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**TESTIMONY FROM BARRY FELDMAN**

June 3, 2020

To the Massachusetts Illegal Tobacco Task Force,

My name is Barry Feldman and I am an executive at National Convenience Distributors (NCD). NCD is a full-line convenience store distributor in the Northeast, selling grocery, frozen and refrigerated food, beverage, school supplies, health and beauty products, general merchandise, as well as cigarettes and e-cigarettes. We have always recognized the value of our services, so it is not surprising that during pandemics and crisis we are deemed an “essential business”, providing the very essential services and products to our customers who supply communities for their needs. We also find ourselves navigating the recent events that have led to nationwide civil unrest across America, which also has put pressure on our businesses in obliging curfew orders for safety precautions.

One of our facilities is located in Chicopee, Massachusetts. NCD is one of the largest privately held companies in the Northeast. Over the last 100+ years, we have grown to over 25,000 customers which includes thousands of customers in Massachusetts. We have over 1,500 employees, many of whom are union members and live and vote within Massachusetts. In addition to all of this, we are also one of the largest tax collectors in Massachusetts. Proudly remitting tens of millions of dollars annually in support of the State that enables us to employ so many individuals and touch many lives in a positive way.

This background is necessary for you to understand so that you realize I am not just some fly-by-night individual wanting my voice heard. Or we, as an organization, are not only worried about revenue.

Banning the sale of menthol cigarettes from Massachusetts will lead to thousands of employees losing their jobs, many of which are union employees with health benefits and Pensions; Tens of millions of dollars in lost tax revenue to the commonwealth; Tax collectors going into bankruptcy; The State and commonwealth won’t have anyone to stamp cigarettes; Massachusetts will encounter hundreds, if not thousands, of people selling menthol cigarettes from lower tax jurisdictions; Crime will be out of control.

The wholesale distribution industry understands the concern of banning the sale of flavored tobacco and vape products to the younger generations, but Massachusetts already has a 21-year old restriction for these products. Both our organization and Paul Caron, who represents the Northeast Association of Wholesale Distributors, are only requesting a ***delay*** on the ban of menthol cigarettes to the adult market. Bear in mind, these menthol purchases account for an average of 30% of total sales at local convenience stores and represents tens of millions of dollars in tax collections to the commonwealth.

These wholesale distributors, are also the very important tax collectors for the commonwealth, should this ban move forward, many will be forced into bankruptcy. Especially In the midst of the COIVD-19 pandemic, a postponement would be a lifeline to many of these “essential” small businesses that can ill afford to lose at least 30% of their sales at this critical time, not to mention what the state has to lose in excise taxes in those lost sales.

In a perfect world, this would solely be a public health issue. However, we all know that we do not live in a perfect world, and therefore it is also now a business and societal issue. A serious issue, nonetheless, that needs to be handled with care, thought and responsible action.

We applaud the efforts of the MA state legislature in addressing the vapor/e-cigarette category, as the data confirms these products are to blame for underage usage. The marketplace has changed in just the last several months with many manufacturers voluntarily withdrawing most flavored e-cigarettes from the market. Are you aware of what the FDA is doing in regard to flavored products and Pre-Market Tobacco Application (PMTA) submissions? The tobacco industry is working diligently with the Federal Government. We ask you to be patient while the Federal Government comes out with new legislation for all States. We also ask that traditional products, like menthol cigarettes and smokeless tobacco be addressed at a later date, as these products have seen historic lows amongst youth and are the choice of many hard-working adults, making adult choices.

Respectfully, we think you need to call a “time out” so you can hear from the affected retailers, wholesalers, and the community as a whole and investigate whether a sales ban would actually keep the product away from kids and take the time to better understand all the regulatory and market forces at play here. When this law was signed back in November of 2019, our country and Massachusetts were in a very different place not dealing with a pandemic and civil unrest. You have the right and authority to make adjustments and I encourage you to make one here.

I am available to discuss the subject at hand with you at any time. My contact information is below.

I thank you for your time and consideration.

Respectfully,



Barry Feldman

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