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Boulder Basic Exxon
432 S Boulder Highway
Henderson, NV 89015

Chairman David Goldwater
Commerce Committee
Nevada General Assembly
401 S. Carson St.
Carson City, NV 89701

Dear Mr. Chairman,

I am business owner south of Las Vegas, and I can't come to Carson City to talk to Assemblymen about my problem personally, but I want to urge you and your committee to be supportive of Senate Bill 66 and to fix it so that it includes important protections for retailers. This legislation could make it easier for retailers to be able to get and maintain contracts with all of the leading cigarette manufacturers. It could be very helpful if it made two important changes on how these companies are allowed to do business in retail establishments.

The first change that it needs to make is to prevent cigarette manufacturers from demanding a percentage of the cigarette category in a retail establishment. Percentages create one big domino effect, which makes it hard to balance contracts from every leading cigarette manufacturer because each company's required percentage must be maintained.

The second change that this legislation needs to create is to prevent a cigarette manufacturer from dictating what a store owner can do with their competitors' product, signs, displays and shelf space. This change would lead to more revenue for small business owners because we would be able to freely display more signs and displays.

The prompt payment aspects of this bill are also very important, and I hope you can help us get it passed. I know you aren't my Assemblyman but I have heard that you stick up for the little guy and care about small businesses. As the chairman of the committee, you are in a very important position and I hope you can help us get this bill fixed and passed.

Please support this important Retail Rights legislation.

Sincerely,

David Larson

ASSEMBLY COMMERCE & LABOR 1811
DATE: 5/14/23 ROOM: 4100 EXHIBIT G
SUBMITTED BY: Proponents of SB 66

Smokers

3310 S. Nellis Blvd.
Las Vegas, NV 89121

**The Honorable David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, NV 89701**

Dear Chairman Goldwater:

I could not be in attendance for today's hearing, but I still wanted to make my views heard by your committee. I want to express my support for Senator Amodel's version of Senate Bill 66. This legislation, which is currently pending before the Commerce Committee, is crucial for the tobacco retailing industry. It will prevent companies like Philip Morris from using anti-competitive and bullying tactics when they deal with retailers.

Philip Morris, the number one cigarette manufacturer, tries to use the strength of their discounts and promotions to control other aspects of retail establishments. In order to have full access to their discounts, a store has to sign a contract with Philip Morris. Because they are the number one company, stores do not have a choice on whether or not to sign a contract. As a result of their contracts, I and other retailers feel as if we have to give up control of the store to Philip Morris.

One of the key aspects of these contracts is shelf space. Philip Morris demands that a retailer devote a certain percentage of their shelf space to just their brands. Not only do they just want a percentage of the overall shelf space, but they also want all of the premium shelf space that is visible to the consumer. Senate Bill 66 would remove the word percentage from contracts because percentages create anti-competitive situations. If I want to increase the shelf space for another company that I have under contract, then I can not do this unless I increase Philip Morris's space. Obviously, I only have so much room in the store that I manage, so I can not increase the space of every company that I have under contract.

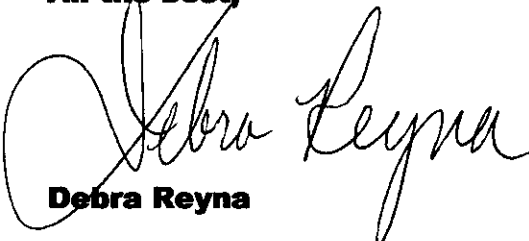
The original version of Senate Bill 66 would prevent manufacturers like Philip Morris from dictating how a store owner does business with their competitors, in order to do business with them. They require that I match all

of their competitors' displays and signs with a Philip Morris display or sign. The problem is that they do not provide me with the matching items, so many of their competitors' advertisements end up being suppressed.

One of the biggest problems that I have with Philip Morris is that they still owe Smokers approximately \$23,000 since last October from promotions that we ran on their brands of cigarettes. Most of the time, when we put a company's brand of cigarettes on sale the store has to front the amount that it is losing by selling their brand or brands at a discount. Small businesses have to front Philip Morris enormous sums of money, which they do not even receive interest for loaning them. At the same time, these stores have bills due and they need this money to pay those bills. They are supposed to reimburse the store at the end of the month, but this never happened on time and sometimes it did not even happen at all. Philip Morris knows this is one of their most vulnerable areas because they are now offering all of their promotions off-invoice, so retailers do not have to tie up their money interest free. It is no accident that they just started this new promotional system when most state legislatures around the country began session, and they are scheduled to end this new promotional system when most state legislatures around the country are out of session.

Please vote yes on this legislation when it comes before your committee.

All the best,


Debra Reyna

SMOKES
Smokes & More

4420 E. Charleston Blvd.
Las Vegas, NV 89104

The Honorable David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, NV 89701

Dear Mr. Chairman:

I could not attend today's hearing, but I hope you will still take my views into consideration. I writing you to express my support for the original committee version of Senate Bill 66, which would alleviate many issues that retailers of tobacco products, have to deal with in the running of their business. This original legislation, which was proposed by Sen. Mark Amodei, would eliminate anti-competitive contract issues that end up harming the retailer.

I can sell any brand of cigarettes that I want to in my store, but if I want to sell that brand of cigarettes at a discount then I have to have a contract with the company that manufacturers that brand. The problem is that the leading cigarette manufacturers tie anti-competitive merchandising requirements to there contract. This practice makes it difficult for retail establishments to balance contracts with all of the leading tobacco companies. Having contracts with all four companies is essential to being able to cater to 100% of our customers.

Thank you for your time.

Sincerely,



Shoaib Tamim

Vegas Smokeshop
3155 N. Rancho Dr
Las Vegas, NV 89130

May 6, 2003

The Honorable David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, NV 89701

Dear Chairman Goldwater:

Because I am the owner of two tobacco outlets in the area, I am too busy to make it today's hearing. Even though I can not be in attendance, I wanted to express to you my support for Sen. Amodei's version of Senate Bill 66. This legislation will make it easier for retailers to balance the demands of the leading tobacco companies' contracts because it would give us more leverage and protection when we do business with them.

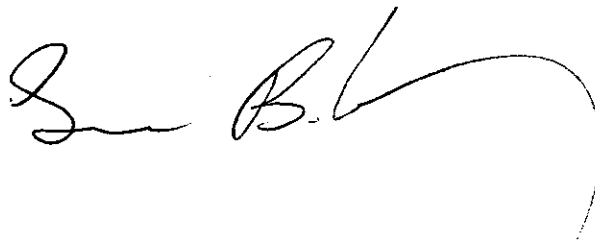
I have a contract with all four of the leading tobacco companies in my stores, and I want to keep it this way. When a retailer can serve the needs of every customer, this creates the most favorable business environment. In order to receive discounts from these companies, a retailer has to follow a list of merchandising demands that each company requires them to follow. We have no choice but to follow these demands because we need their discounts to stay competitive. However, it is very difficult to balance contracts from all of the leading tobacco companies. What I have to do to please one company, ends up upsetting another company.

The reason why it is so tough to balance contracts with all of the companies is because of percentage requirements. Some companies require a percentage of all of the advertising space in the store. One company even requires me to match all of their competitors' signs and displays with one of their signs and displays. Because I must always maintain these companies required percentages, these percentage requirements end up suppressing anything that I can display from their competitors. I do not have the room to go around increasing every company's shelf and display space every time that I want to make a change in my store.

Do you see why we need Sen. Amodei's version of Senate Bill 66?

Sincerely,

Simon Boles



G 5811

Town Center Grocery
6000 Sky Pointe Dr.
Las Vegas, NV 89130

**The Honorable David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, Nevada 89701**

Dear Mr. Chairman:

My name is Mike Lints and I am the manager of Town Center Grocery, which is located in Assemblyman Christensen's district. I urge your committee to strongly support Sen. Amodei's version of S.B. 66. This important retail fairness legislation would greatly benefit retailers when they negotiate and sign contracts with the leading tobacco companies. These contracts are currently restrictive and unfair. Plus, they can even hurt a retail establishment's growth potential.

This legislation would prevent companies from tying their merchandise requirements to their discounting programs. Retailers need their discounts, so they have no choice but to go along with these companies unfavorable merchandise requirements. One of the ways that these companies put retailers in a bind is through their practice of demanding a percentage of the cigarette category shelf space. If I wanted to adjust one companies rack or add a new rack, then I would have to adjust every companies rack to maintain their required percentages. I only have so much space available in my store.

These practices are very anti-competitive, and they restrict a retailer from having a say on how to manage the category in their own places of business. Please help make life easier for retailers and support Sen. Amodei's version of S.B. 66.

Sincerely,



Mike Lints

Funny's Texaco

4747 N. Rancho Dr.
Las Vegas, NV 89130

May 14, 2003

Chairman David Goldwater
c/o Commerce and Labor Committee
401 S. Carson St.
Carson City, NV 89701

Dear Chairman Goldwater:

I am small business owner in Assemblyman Collins's district, and I hope that you will support the originally introduced version of Senate Bill 66 when this issue comes before your committee. This important piece of retail fairness legislation will make it easier for store owners to negotiate and keep contracts with every leading cigarette manufacturer. Also, it will do away with many of the anti-competitive tactics that exist in the current marketplace that end up hurting the retailer in the process.

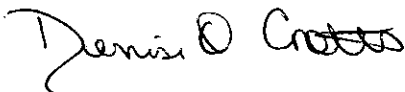
Small business owners are already penalized enough by the system. We should not have to worry about getting caught in the competitive crosshairs of the leading cigarette manufacturers. For example, I had to fire an employee for selling cigarettes to a minor, and now I have to pay unemployment for that employee.

Retailers have no choice but to go along with the burdensome demands of the leading tobacco companies. I need their discounts and promotions to stay competitive. If I did not have access to their discounts and promotions, then I would lose business. Unfortunately, these companies only want you to cater to the customers that smoke their cigarettes. I want to be able to cater to all of my customers.

The originally introduced version of Senate Bill 66 will remove the word percentage from cigarette contracts. When a retailer has to deal with percentages, it severely restricts what they can do in their store. They can not add any additional cigarette company's advertisements, without having to adjust everyone else's space in the process. I only have so much space available in my business. This important Retail Rights legislation will prevent companies from dictating what a retailer has to do with their competitors' displays, brands and shelf space.

Thank you for reviewing my letter and hopefully supporting this important legislation.

Sincerely,



Denise Crotts

American Cigarette Station

4870 Lone Mountain Rd.
Las Vegas, NV 89130

Assemblyman David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, NV 89431

Dear Chairman Goldwater:

I could not be in attendance for today's hearing, but I hope that your committee will fix Senate Bill 66. Retailers need some sort of protection from the leading cigarette manufacturers. This is why it is important that the Assembly intervenes on this issue.

I can sell any company's cigarettes in my store that I want to sell. If I want to sell their cigarettes at a discount then I have to conform to their merchandising standards. The problem is that these standards do not always serve the best interest of my store.

One of the merchandising standards that I have a big problem with is the matching sign requirements of Philip Morris. If I want to put up a sign or a display from another cigarette manufacturer, then I have to match it with a Philip Morris sign or display. I only have so much space available in my store, so I can not go around matching every display or sign that I would potentially put up from one of Philip Morris' competitors. Therefore, I am in essence forced from putting up a significant amount of advertisements from their competitors because of this matching requirement rule.

Another problem that I have with the merchandising requirements that these companies make us conform to is how the retailer has to devote a certain percentage of their cigarette shelf space to just their products. If I wanted to put up a new rack from another company, then I have to worry about maintaining the required percentages of the other companies that I have under contract.

Please fix this legislation. Retailers have no leverage with these companies because we need their discounts. This is why the legislature needs to intervene.

Thank you for your time.

Sincerely,



Vahan Alexanian

Discount Cigarettes Etc.
7121 W. Craig Rd., Suite #105
Las Vegas, NV 89129

The Honorable David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, Nevada 89701

Dear Chairman Goldwater:

I could not be there today for the hearing on S.B. 66, but I urge you and your committee to fix this important legislation. This legislation needs important retail fairness legislation that would greatly benefit retailers when they negotiate and sign contracts with the leading tobacco companies. These contracts are currently restrictive and unfair. Plus, they can even hurt a retail establishment's growth potential.

If Senate Bill 66 is fixed this legislation would prevent companies from tying their merchandise requirements to their discounting programs. Retailers need their discounts, so they have no choice but to go along with these companies unfavorable merchandise requirements. One of the ways that these companies put retailers in a bind is through their practice of demanding a percentage of the cigarette category shelf space. If I wanted to adjust one companies rack or add a new rack, then I would have to adjust every companies rack to maintain their required percentages. Retailers are already forced to work with limited space.

These practices are very anti-competitive, and they restrict a retailer from having a say on how to manage the category in their own store. Please help make life easier for retailers and fix S.B. 66.

Sincerely,

Mo. Herrawi,

Mo Herrawi

G 9 8 11

Amy's Deli & Pizzeria

8524 W. Sahara
Las Vegas, NV 89117

Commerce Committee
c/o Chairman David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, NV 89701

Dear Mr. Chairman:

I could not be in attendance today because I am a sole proprietor, but I hope that you will still let my views be heard by the committee. I wanted to urge you and your committee to strongly support the original committee version of Senate Bill 66. This important Retail Rights legislation would give retailers more control over the tobacco category in their own store, and it would pave the way for more competition amongst the various cigarette manufacturers.

I can sell any company's brand of cigarettes in my store that I want to sell. If I want to sell that company's brand of cigarettes at a discount then I have to sign a contract with that company. Unfortunately, these companies tie many unfavorable merchandising requirements to their contracts. Retailers have no choice but to sign these contracts because they need the discounts that these companies give to the retailer.

One of the main merchandise requirements that these companies make us follow is shelf space requirements. I have to give some companies a certain percent of my cigarette category space, just to get their discounts. These percentage requirements can create problems for the retailer. While most of my customers smoke the brands of the leading cigarette companies, I have a sizeable number that do not smoke any of their brands. Because of the percentage requirements in set into place by the leading companies, I can not fully display every brand in my own store in the way that I want to display them.

Small businesses need to be able to cater to 100% of their customers, and the original version of Senate Bill 66 will help pave the way for that to happen. My contract with one manufacturer should not affect my contracts with other manufacturers.

Thank you for your time.

Sincerely,



Ray Koerntgen

Plaza Market

**4777 E. Charleston Blvd., Suite 101
Las Vegas, NV 89104**

**The Honorable David Goldwater
Nevada General Assembly
401 S. Carson St.
Carson City, NV 89701**

Dear Chairman Goldwater:

I wanted to make you aware of my support for legislation that would make life easier for retailers of tobacco products. Your committee needs to look into this issue swiftly. We need common sense legislation that will take the word percentage out of shelf space contracts. Also, companies should not be allowed to use the power of the discounts that they offer to retailers to control their competitor's signs, displays and shelf space. Thank you for looking into this important issue.

Sincerely,

Nick Hanna
Nick Hanna

G 11/8/11