



Serving Kansas Retailers Everyday

Date: March 7, 2013

TO: Chairman and Members of the House Commerce, Labor and Economic Development Committee

From: Jon McCormick, Executive Director, Kansas Food Dealers Association (KFDA); President/CEO, Retail Grocers Assoc. of Greater Kansas City (RGA)
RE: HB 2206

My name is Jon McCormick. I am the Executive Director of the KFDA and President/CEO of the RGA. I represent the Kansas retailers from both KFDA and RGA who are asking you to vote yes on HB 2206 revising Kansas Liquor Laws and allowing supermarkets to sell single strength beer, wine and spirits.

I will take just a moment to review the historical timeline. Kansas instituted prohibition in 1881 (132 years ago.) Kansas prohibition lasted until 1948. That's almost 68 years of prohibition in the State of Kansas. After a whole generation, you can see why it became such a tradition and habit to cross state lines and buy your alcoholic beverages. It's hard to break old habits especially when the habits are subsequently reinforced by laws that 65 years ago might have made sense to the residents of Kansas.

However, when a habit becomes so costly, both in time, money and inconvenience it is easier to break. I believe we have arrived at that juncture in time and space. It is time to reduce the cost, reduce the inconvenience and end the monopoly that is counter to common sense. It makes common sense to be a little suspicious of this monopoly when it is financially defended by the wholesalers. Some of these very wholesalers are spending lots of time, effort and huge amounts of money to maintain the monopoly in Kansas. These very big companies also deliver to supermarkets and convenience stores in Missouri where there is no monopoly. It seems strange to me the wholesalers are providing huge amounts of money in fighting the evolution of the revision of these laws. Maybe the protection of the monopoly is more advantageous to the wholesalers than the liquor stores. It was the Liquor Wholesalers that funded and helped sponsor the "mega-Liquor bill" just last year. More than 6 of those revisions were to promote the consumption of alcoholic spirits in Kansas. So restraining the trade in supermarkets seems to counter good common sense.

It just makes common sense that, if the legislators pass 11 liquor bills in the 2012 session that allow the promotion of more consumption of alcohol, it is about the delivery system built by the wholesalers not the avoidance of consuming alcohol in Kansas.

It just makes common sense to encourage competition not squash it. It makes no common sense to me to find a bottle of Scotch in Missouri at a supermarket at \$33.95 and in the closest liquor store to my home in Kansas at \$42.95. Not a scientific study, but certainly suspicious when it's the same Liquor Wholesaler delivering the product in Kansas and Missouri. Kansans are paying high retails because of what reason? Why? Is this an antitrust case?

It just makes common sense that you don't inconvenience a parent, who wants wine with the spaghetti, and is shopping with their children after the game, to go home find a babysitter and head back out for a bottle of wine for dinner. That Parent doesn't think it is a good idea to take the kids into the liquor store and she definitely can't leave them in the car! The extra trip is required because of what reason? Why? Good for gas sales but not for the consumer.

It just makes common sense that we keep the dollars in Kansas. All along the borders of Nebraska and Missouri Kansas residents practice bootlegging every day. As a few of the other conferees will state, you can see the Kansas license plates in Missouri all up and down State Line road on the Missouri side in front of liquor stores. Ah, but what about those license plates in front of other stores? The Kansas shopper is not just buying liquor. Once there the Kansas consumer can buy whatever is conveniently offered and at a lower price. We are sending dollars out of Kansas for what reason? Why?

Kansas retailers are suffering restraint of trade at the hands of some very old habits and very antiquated laws that are now very old. Good common sense suggests it is time to reduce consumer inconvenience, increase competition, and keep Kansans shopping in Kansas. Good Common sense suggests it is time to just use good common sense. Respectfully, we ask that you vote YES on HB 2206. Thank you.