you know originally last time the Bill was set at 100,000 in through some negotiations know, we had no idea what happened it got.

REP. RUTIGLIANO (123RD): We doubled it. We doubled it.

JACK BAKER: And I was you know, and I met hold neighbor anything, I was casually told that when you get near the limit that we will readdress it for you and we are near the limb, and again I think they're ready to drink cocktails, which is the exact same 7% alcohol, just like a beer is in our calculations.

It's actually recognized as a different category by the state, hang on one second.

REP. RUTIGLIANO (123RD): Oh got, can I, can I just interrupt them and I am familiar with the products that so up you just to be clear you're not operating a taproom, you're not making a cocktail itself you're giving somebody a free sample and then they could purchase a bottle.

JACK BAKER: We're not we're not allowed to sell cocktails. We can apply for the craft permit, we're not sure our facility is situated properly at this point to do that. So, we have no income from the tasting room, other than those bottles, we have three or four people weekend that will have to let go because, why have salaries when are you going to do is get frustrated visitors that can't buy our product. Look we don't want to be a liquor store, we don't want repeat business, we have this is, I have the list here, this is the 900 stores that were in in Connecticut.

When somebody comes here and they buy a bottle we say what town are you're from, we want you to buy it locally, we support our liquor stores as much as we possibly can. A repeat sale if I do a search on our square point of sale or repeat sales or 5% or less, we're not asking people to come back here and by and by and by, but we need those additional sales and a lot of us to New York state, a lot of, lot of people come from Massachusetts New York all over the country. They want to take a case back. I can't sell my case I can sell import all four bottles, but by the end of this year, all had to stop selling or ready to drink cocktails and the investment we made in that production line to make sure I have enough volume left to be able to continue so the regular spirits.

REP. RUTIGLIANO (123RD): Listen Mr. Baker. I really appreciate your passion and I feel that I have a greater understanding of your issue, and I

want to thank you for your time, but Mr. Chairman, I I've concluded my questions, thank you.

REP. D'AGOSTINO (91ST): Thank you Representative. Representative Cheeseman, you are next.

REP. CHEESEMAN (37TH): Yes, thank you, Mr. Chairman, I'll be quick Mr. Baker, so what percentage of your sales are, as a result of visitors to your taproom, you're tasting rather.

JACK BAKER: Yeah. About 20% and that includes some swag that we sell shirts and stuff what. We would like, you know, we want our sales to be through liquor stores, we work really hard with liquor stores to get our product there and we don't think that you know you know we're not a lot of the wineries testified 10% of sales, go out to liquor stores 90% run, say that's not our business model. We can't grow the company as big as we want, if we're relying primarily on our sales here, but even maker's mark, one of the largest, all these huge conglomerate national companies can still sell from their tasting room, it's an important way to introduce their product to the consumer and continue to grow one helping you don't want us to get big, then I don't understand that. We continued to need those sales to continue to grow, the company. If you don't want to.

REP. CHEESEMAN (37TH): Then I presume people who come and taste and then by you know it to go home like it, and then they go to their local package store so that just grows your business.

JACK BAKER: That's our business model.

REP. CHEESEMAN (37TH): Okay. Thank you, thank you very much.

JACK BAKER: We have several liquor stores on here that mentioned our name, because we have wonderful relationships, will the closer the liquor store is

to Litchfield distillery, the more they sell. We don't hoard stuff, if we have something special, we offered it to our three-tier system, we offer to Slocum, this is special coming out how much do you guys want how much the store is going to take. If they only take so much, and we still have some left that we thought we would sell here, we give it up, we gave it to them that's a business model of working with your partners, and we feel our distributors are a partner in our liquor stores our biggest partner.

REP. CHEESEMAN (37TH): All right. Thank you, thank you again, I appreciate your passion and thank you for what you've done to support everybody during the pandemic, I know that. Those when that hand sanitizer was short supplied that people like you stepped up to help out, and I think that's great so thank you very much.

JACK BAKER: We are still doing it. If we didn't have tasting room sales, we couldn't afford to spend \$150,000 dollars to give away hand sanitizer.

REP. CHEESEMAN (37TH): All right, thank you, thank you very much, Mr. Baker, and thank you, Mr. Chair.

REP. D'AGOSTINO (91ST): Senator Osten there, and Senator Witkos, you can ping up there.

SENATOR OSTEN (19TH): You would like me to go first Representative.

REP. D'AGOSTINO (91ST): Yeah.

SENATOR OSTEN (19TH): Thank you Mr. Chairman. Mr. Baker, thank you very much for coming. It's clear that this is something that you're very passionate. I just had a couple questions on you said, and I just wanted to make sure I heard correctly, you said that on a weekend, a typical weekend, you would have between 20 and 30,000 people.

JACK BAKER: I tried to clarify that too that's about a year on a weekend any weekend, it could be, you know 500 people, 300 people right now, since March, you know we don't really have visitors per se, we don't do tours, we don't do official tastings, we do let a few people in at a time, but yeah, I mean we would do tours for 30 to 40 people at a time.

SENATOR OSTEN (19TH): So, so I just thank you, I think that that's interesting and what I what I really want to get to is when you have those say you had a 100 people come on a weekend, with those hundred people go to a local restaurant or by their gas locally in Litchfield, had that relationship with other businesses.

JACK BAKER: Thank you for making the point we, there's 17 liquor licenses and in Litchfield. They all have Litchfield distillery. All the liquor stores, all the bars, all the restaurants everybody that can sell alcohol has our products because we work closely with them. And when so many visitors here, they say where should we go to lunch and we give them a list we try not to fail yeah what's your price range direction you're heading in. The insane people here, the restaurants and people here, people who show up to the restaurants and the restaurants call us and say thanks for sending us that great party, we you know that was really good for us.

SENATOR OSTEN (19TH): So, you're a driver of the local economy, not just your economic value.

JACK BAKER: We're totally integrated with the whole economy, with all the stores. You know the shopping in Litchfield all depend on visitors that come to see us throughout the week, all summer long, in the fall and weekends.

SENATOR OSTEN (19TH): Thank you very much, I find that fascinating and so I'll be certain to read more

about your business model, thank you, thank you, Mr. Chairman.

JACK BAKER: Thank you.

REP. D'AGOSTINO (91ST): Senator Witkos.

SENATOR WITKOS (8TH): Thank you Mr. Chairman and Good evening, Mr. Baker, how are you this evening.

JACK BAKER: Thanks for hanging in there.

SENATOR WITKOS (8TH): So, what cause in a good way your business to grow so exponentially, where we thought that you know when we double the size of the CAP that's going to be years before you get to that, hey you are before us.

JACK BAKER: I knew I would be here; we work really hard you know I've worked here, seven years and not taking a dime out of the business to say with my brother Peter. We pay our employees, for us, we you know I'm here tonight is not likely to see me here in it that's why I'm not that worried about staying around so. We work really hard, but what really pushed us over the limit and which I think was not anticipated in that restriction was a beverage similar to a beer, this is a low margin high volume item that we brought in, because it's part of the market, the distilleries I talked to say, you know it's not if we're going to be in Kansas, when are we going to be in Kansas, because we have to just survive because this is helping build our brand out in the market space, so this volume is you know close to 30,000 gallon or a I'm sorry 27,000 gallons and my number right again.

And that's you know it's more than twice the volume, so again, the point I was trying to make before you know I know it's slightly complicated obviously we'd like it eliminate it. You know, raising it again fine, but we want to invest a half, a million and a half dollars. It's hard to reinvest that money and

not know that that you're going to be able to grow to that size and we can't grow to that size, without the money we're going to get from the tasting room, we want to keep spending money and anyway. This is what we send in every week, every month to the State of Connecticut, there's a column for distilled and there's a cut well.

This is, the still liquors cool, and this is the still liquor coolers, we actually report 7% or less alcohol as a separate item every month just take that column out of the, out of the calculation. Take the cocktails out of the calculation makers on a Liam, even playing field with the rest of liquor industry, manufacturers in Connecticut, just counted as distilled spirits and you would have been right, it would take us years to get to that number.

SENATOR WITKOS (8TH): And I think that's what the Committee thought way, so you had a straight product and it wasn't diluted it also, how we going to more than double that but because of, because of I guess taste in demand from the public, you guys got another niche and you created that product and then you were quickly over the or very close to the amount of, we need to be so. I totally understand and get where you're coming from, and I also understand the fact that you know you're just not a place that you're, you're an experience when people come to Litchfield distilleries, it's not just a destination, but some experience you go there for a tasting and the ability to purchase and as Senator Osten said before me that there are I'm sure there's many, many of your customers that helped to support other local businesses, whether it's at a gas station or a restaurant, so all of Connecticut's economy benefits by these folks coming to your establishment.

JACK BAKER: Absolutely, and we bring a lot of our state visitors, there's distillery groupies, no matter where they travel, they're going to stop in here and we're on you know we participate with

Connecticut tourism. Tourism is a huge part of the of the contribution to our Community.

SENATOR WITKOS (8TH): And did I hear correctly that you participate in that three-tier system, so you don't self-deliver you actually have a distributed that distribute your product.

JACK BAKER: Yeah, in the regulation, once we got to 10,000 gallons but before that we did, we would have had to give up self-distribution.

SENATOR WITKOS (8TH): I have a self-distribute over with you haven't were 900 package tours that you are having any clients, you said on your list there.

JACK BAKER: Well, you know, my previous company was crystal rock bottled water company and I had 150 trucks on the road, every day, so I know distribution, I know how to get it done. Our distributor can do it cheaper than we can. That's why the three-tier system works for us, I know what we have to give up for the distributor. We'd be dropping off like you said 900 customers, we might drop off, you know \$300 dollars' worth of booze, Slocum and Sons is going to stop and drop off \$20,000 dollars' worth of booze, so you know, their economy per stop is so much greater that they can do it. We get up in margin, they make up and what would have been more expensive for us.

SENATOR WITKOS (8TH): So, you know I think I would urge the Committee, as we deliberate this Bill further that we don't have any legislation that would impede the ability to not only in your industry, but in the wineries and the breweries to allow taprooms or tasting rooms to stay as is because I think we've, we've come to see and learn that. Those are destination spots where it all, it comes into play for tourism, it gives people a place to go out and that shouldn't have anything to do with the ability to self-distribute or the further

so Mr. Baker, I want to thank you for your testimony this evening.

JACK BAKER: I just, one more thing of list of another question.

REP. D'AGOSTINO (91ST): We do, we do another question, Mr. Baker, so let me and we're and we've got some other people behind you so button, I need somebody else to take it.

JACK BAKER: I am jumping the gun.

REP. D'AGOSTINO (91ST): Okay, all right. Representative Ackert, please.

REP. ACKERT (8TH): Thank you, Mr. Chairman and thank you Mr. Baker for your time and your explanation, just real quick what percentage of your sales is on site for taproom or what they are calling it here.

JACK BAKER: Well, I didn't separate out some of this way, but it's you know it's 20 to 25% but obviously the margins are better and that's how we can generate money to put into the economy. So yeah, it's we don't want it to be lopsided, we don't want it to be the main place people buy our product, so we, like I said before we get somebody calls me from the other side of the state and says we want to come over and buy your liquor. So, where you live, here's a store you don't have to make the trip, if you want to come see us great, here's the store that's a question.

REP. ACKERT (8TH): So, I find out that that that your place when that which I think is great, drive it, spread the local market to them so they can get it more often that's super. I was just curious what percentage comes out of that taproom, so thank you again for your commitment to Connecticut in your product.

REP. D'AGOSTINO (91ST): All right, I think we've heard that and we thank you for your testimony, you know we will certainly be considering this, I want to just remind you and the rest of the Committee Members for those who are new in particular that this is a Committee that that hears from a lot of different and competing interests and while Mr. Baker, while you are certainly a powerful advocate for your business, we're going to hear from I'm sure, a lot of restaurants and some other books you're going to have a different view the limit was heavily negotiated two years ago. I'm not saying I'm the host of raising it or from and I want to align myself actually with Senator Witkos's comments, but I would just caution everybody that there's another side of the story that was heavily involved the taprooms are controversial for other parts of this industry. We are going to hear from all of them as well, so things just move slowly in Connecticut, we hear you, we're going to, we're going to look at this. I don't want to over promise anything. I just want to make sure our Committee Members, understand that that there are there are there are various competing to solve is.

JACK BAKER: I understand those people are also affected by it, it means 100% us it means a few percent or less so. I have given a try. This is our thank you note filed from between the handing out hand sanitizer and everything we do in the community; this happens because we generate a little bit of extra cash that we can put back in the Community.

REP. D'AGOSTINO (91ST): We appreciate everything you've done in pandemic, especially the generation of the hand sanitizer being basically an anchor, tenant, if you will, for your surrounding community I don't think anybody here is disagreeing with that or failing to recognize that, it is just a very complicated Committee with some very powerful competing interests at work and they all talk to their different Representatives, so we try our best

to get it all together and that gets negotiated solution and that promise you that's what we're going to try to do here.

JACK BAKER: I appreciate your time, thank you very much.

REP. D'AGOSTINO (91ST): Thank you. Mr. Clerk?

SAMUEL CLARK: Okay, up next is Kenneth Jenkins.

KENNETH JENKINSON: Hello.

REP. D'AGOSTINO (91ST): There you are. Thanks.

KENNETH JENKINSON: All right, hey thank you all very much for your time and allowing me to speak. I'm here to address House Bill 6160 specifically Section 60 and offer my support for its approval. My name is Kenneth Jenkinson and I am the mead magistrate for Savannah Bee Company. I'm responsible for the mead experience in our brick-and-mortar stores and approximately two years ago, Julie Cook the wonderful manager of our Westport location and myself came and presented testimony on mead. We both worked very closely with Representative Steinberg and Senator Haskell on this endeavor.

The passing of, the passing of this Bill would greatly assist our ability to continue educating the public on the wonders of the honeybee. Granted, times have changed since we last presented, but our mead remains the same. We want to provide your constituents, with the best possible retail experience, as well as pass on knowledge that will help them and their understanding of agriculture and improve their health, we get so much more than pollination from these amazing creatures.

The honey that we get from bees, not only can be used to sweeten our lives, but when converted to mead helps us unwind and relieve stress. Supporting

mead makers supports our local beekeepers, which in turn will support and bolster our agricultural system. We would provide local meaderies a platform to build awareness in the State of Connecticut. Last year we had over 1.4 million in mead sales and in 2019 we did almost 2 million. We want to work with local Connecticut meaderies like Nordic moon metering and dragon firearm eatery and have them be a part of those sales figures.

We all learn through experience and we offer just that. Experience which can turn to knowledge for people to better their own lives. We stay committed to helping grow the mead Community nationwide and with more awareness of bees, honey and mead, we can work together and bring in revenue, as well as promote healthy living. Again, thank you all very, very much for your time, I just wanted to keep it short and sweet and again thank you and I welcome any questions.

REP. D'AGOSTINO (91ST): Good job. We really have appreciated in learning about and do what we can for the mead industry and want to continue to do that, so thank you. Senator Witkos with us.

SENATOR WITKOS (8TH): Yeah, just a quick question. Can you introduce yourself as a mead magistrate, just curious as to what that term means.

KENNETH JENKINSON: Well, essentially, I just been responsible for all of the, in anything mead related for the company. We do have 13 different retail locations that are able to educate the public on mead and I'm essentially working with distributors and the meaderies and one of my biggest pushes has been a push for a local footprint where any of our stores located. Mead is, it's a very new product for most people, the majority of people and the best way to introduce it is through introducing their local, their own local mead and so that's one of my biggest things to really put forward.

SENATOR WITKOS (8TH): So, let me give you the ability to showcase that and I'm going to ask you is there, like were a website like I personally, once we pass this, I wanted to try it I've never tried mead before, I don't even know where to go to get it, so where would where would somebody go to look up where that's available for purchase.

KENNETH JENKINSON: Well, I mean the easy answer is just Google it but honestly, there are a number of like online wholesalers that actually have started producer, selling mead like vino shipper.com, but you know mead is one of the oldest beverages, I mean it's been you know written about throughout the centuries. But as far as the actual experience of tasting it it's not offered in many places and in Connecticut, I know that's one of the big problems that especially when I think two years ago, I spoke with Kevin West, he is the owner of one of the owners of Nordic moon metering and he said, one of the biggest issues that they have is simply that they can't really taste it for customers. They, they don't have like they're not allowed to have a tasting room because mead is in this great area. And so, it's nice to be able to see language of me being put into law, so that we can actually move forward on this and actually bring it to the people.

SENATOR WITKOS (8TH): Well back, I will just so in public act 19 - 6, we incorporated mead into our state statutes for mead manufacturing permit so the mead people can do exactly what wine insider folks can do and I just didn't know, if I don't I don't know you know we've heard from the wine, the wine people that takes you know four to five years before we get the grapes growing and stuff, how long it takes for the bees to pollinate to make the mead or I'm saying something I don't even know I'm talking about, but you know how long does that take before product becomes available to market for somebody who chases there, like a Connecticut mead website somebody can go on say well what's the closest location to me.

KENNETH JENKINSON: Yeah, I mean I've honestly like when you can just kind of Google like Connecticut mead, near me and there really aren't that many. I think that's just because the law is still in its infancy stages on bringing mead into it and which, like that's why I'm so excited to see this Bill, I come forward it's like yes, we finally have mead representation in law, we've needed this for so long and so to see this continue to progress, you're only going to see more of that knowledge being spread and so yeah, I mean that's really what we want to do is just teach people about what all honeybees offer.

SENATOR WITKOS (8TH): Thanks, Ken. Thank you -- thank you, Mr. Chairman.

KENNETH JENKINSON: Thank you.

REP. D'AGOSTINO (91ST): Representative Ackert.

REP. ACKERT (8TH): Thank you Mr. Chairman and thanks for being here, I didn't get a chance to go to one of your tasting rooms actually but was in Myrtle beach, one of your stores down there. How large is the Savannah Bee Company words, is it, I mean how many orders, I remember when I saw you come up on this, I go when I was, and they had a tasting room and I did try two flavors of the mead, they was very good.

KENNETH JENKINSON: Oh yeah. Savannah Bee Company, we're still a family-owned business, we're actually owned by the dinner family, we are based out of Savannah Georgia. But with that said, we are we're offering an experience that that really nobody not many retailers nationwide even provide and so to be able to like come into Connecticut and actually offer this to the public and to your constituents, it would be absolutely fantastic.

But we're trying to continue to grow as much as we can organically, and I know that the passing of this Bill will absolutely help us do so.

REP. ACKERT (8TH): Thank you for your testimony and thank you Mr. Chairman.

REP. D'AGOSTINO (91ST): Thank you Representative. The number of questions, thank you for coming in and testifying. We appreciate it. Mr. Clerk.

SAMUEL CLARK: Alright, next is Chris Cambareri.

CHRIS CAMBARERI: Hello, can you hear me.

REP. D'AGOSTINO (91ST): Yep. Chris you're on and sort of seeing their, put the camera on.

CHRIS CAMBARERI: Okay. I came here for about 12 hours, my computer just went down, so I had to connect to my cell phone, I apologize.

REP. D'AGOSTINO (91ST): That's fine.

CHRIS CAMBARERI: And thank you for having me, good evening, distinguished Members of the Connecticut General Law Committee. My name is Chris Cambareri. I'm second-generation package store owner. Our family is owned and operated Willow Brook spiritual for 45 years. Proposed House Bill 6101 includes changes to the Liquor Control Act Section 55 and 56 wine and food stores and beer and big-box, have a media negative economic impact on my store in the industry.

A shift in the business from small Mom and Pop neighborhood landmarks to corporate giants, many of which are headquartered out of state is that out of the country is not good. This business shift will put many of the 1250 stores jeopardy and possibly out of business, especially if they're within close proximity to food stores. I happen to have five within one mile and trying to be quick here. Even

with the greatest selection of prices and world class customer service, it will be nearly impossible to retain a customer account that will enable me to break even.

The immediate impacts on HB 6101, Section 55 and 56 are crystal clear, many families owned and operated many businesses for clothes, jobs lost, and more shuttered, they came real estate and I have many things here that I will not go over with you because, we've been here for 12 or 15 hours, but I would like to make one point, if I can. I have in front of me the minutes from the Connecticut farm wine redevelopment Council special meeting December 16, 2020, which was a few weeks back and Commissioner Herbert noted that the agency did propose the availability of wine and grocery stores, and it was declined. DCP Commissioner Seagull looking to prioritize farm wineries in other ways. Have we thought about other ways to prioritize Connecticut farm wineries?

That's a question I posed to everyone out there. I do recall that, over the years there's been a lot of changes made available to Connecticut companies, I for one strongly support and promote any Connecticut winery that I can any brewery that I can, anyone calls me that has a Connecticut product that I could sell, I will sell it. I supported the Connecticut made brand. I was at the summit, a few years back, I was energized by it. At that meeting Litchfield brewery was there. I did carry their product prior to that, but after that summit, which I said energized me, I came back to my store devoted 15 feet to Connecticut products with the Connecticut made logo and, to this day and extremely proud of Connecticut brands that I sell in my store.

I know other stores would do the same thing, and they have in the past. So please consider other opportunities for Connecticut wines, other than mandating that they go into grocery stores. I certainly support the connected package store

association; we support all the restaurants and bars and wineries and breweries and want to sell all their products. But I like to look at other alternatives. Dave Leon made a good point. We can't just change this overnight, let's think about this. I'd be happy to get on board as well in any form of Subcommittee to discuss this with everyone in Connecticut other than making this put change overnight, I have two kids in college I haven't slept in two weeks, we all have insurmountable Bills, that we need to pay, but by putting wine in grocery stores with decimate my business and the industry.

Gentlemen, thank you for your time, I've been here all day as well and Senator, Representative D'Agostino, I'm going to have a drink myself up very shortly. Good night everyone, thank you.

REP. D'AGOSTINO (91ST): You got a question.

CHRIS CAMBARERI: Are there any questions, I'm sorry.

REP. D'AGOSTINO (91ST): I have no problem. Representative Ackert.

REP. ACKERT (8TH): Hi Mr. Chairman, and I just thank you, I did not take my name down from before, my apology.

REP. D'AGOSTINO (91ST): No, no worries, no need for that. Chris go and drink for us.

CHRIS CAMBARERI: Thank you very much. It might be a Litchfield Bourbon.

REP. D'AGOSTINO (91ST): Mr. Clerk.

SAMUEL CLARK: Okay next is Sakarin Seedasome and then after that Nick Conti.

REP. D'AGOSTINO (91ST): Mr. Seedasome. There you go.

SAKARIN SEEDASOME: Hey guys, how are you.

REP. D'AGOSTINO (91ST): There you go.

SAKARIN SEEDASOME: You guys hear me.

REP. D'AGOSTINO (91ST): Yes.

SAKARIN SEEDASOME: Great first Samuel, thank you for that excellent job of trying to shuffle all these people throughout today, has to be really, really difficult, I know I couldn't handle that secondly Members of this Committee don't know how you do this twice a week with all of these testimonies but a reminds me to never want to run for your Committee member ever. So, thank you Chairman D'Agostino, thank you, Chairman Moroney, ranking Members, Senator Witkos, ranking Members, Representative Rutigliano and distinguish esteem Members of the Committee for the opportunity to testify in support of Senate Bill 265 AN ACT CONCERNING CERTAIN ALCOHOLIC BEVERAGE SYSTEMS.

I'll try to keep this as short as possible, because I am hungry and I'm pretty sure you guys might be too. So, as you've heard from my colleague Matthew Ventura, Connor Rasmussen and Richard Saunders, let me be very clear. We don't sell the cell for system and we don't currently own any locations that utilize the system, but we have been fighting for the past three years to utilize the system and open a taproom in Connecticut. You've also heard from the main manufacturer's table tap or my beer and I pour it, around the system and what it can do in safeguarding our consumers in Connecticut. I'm here, I'm here to tell you why you should support SB 265 and why I support SB 265. First about 11 hours and 55 minutes ago, Representative Rutigliano asked is just the same Bill from 2017 and the answer is

yes, it is the same type of Bill if there were a few changes.

In 2017 Representative Arconti, champion that through this Committee and through the House in 2017, 2018, and 2019 but it never made to vote in the Senate. Last year, myself and my colleagues were here again and the Bill was named SB 254, which did make it out of this Committee, but right before the pandemic did hold it, so that's why we're back here again. Second self-for is allowed in 46 other states, and I don't want to open our taproom in New York, I grew up in Connecticut. Matt Mentor grew up in Connecticut and that's where we met at UCONN. I'm a husky. We want to open a small business in Connecticut just like my parents, did. They migrated here from Thailand, when they were in their early 20s with \$20 dollars in their pocket and open a Thai restaurant in 1988 in Connecticut, one of the first ones, and I want to do that or replace Thai food with self for technology that's what I wanted to.

Third, the technology is not a vending machine. The technology is not a vending machine, it needs to be monitored, it is regulated, and as you heard from the manufacturers, there is more oversight than traditional bar. And no, it does not replace jobs, you still need check ID's, you still need to monitor the system, as well as provide that customer experience that is top notch and, above all, the most important thing. We're here to connect that 116 plus CT breweries and 40 plus CT wineries with the great citizens of Connecticut.

We've heard from testimony from a few of those individuals today. George Motel and his son with the wines a day offer. Tom Aikens from New Park brewing, Mike Larson from an Alvarium beer, as well as Keith Bishop who just came out a couple minutes ago. Our goal is to get their goodness out to the huskies of Connecticut. COVID slowed this down in 2020. Help us reverse that impact and help us bars

and restaurants employees get back to work. Help us passes Bill to create new jobs and fulfill our dream of opening Hop and Vine taproom in Connecticut. At this point, I'll take any questions you guys may have.

REP. D'AGOSTINO (91ST): Senator Witkos.

SENATOR WITKOS (8TH): Thank you. You know, we talked about this Bill how it was a house Bill for a number of years and then got flipped over to the Senate and we're going to give you a little inside baseball here. The Bill always finds its difficulty in the Senate, so we figured that if we can get it out of the Senate, it will be a home run in the House and it's going to pass and become law if the Governor signs it. So that's the reason why it's switched up to the Senate, but have you in your advocacy for this Bill, what is the most common asked question or concern that people say to you as to why they may be hesitant about it.

SAKARIN SEEDASOME: It's just a slippery machine, can you go up to it, but your face under it and just keep on going, and the next one is it a vending machine. And it's not right, some people believe it's the type of vending machine that you might see in Japan, where you put few dollars in, the beer comes rolling out, this is not that system at all. This is a system where yours a restaurant, a taproom, you walk in a hostess, must check your ID make sure your legal age, and that is, do you and, as you heard from some of the manufacturers, they also checked, make sure that that ID is a valid ID.

Then you give another form of payment that connects to that card that you receive is that allows you to go and pour as law as written 32 ounces of beer and or a certain value of 10 ounces of wine, so those are the biggest things that we, the hurdles that we had to clarify in the past three years.

SENATOR WITKOS (8TH): So, a member how, about what they thought. And I'm going to expand on the question a little bit about if you didn't like the machine, it wasn't working out, can you trade it in or sell it back and you mentioned like people say is a Slurpee machine, so that, in my mind envisions a rolling machine that you can put out there, almost like a soft serve. Are all of the types of self-serve units something that's built into walls or how big or how small they come and give me a price range on some of these, so we have a better idea of you guys are making into a business.

SAKARIN SEEDASOME: Yeah, you know they're fairly expensive. I would say to start a real low price would average, around \$100,000 dollars. Unfortunately, there was a place in Connecticut that let this system in thousand degrees in Glastonbury. They actually just closed down before even a patron could use it, they opened up about five to six years ago in hopes that this Bill would pass and they had to put a pony wall in front of it, so you can actually see it.

They lost quite a big investment in that. It's not a small handheld unit that you can bring anywhere and try it out it's a very large invest investment and all of our plans revolve around the unit, where it needs to be placed and how it's utilized.

SENATOR WITKOS (8TH): I have a technique understanding, thank you, thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): Senator Maroney.

SENATOR MARONEY (14TH): Thank you very much. You know, Sack nice to see you here today.

SAKARIN SEEDASOME: Pleasure sir.

SENATOR MARONEY (14TH): Actually, Senator Witkos did ask one of my question on, one of my questions which was on the price of a unit. I do have another

question. We saw now, this does allow you to pour like, there's 32 ounces on a card is my understanding, but you could pour just one or two ounces at a time, if you'd wanted to do like a tasting. Right.

SAKARIN SEEDASOME: Correct and that's the benefit of the machine and that's why we fell in love with it, because if you're going to a place for me, when I ever I sat down to dinner with my wife at a nice restaurant, I would want to try a new beer, but they have beer usually comes when I see now it's complete bore and I don't know if I, like it or not right, so I always go back to my tried and true. Same thing will happen is when you're at a package store you want to try that for pack or my wife wants to try a different wind and the mile back that she's loved.

Our system allows you to go up to the wall, pour that one ounce, taste it, see if you enjoy it or not, then go back and refill that if you if you enjoyed it. Plus, everything that for here when it comes to keeping those package stores in business, helping the breweries out making those wineries known in Connecticut that's what we want to do. We want to put that on our system, so it's showcase. So, you try something in Stamford at half full and you're all the way in in Hartford have heard about it, you want to come down and try that. Support that local business, bring those things together that's our goal, that's what we wanted.

SENATOR MARONEY (14TH): And so it eliminates the need for I guess for a restaurant to give free samples of the beers that if you can purchase it out Saturday at a time, and I think, correct me if I'm wrong, but isn't that someone of the train, I believe that someone to testify, like the consumer guided experience is more of the trend and you've seen with the McDonalds putting in the ordering kiosks, it's not, they say, not to eliminate labor it's actually because that's how they found that to

people want to order, is they want that easier self-guided ordering.

SAKARIN SEEDASOME: Correct. Right, right there's two things that you mentioned that I want to touch on one. You want the consumer has shown that they want control of what they want to try. May not be committed, committed fully from the beginning, but they want to have that control and that you're saying that no out and Connor who spoke about 10 hours ago also mentioned that from a bartender standpoint, one less thing that you have to do is just pour beer. Doesn't mean that they're not just doing everything else, because they still want to interact with our customers.

We want to be able to tell the customers you tried this you know what you should try this from kinsman and you should try this from half full or two roads as well, because that is your profile. Right give it a sample, it's only one ounce that you have to dedicate.

SENATOR MARONEY (14TH): Thank you. Now, are you right, so you have a group that's ready to open, I guess, a taproom as soon as this becomes legal, so you're looking at again adding a new business and new jobs.

SAKARIN SEEDASOME: Correct. We have our dedicated group myself, Matt Conner and Richard. We were ready to open last year, pandemic which slowed us down, unfortunately we kind of cheated and looked in New York, but I don't want to do that anymore, so we want to open in Connecticut, we're ready, there are other people that are interested in this as well. There are a number of three brothers up in the Windsor lock area that have shown interest, there are others in New Haven that are ready to open and have backing as well.

There was an individual in our counties area in Danbury that actually led off the Bill, and I believe he's still interested as well.

SENATOR MARONEY (14TH): Great. You know, this is the last, this isn't a question, but more of a statement, I am somewhat disappointed in the new name, you would tell me before that it was going to be called the library, so that I could tell my wife, I was going to the library once you opens and so, if they said I'll actually have to go to the real library if I'm going to the library now.

SAKARIN SEEDASOME: Will make sure that we save one table and call it the library, just so that we can still stick with that.

SENATOR MARONEY (14TH): Okay, thanks, thank you, thanks for sticking out and staying on, you know, through the whole hearing to testify.

SAKARIN SEEDASOME: Of course, of course.

REP. D'AGOSTINO (91ST): Representative Cheeseman.

REP. CHEESEMAN (37TH): Just no question, it's a quick comment, Sam I was one of the represents who went on a road trip to the, that restaurant in Glastonbury. I thought it was very cool, I'm sorry, they have gone you know the way of all flesh in this terrible pandemic and, as you heard Senator Witkos say if it doesn't make it through this time, you know whose door it stands at because we in the House took this over the finish line, and so I would aim your lobbying up to Senator Witkos and Senator Maroney. I'm sure you've made a convincing case this evening, so thank you so much, thank you, Mr. Chairman.

REP. D'AGOSTINO (91ST): The House, the house disagrees of any heart failure, so.

SAKARIN SEEDASOME: Yeah no, thank you very much for everyone to listen to us and help us push this through, it does mean a time, so thank you.

REP. D'AGOSTINO (91ST): Thank you. Sam, next.

SAMUEL CLARK: Next is Nick Conti.

REP. D'AGOSTINO (91ST): Would be senior, I think. There you are.

NICK CONTI: Oh good, you can see me. thank you.

REP. D'AGOSTINO (91ST): You're on.

NICK CONTI: All right, excellent well, good evening Honorable Members of the General Law Committee, my name is Nick Conti. I am the proud father of the young man that spoke earlier this evening, I am a package store owner with 25 years of industry experience. And I have unique perspective. I'd like to share with you, because for nine years I was a wine supplier. I work for the largest wine company in the world constellation wines and at that time I was directly responsible for the sale of one out of every five bottles of wine sold in New England.

I can tell you firsthand and allowing grocery stores to sell wine and clubs stores to sell beer, will close family run package stores in literally cost thousands of jobs in Connecticut. From my experiences of wine supplier, there are states called grocery markets because grocery store will dominate the sale of wine. There are very few independent packages stores any longer, and those that do exist are insignificant.

It's impossible for them to compete with the vast product diversity and impulse opportunity of the grocery stores. 100% of the population needs, so logically the grocery stores easily pick out the majority of the sales that previously would have

gone to the package stores. The same holds true if club stores are given the opportunity, sell beer, you can buy a lot more in some cases, have an eye exam and then you can grab your beer.

It's an unfair advantage. If Connecticut's liquor laws, it is Connecticut's liquor laws that allow our family run small businesses to exist. The current system rewards are long hours and our hard work with the privilege of making Connecticut a great place to live and raise their families. All of us have made significant sacrifices in financial investments in our businesses with the understanding and security of the laws that govern our industry in Connecticut today.

I've listened to a lot of testimony today and I want to thank everyone for all their comments and questions. I understand why local farm wineries would want more exposure and the opportunity for sale. There are 1200 package stores in the State of Connecticut that care about their success because we're their neighbors. Why not start with us, Litchfield distillery has done that, produced the wine, and we will buy it. It's worth mentioning they're just as many Connecticut wineries that do not want to be in grocery stores and they've submitted written testimony.

I also believe in fair market for all and think there are obvious solutions for grocery stores and club stores to enter the marketplace, open a package store, invest in Connecticut, invest in the industry, as we have done. You know, did you see the size and scope of the store within a store that was weighing Tashi background, that's his dream for Connecticut. His \$13 Billion dollar revenue increase for Connecticut, paid through their grocery store sales, will obviously come from last sales from package stores, although I want to believe that when he says, putting inside of businesses, not their intention, he and they fully well know that would be the result.

Is message to us was clear, and I quote package tours that should survive will survive. You shouldn't get to make that decision, please when deciding what to do, ask yourselves how many packages stores closing will be worth this Bill becoming law. How many lost jobs would be okay, so these companies can increase the overall sales and profits without any investment or labor increases. I oppose HB 6101, sections 55 and 56 and I appreciate the time to testify today.

REP. D'AGOSTINO (91ST): Thank you. Seeing no questions, thank you for your testimony and.

NICK CONTI: Thank you, Sir.

REP. D'AGOSTINO (91ST): Thank you. Mr. Clerk.

SAMUEL CLARK: And with that, that concludes all testimony that is present at the moment.

REP. D'AGOSTINO (91ST): We have anyone else in the waiting room Mr. Clerk that was not listed. That's everyone.

SAMUEL CLARK: That's everyone.

REP. D'AGOSTINO (91ST): Okay, well, Mr. Clerk, on behalf of the Committee, I do want to say for someone who's been on the job for a month, to operate it and do public hearing all day with 100 plus people.

SAMUEL CLARK: Here, here.

REP. D'AGOSTINO (91ST): That was pretty impressive Sam. I gotta give it to you that was pretty good. There are plenty of experience persons in this building, you could have done what you did today, so what I've done what you did today, but not with a month experience, so well done.

REP. RUTIGLIANO (123RD): I certainly want to concur with our good Chairman Samuel that you did a very good job under difficult circumstances, thank you very much.

SAMUEL CLARK: Thank you.

REP. D'AGOSTINO (91ST): Great work.

REP. WINKLER (56TH): Well done.

REP. D'AGOSTINO (91ST): Thank you all very much stay tuned for announcements from Sam regarding next meeting date, will probably -- will have one next week, the lawyers, doctors' proposals to come to our Committee as well we're expecting a couple quitting, we assume the cannabis still to be announced probably on the ninth or tenth before the budget cycle as well, so we will be having a couple of Committee meetings and then obviously more public hearings and we'll go from there.

REP. HAYES (51ST): Bye everyone.

SENATOR WITKOS (8TH): Good night.

REP. RUTIGLIANO (123RD): Good night everyone.

REP. D'AGOSTINO (91ST): Thank you all, thank you very much.

REP. CHEESEMAN (37TH): Thank you.

SAMUEL CLARK: Good night, good night.

REP. GIBSON (15TH): Drive safe.