



March 19, 2012

TESTIMONY OF JAMIE PY

Of the Maine Energy Marketers Association

BEFORE THE JOINT STANDING COMMITTEE

ON Veterans and Legal Affairs

In Opposition to LD 1880, "An Act To Enhance Opportunities for the Sale of Lottery Tickets" Sponsored by Senator Plowman

Senator Farnham, Representative Beaulieu, and members of the Veterans and Legal Affairs Committee, my name is Jamie Py. I am the President of the Maine Energy Marketers Association (MEMA). MEMA is a trade association composed of approximately 500 member companies and over 12,000 permanent people working in the energy delivery and service businesses delivering heating oil, biofuels, motor fuels, propane and kerosene and offering service and installations on the equipment that operates on these fuels. In addition, our members own many convenience stores throughout Maine. We also provide education and training to the heating, ventilation, air conditioning, weatherization, and energy auditing trades for hundreds of Maine citizens annually through our courses at Maine's community colleges and at our own state of the art training facility in Brunswick.

Today, we are Opposed to this LD 1880.

LD 1880 Outline testimony

- We understand the opportunity for the State to enter the on-line gaming business
- Can be a lucrative expansion of the Lottery and should be reviewed. The State should regulate in this area.
- My purpose today, is to show that lottery sales are a very important piece of business for the Convenience Store owners and therefore rushing a bill that can potentially seriously impact the livelihood of the retailers is not prudent.
- There are approximately 1,100 convenience stores, employing over 11,000 people, with total sales being \$4.38 billion, and providing \$245 million in Labor expense. (NACS 2010 state report attached)

- The C-Store business relies heavily on the investment it made into lottery and the long partnership with the State in this regard.
- We have been told that 95% of customers that buy lottery tickets buy something else as well.
- Lottery drives 6.4% of total convenience trips. (NACS 2010)
- When the main item purchased is lottery, the total spent is \$10.35. When no lottery item is purchased, the total spent is \$6.29 (NACS 2010)
- Lottery is the number 2 impulse item purchased (NACS 2010)
- What effect will internet have on impulse?
- This is a very important piece of business to the convenience store industry.
- How about a bill to authorize the State to regulate all internet gambling within Maine?
- Nowhere have I read in any of the Federal analyses that grandfathering is contemplated. An interpretation from the DOJ and we are speeding toward authorization with an assumption that we must in case Congress acts?
- We simply want to know what the expectation is; what the contingency is if business falls off.
- Finally, don't we want to know what it is we are passing before we pass it? Or do we have to pass it to see what is in it?
- If internet gaming is the future for Maine, and it might be, should we not articulate what that gaming is, how it will be regulated and who will be affected?
- Before we potentially lose a significant piece of our business, we should have the ability to craft something that works for everyone. This most certainly does not and is not worth the extremely low likelihood that we must pass something now or lose it. That is very very unlikely.
- Internet gambling may be the future of gambling in Maine, it may be a compliment to existing lottery and gaming, it may expand all gaming in which this positively impacts bricks and mortar facilities.
- Given that this significant federal interpretive change just occurred in December, neither the State nor the Convenience store operators have had time for data collection and operative language to work through the potential issues.
- We recommend that the study be done, with retailer participation and then enabling language that works for most if not all participants.