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

RE: LD1693 An Act To Advance Health Equity, Improve the Well-being of All Maine People and Create a Health Trust

Senator Claxton, Representative Meyer and Members of the Health and Human Services Committee, thank you for taking the time to read my testimony.

I am Brandi Cushman and I am the Director of Purchasing for C. N. Brown Company. We are a third generation, family owned company that owns and operates 63 Big Apple convenience stores that employs over 800 people in Maine.

I am here to speak in opposition of LD1693 and the proposed cigarette tax increase and tobacco flavor ban included in this bill, which would dramatically affect the overall business of our locations in Maine and put us at a complete disadvantage to New Hampshire.

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 sales account for almost 37% of our inside sales. This does not account for any sales of other items purchased with tobacco products. With this proposed increase we are very concerned about the detrimental impact it will have on our business due to cross border sales, internet sales, and black market sales. We are especially concerned with the potential for losses to our neighbor, New Hampshire. New Hampshire's current tax rate on cigarettes is \$17.80 per carton. With the proposed \$40.00 per carton rate that Maine is looking at, New Hampshire will have a \$22.20 per carton advantage over retailers in Maine. In the early 2000's when there was a an excise tax difference of \$12.00 between Maine and New Hampshire, C. N. Brown Company closed three locations in border towns (Acton, York, and Fryeburg). We were unable to compete with retailers in NH that had a \$1.20 per pack advantage over us. This was a loss of jobs and tax revenue to the state of Maine. When faced with higher prices, tobacco consumers will look for alternative ways to find cheaper products. If this bill passes, NH retailers will have a \$2.22 per pack price advantage over retailers in Maine.

In addition to putting us at a disadvantage in regards to price now we will also be at a disadvantage with the products that we are allowed to sell to adult, law abiding citizens. Flavored tobacco products make up approximately one third of our total tobacco sales.

Menthol Cigarette Sales for 2021	≈\$7,000,000	≈18% of our Cigarette Sales
Flavored Smokeless Sales for 2021	≈\$3,200,000	≈88% of our Smokeless Sales
Flavored Vape/E-Cig Sales for 2021	≈\$2,400,000	≈68% of our Vape/E-Cig Sales
Flavored Cigar Sales for 2021	≈\$ 804,000	≈52% of our Cigar Sales
	≈\$13,000,000	≈30% of our Total Tobacco Sales In Maine

We currently own and operate 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 another nine locations that will be competing directly with New Hampshire for consumers' tobacco purchases. If this bill passes there will be a high possibility of closing these locations due to the loss of revenue. This will mean a loss of jobs as well as tax revenue for the State of Maine.

New Hampshire is not our only concern. When citizens cannot find the products they want in the brick and mortar stores of our state they will resort to other avenues. This means the black market and the internet where the state will receive no revenue, there is little to no age verification, and the products they purchase may be suspect, putting the well-being of our kids and adult tobacco consumers at risk.

The cigarette tax increase and flavor ban included in this bill will cost jobs and send tax revenues to the internet, New Hampshire and the black market. We cannot afford it as a retailer and the State of Maine can't afford it either.

For the sake of our 800 employees throughout the state of Maine we oppose LD1693 and we ask that you oppose it as well.

Thank you very much for taking the time to read my testimony and I hope you take our concerns into consideration when voting on this bill.