



TO: The Honorable Shalonda Young, Director

FROM: Convenience Distribution Association

DATE: November 14, 2023

RE: Participants in November 13 Conference Call on Menthol

This memo serves to provide addition information about the speakers representing the Convenience Distribution Association on November 13, 2023, during a teleconference with OMB regarding the bans of menthol cigarettes and flavored cigars. Where a participant provided company specific data, it is also listed below.

Participating were the following:

Kimberly Bolin

President and CEO

Convenience Distribution Association

Bill Stein

Executive Vice President of Enterprise Growth

Core-Mark International

Mr. Bill Stein is the Executive Vice President of Enterprise Growth at Core-Mark International and is a member of the CDA Board of Directors. Started in 1888, Core-Mark is headquartered in Westlake, Texas, with 45 distribution centers across North America serving over 51,000 retail locations. It is one of the largest, most comprehensive marketers of consumer goods in North America. Currently, Core-Mark reports an annual revenue of \$24 billion with two-thirds of its revenue generated from legal nicotine products. The company has over 12,000 Associates, a fleet of over 1,500 tractors, trailers and drivers, and carries 36,000 unique SKUs. Implementing both the menthol and flavored cigar bans would not only directly impact the business's bottom line, but also result in employee reduction. However, there are additional negative impacts that must also be considered.

Andy Plummer

President and COO

AMCON Distributing Company

AMCON is a \$3 billion publicly traded company headquartered in the Heartland of America, Omaha, NE. Andy has worked for AMCON Distributing Company in the wholesale distribution industry for nearly 20 years, 5 in his current role. AMCON Distributing Company serves approximately 7,000 unique retail locations in 32 states out of 9 distribution centers throughout America. There are approximately 1,500 team members in and around Bismarck, ND, Rapid

City, SD, Omaha, NE, Crossville, TN, Quincy, IL, Springfield, MO, Alexandria, MN, and Wheeling, WV. AMCON also reports that banning menthol cigarettes and flavored cigars will negatively impact team members and the communities in which they reside. Like Core-Mark, AMCON is not only concerned about the tremendous business impact these bans will bring, but the impact to public health.

Jodi Buckner

CRO

Lyons Specialty Company

Lyons Specialty is a family-owned business and has been in business for 100 years this year. The Davis family has owned Lyons since 1946 and has the 4th generation currently working in the business. The company has 115 employees and approximately \$200 million in sales annually. Lyons business is approximately 30% menthol cigarettes and calculates 75% of their cigar volume comes from flavors. These 2 bans would reduce Lyons' overall volume around 30% and gross margin dollars would be down around 15%. Lyons has proved to be resilient (surviving many ups and downs over the past 100 years) but will have to adjust the business with this type of reduction. Employees will be laid off. Prices on other items increased. The communities surrounding and supporting Lyons will be affected.

Gene Lang

General Counsel

Convenience Distribution Association

Kathee Facchiano

Policy Advisor to CDA

Capitol Decisions