

**Testimony of Dominic P. Alaimo**  
Competitive Alcoholic Liquor Price Task Force

September 12, 2012

Good morning, Rep. Tallarita and Mr. Berthiaume. I am here today to suggest some steps that the State of Connecticut could take to make its liquor prices more competitive, level the playing field between wholesalers and retailers, and create a more market-friendly operating environment.

First of all, I want you to know that Sunday liquor sales has been a smashing success! It has been great for my business; my only regret is that I am forced to shut my doors at 5:00 PM, while Massachusetts liquor stores are allowed to stay open until 11:00. I would prefer to have operating hours at begin at 12:00 and end at 9:00 PM. We get very few sales between 10:00 and 12:00.

The time has come for Connecticut to end its antiquated liquor price-fixing scheme. Currently, liquor retailers and wholesalers receive minimum profits guaranteed by law, while consumers either pay higher price or buy their liquor out-of-state. No other retail sector in this state receives the kind of protectionism and support that the liquor industry receives in Connecticut. We need to end minimum-markup and also permit quantity discounting.

Another step that the State of Connecticut could take to make liquor prices more competitive would be to end territorial rights for beer wholesalers. When the Hartford Distributors shooting occurred, it nearly put me out of business. I was unable to get beer deliveries from any of its competitors because of the territorial rights. The territorial rights also prevent me from price-shopping the wholesalers and prevent me from buying the cheapest beer. By law, I am required to buy more-expensive beer from the wholesaler which controls my territory and pass this cost onto my customers. Prescription drugs and cigarettes are also controlled substances, but not subjected to the kind of price-fixing and territorial rights imposed on liquor.

Another step the State of Connecticut needs to take is to lift the statutory restrictions on the extension of credit to retailers by wholesalers. By law, wholesalers can give me credit for no more than 30 days. I should be allowed to negotiate my own credit terms with the wholesalers. Likewise, no wholesaler should be forced to extend credit to retailers; it should be only at the wholesaler's discretion. Additionally, Connecticut needs to end the practice of blacklisting retailers which the wholesalers report as delinquent. The taxpayers of Connecticut should not be forced to fund a private credit bureau that benefits only liquor wholesalers. Wholesalers cannot extend credit to any retailer blacklisted for more than 30 days—even if the delinquency is disputed. What this means is that any retailer put on the blacklist is required to pay COD for deliveries.

Ladies and gentlemen of the Task Force: the time has come to end corporate welfare in Connecticut's liquor industry and do away with onerous and unnecessary regulation. Deregulation of airlines made air travel accessible to the common man, by making it cheaper and more competitive. Likewise, deregulation of the liquor industry will make beer, wine, and spirits more affordable to the working men and women of Connecticut.