

Remarks by Cathy Barber  
Chair of NECSA-CT Legislative Committee  
September 12, 2012

Good Morning. I am Cathy Barber of Wethersfield, Chair of the CT Legislative Committee for NECSA, the New England Convenience Store Association. We represent hundreds of CT convenience stores, c-stores. Please note: 80% of c-stores are owned by single store operators; they are small family owned businesses, the epitome of small business, the backbone of our economy.

We are small businesses willingly open long hours, 7 days per week. We WANT to be open, & we WANT to do more business, & we WANT to add jobs. We want to do a better job serving customers and we're asking to have all of our convenience stores that want to, to sell beer, a typical convenience store item in almost all other States.

Because of CT's antiquated Blue Laws, most CT c-store operators have been precluded from selling beer, limiting business opportunity & consumer options. In 1978, when I applied to become a c-store franchisee in Utica, NY, I was first required to obtain a beer license. Beer is a regular item in most convenience stores, except in CT. We believe package stores should be able to sell the products we currently sell such as, snacks, chips, cheese and crackers. It's in the best interest of the customer.

CT ranks #49 out of 50 States in per capita sales of beer. I suspect we drink as much beer in CT as anywhere else, we just don't buy it in CT. It's not convenient to find, available hours are strictly limited, and at times, it's not competitively priced. Out-of-State retailers do a great job of serving CT residents, a well-known fact ignored at great peril to our tax revenue.

There is room for growth in the beer industry in CT. Taking our rightful sales and tax revenue back from even a single State, like Massachusetts, will yield positive results for CT.

We support efforts to modernize the law. The biggest winner will be CT consumers who will benefit from greater competition within CT and with neighboring states which will mean lower prices and better choices.

In our business, independent owners like “Joe’s Convenience Store” compete against giant wholesale clubs and large grocery chains selling all the other items sold in convenience stores. I draw your attention to the Chart that we have distributed. It clearly demonstrates that the Convenience Stores in Connecticut, and therefore are customers, are being treated differently than businesses that sell similar products.

# Competition and Consumer Choice

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Retailer

Product	Grocery Store	Package Store	C-Store
Gas	<input checked="" type="checkbox"/>	N/A	<input checked="" type="checkbox"/>
Cigarettes	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Lottery	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Ice	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Newspapers	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Beer	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

## Support for Changes Allowing Sale of Beer in Convenience Stores:

- ☒ Increases Competition for Beer Sales
 ☒ Level Playing Field for all Competitors
- ☒ Increase Tax Revenue to the State
 ☒ Increase Consumer Choice

## Why are some Convenience stores in Connecticut permitted to sell beer products while others are not?

- **Current law results in unfair treatment of certain stores, most of which are locally owned by Connecticut families:** Small format grocery or “convenience stores” are granted a “grocery store beer permit” by the Department of Consumer Protection through a complicated formula that determines if the store is “primarily” engaged in the sale of an assortment of grocery products. The law was enacted long before grocery stores and convenience type stores began selling gasoline. The result is that convenience stores that do not sell gasoline products are granted a permit, while those that sell gasoline, in addition to grocery products, are denied a permit. The high volume of gasoline sales and the high price of gasoline skew the product mix such that a convenience store selling food and gas or food and non-food products is not deemed to be “primarily” engaged in the sale of grocery or food products. We believe that was never the intent of the law.
- **Unfair Result:** The result of the application of the law is that all grocery stores, grocery stores that sell gas and convenience stores that sell only groceries qualify for a beer permit. But, a convenience store that sells groceries *and take-out food like sandwiches or age restricted products like tobacco* do not qualify for a beer permit. The same is true for convenience stores that also sell gas. We believe that this was never the original intent of the law and the result does not reflect the way consumers shop today or the way small format retailers like convenience stores have evolved as a consumer friendly convenience based business.
- **Consumers lose:** Due to an antiquated state law, hundreds of convenience stores are denied the ability to sell beer products to consumers. Consumers suffer through lack of outlets from which to purchase beer and competition is stifled.
- **The State of Connecticut Loses Tax Revenue:** Most New England states and the state of New York allow the sale of beer at convenience stores where gasoline is also sold (so do 38 other states!!). Connecticut is at a competitive disadvantage because of this antiquated law and suffers losses of sales and excise tax on beer, gasoline excise, petroleum gross earnings, and sales taxes on snacks, candy and other products sold. Consumers on the New York and Massachusetts border regularly cross

the state line to purchase beer in New York or Massachusetts. They also purchase gasoline and thereby reduce the tax revenue to Connecticut.

- ***Uneven Playing Field*** - Large grocery stores and package stores sell many of the core products that convenience stores sell (such as cigarettes, lottery tickets, ice, and newspapers) yet convenience stores that sell groceries and gasoline or take-out food items such as hot coffee are not permitted to compete with the beer sales of those same competitors. Is that fair?
- ***Consumer Choice*** – Under the current law the government chooses the winners and losers among similar retail establishments by deciding who is permitted to sell beer and who is not permitted to sell beer. Consumers should choose who they want to do business with and buy products from.