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**Senate Committee on Finance and Revenue**

Oregon State Senate

900 Court Street NE

Salem, OR 97301

Dear Senators,

I am writing as both a concerned constituent and employee of 7-Eleven, Inc. to respectfully express my opposition to Senate Bill 702. SB 702 would have a disproportionate effect on the hardworking franchisees of the 7-Eleven system. These people are small business owners who live and work in the communities. The franchise community is committed to being a good neighbor, supporting the development of their community, and protecting our children.

While I understand the intent behind SB702 is to prevent children from accessing tobacco and nicotine products, this bill will not accomplish this objective. Instead, this will cause a massive shift in customer traffic that will decrease the income of small businesses. In our business, we have three categories that we call traffic drivers. These are reasons to come to our stores as opposed to somewhere else. These three are nicotine products, beverages, and fresh food items.

In Oregon, the average 7-Eleven has 30% of their transactions or 179 customers a day, come from nicotine purchases, the overwhelming majority of which are 21+ adult nicotine consumers, who purchase flavored items. In addition to a nicotine purchase, these customers spend \$4.34 on average on non-age restricted items. If this bill passes, we lose one of the three pillars on which our business thrives. The economic impact on a single franchisee would be \$23,305.80 a month and an annual impact of \$283,553.90 in **non-nicotine** sales. If one takes this math further to include all 142 7-Eleven stores in the state of Oregon, this is a combined income loss potential of \$40,264,653.80.

30-day Month:  $(179 \text{ customers} \times \$4.34) \times 30$

Annual:  $\$776.86 \text{ a day in sales} \times 365$

Annual All Stores:  $\$23,305.80 \times 142$

Most of this customer loss would come from people crossing borders into Idaho and Washington to purchase the same products they could have purchased here. This equates

to lost income from the tax on nicotine, tax on the franchisee sales and income, and places an unnecessary burden on the consumer of having to travel to meet their needs.

Setting aside the devastating economic impact, 7-Eleven as a retailer has taken strict measures to ensure that minors are not able to purchase items in our stores, including a requirement that an associate scan the barcode of an ID when buying vapor. This requirement is not overridable by the associate and if no ID is scanned, the transaction is cancelled. Further, in the hearing held on May 21<sup>st</sup>, 2025, one of the citizens testified that someone else was buying these products and giving or selling them to minors. I would ask, what would prevent one of these bad actors from going into an OLCC store and doing the same thing?

Youth nicotine usage is a public health crisis, one that should be addressed by parents, community leaders, and retailers. However, penalizing small business owners will not solve a problem caused by the poor choices of others. Every customer makes a choice whether to use nicotine or not. I am a former cigarette smoker, who quit 7 years ago. I did not need a restrictive and unnecessary law to make me decide to quit.

On a personal note, my role in 7-Eleven is as Field Merchandise Manager for Center of Store, Cigarettes, Tobacco, and Services covering the Pacific Northwest and Northern California. I have worked for this brand for over 7 years and have lived in Oregon the entire time. One of my key functions is to partner with our operations teams and franchisees to ensure that they are 100% compliant with all federal, state, and local laws regarding tobacco. We have an internal system of mystery shoppers who try to buy tobacco products without an ID. If a store does not pass, we are alerted, and actions are taken to hold the store accountable. We also have an internal failure rate of less than 1% for 2024.

I also witnessed the devastating impact on our business we experienced in California when they passed a total flavor ban. The outcome of that was that the company was forced to lay people off to offset the lost sales. Some Franchisees sold their business to someone else or terminated their franchise agreement. To be completely clear: SB 793 hurt small businesses and employees.

If this bill passes, I worry about the future of my employment at 7-Eleven. This bill could be the reason I lost my job.

Oregonians value individual rights, local control, and freedom of choice. I fear this legislation undermines those values and is a “cure worse than the disease.”

I appreciate your service and commitment to representing the people of Oregon, and I hope you will take my concerns into sincere consideration. I urge you to do the right thing for the business owners and employees in this state and vote **no** on SB702.

Thank you for your time and for your attention to the voices of your constituents.

Sincerely,

**Joshua R. Kennedy**