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Health and Human Services Committee  
100 State House Station  
Augusta, ME 04333

RE: LD 1550 An Act to End the Sale of Flavored Tobacco

Chairperson Claxton, Chairperson Meyer, members of the Health and Human Services Committee, thank you for the opportunity to testify before you today.

My name is Brandi Cushman and I am the Director of Purchasing and Merchandising and the Category Manager of tobacco for C. N. Brown Company. We own and operate 64 Big Apple convenience stores and employ over 800 people in Maine.

I am here to speak in opposition of LD 1550, a bill that will dramatically decrease the operating revenue and profitability of C. N. Brown Company, which will ultimately affect jobs in the state of Maine.

First, I would like to say that C. N. Brown Company understands that tobacco is an unhealthy product. We have absolutely no interest in selling tobacco to the youth in our state. We have training, policies and procedures in place to ensure, to the best of our ability, that tobacco products do not get into the hands of our kids. In fact, we take this so seriously that in the rare instance an employee is found in violation of the law regarding underage tobacco sales they are immediately terminated. Retailers like us are on the front-line protecting young people in the State of Maine and we take that responsibility very seriously.

Currently tobacco accounts for almost 37% of our inside sales. This does not account for any sales of other items purchased with tobacco products. With the prohibition of flavored tobacco products, we are very concerned about the detrimental effects it will have on our business.

Menthol Cigarette Sales for 2020	≈\$7,000,000	≈18% of our Cigarette Sales
Flavored Smokeless Sales for 2020	≈\$3,200,000	≈88% of our Smokeless Sales
Flavored Vape/E-Cig Sales for 2020	≈\$2,400,000	≈68% of our Vape/E-Cig Sales
Flavored Cigar Sales for 2020	≈\$ 804,000	≈52% of our Cigar Sales
	≈\$13,000,000	≈30% of our Total Tobacco Sales In Maine

This ban will cost C. N. Brown Company over \$13,000,000 in revenue. It is impossible to make up this loss. Stores that are currently on the borderline of being profitable will have to be closed and jobs will be lost.

There is also a cost to the state of Maine for this ban. Based on our sales alone the State of Maine stands to lose:

Over \$715,000 in sales tax.

Over \$1,600,000 in Cigarette SET at \$20.00/carton

Over \$2,315,000

This does not include the SET tax on flavored smokeless at \$2.02/ounce or the 43% tax on flavored cigars, rolling tobacco and vape products.

Banning these products in Maine will not deter people from purchasing them. Cross border sales, internet sales, and black market sales are only a few of the options they will have. New Hampshire will gain much of our business. We have two locations in Bridgton not far from Conway, NH, two locations in Bethel not far from Gorham, NH, locations in Saco, Biddeford, Sanford, Arundel, and Kennebunk that are not far from Seabrook, NH. This is nine of our locations that will be deeply impacted by our customers crossing the border to get the products they want.

For the sake of our 800 employees throughout the state of Maine we oppose LD15500 and we ask that you oppose it as well.

Thank you very much for allowing me to testify before you today and we hope you take our concerns into consideration.