

March 7, 2013

To: Members of the House Commerce, Labor & Economic Development Committee  
From: Gratz Peters

Mr. Chairman and Members of the House Commerce Committee:

My name is Gratz Peters and I am the owner of Pump'n Pete's Convenience Stores with our home office in Parsons, Kansas. I am a lifelong Kansan and a career long convenience store retailer. I also serve as Vice President on the Board of Directors for the Petroleum Marketers and Convenience store Association of Kansas, PMCA, representing its members throughout Kansas, two-thirds of who are single store mom and pop operators.

My testimony today is not an attack on liquor store owners themselves but rather on the laws that restrict competition on legal adult beverages. Today's price savvy and convenience demanding customer desires free enterprise and fair competition which ultimately works to their benefit through lower prices they pay for consumables. Simply put Kansas customers are the real losers as a result of current Kansas liquor laws.

Current Kansas liquor laws restrict licenses to one per individual and that individual is required to be involved in the day to day operations of that one liquor store that is restricted to selling only items with an alcohol content, lottery tickets being an exception. These restrictions limit a liquor stores ability to engage in consumer friendly competition therefore costing their customers more for their purchases. Let us suppose that these same restrictive laws applied to any other consumable. Let's take milk for example: Now Kansas milk laws restrict milk to be sold at a store limited to one milk store per individual and that individual is required to be involved in the day to day operations of that one milk store that is restricted to selling only milk. Maybe we let them sell cheese and butter and even lottery tickets. Would milk prices then be favorable to consumers. I think the answer is obvious.

We convenience store retailers have experienced more than our share attacks on our business model over the years. When non-traditional fueling outlets came into our markets there were no laws protecting us from that new competition. When smoke shops came into our markets there were no laws protecting us from that new competition. When dollar stores popped up in markets that we serve there were no laws protecting us from that new competition. Been to a Home Depot or Lowes lately? Yes they too have a snack and beverage selection for their customer's convenience. I was recently at a Staples and even they have a sizable snack and beverage selection for their customers.

After saying all of that I am happy to say that we are not here asking for protection from new competition but quite the contrary. We strongly support fair competition and the ability to tweak our business models accordingly to meet that new competition all in interest of better serving our customers. The effort to reform Kansas liquor laws offers an opportunity for our opponents to tweak their business model in the best interest of their customers as well by allowing them to sell anything they so desire.

I would also like to point out that grocery and convenience are serious about restricting sales to minors. Today's technology and ongoing training allow us to shut down illegal underage purchase attempts and our high industry compliance ratings on all age-restricted items we sell are proof of our continued commitment in this area.

In closing, I ask for your continued support of free and fair competition and for your support of HB 2206.

Thank you

Gratz Peters