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**FORMER N.G.A. CHAIRMAN ASKS SENATE COMMITTEE
TO REPEAL ESTATE TAX**

***Goodner Tells Senate Finance Committee that tax is
“anti-family, anti-business and anti-growth.”***

WASHINGTON, D.C. (March 15, 2001) — Thomas D. Goodner, the owner of Goodner’s Supermarkets, Inc. and a former chairman of the National Grocers Association, told the Subcommittee on Taxation and IRS Oversight of the U.S. Senate Finance Committee today that the estate tax is one of the biggest threats to the future of independent businesses and needs to be repealed immediately.

Speaking to the committee, Goodner said that the estate tax is “an ominous cloud hanging over our heads.” He said that it diverts capital from independent, family-owned companies such as the one he operates with his wife, two sons and daughter, needed to re-invest in new and remodeled stores and new technologies to better serve its customers. The Goodners’ five-retail store, one-restaurant company is based in Duncan, Okla. and employs more than 700 people.

“I am here today on behalf of the National Grocers Association and the Oklahoma Grocers Association to ask for repeal of this unfair and anti-family tax,” Goodner told the committee. “The important point for the Finance Committee is to act now in support of estate tax repeal legislation. Privately-owned and operated businesses cannot compete competitively when the federal government makes small business its indentured servant. I urge the Finance Committee members to act now to preserve the future of privately-owned and operated businesses before it’s too late.”

President George W. Bush has called for the elimination of the estate tax as part of his overall tax reduction plan. In his address to Congress last month, the President said it was not fair to tax the same earnings twice—once when you earn, them and again when you die. “I could not agree more,” Goodner said in front of the committee. “We pay income taxes, payroll taxes, unemployment taxes, property taxes, and then we pay the death tax. As a true family-owned business, we are not a Ted Turner or a Bill Gates, Sr.”

Goodner’s comments before the Committee echoed the views of the N.G.A., a trade group exclusively dedicated to the representation of and service to the independently-operated or family owned grocery retailer and their wholesalers. N.G.A. has made it clear that the repeal of the estate tax is its number one legislative priority. “We are proud of the stance Tom took today,” said Thomas K. Zaucha, President and CEO of N.G.A. “He thoughtfully explained to these Senators why this tax is so unfair and just how important it is to repeal it.”

Goodner, who is also a past president of the Oklahoma Grocers Association, told the committee that the tax endangers competition in the marketplace. “As independent family-owned grocers, we provide diversity in the marketplace, offering consumers and communities competitive choices,” he said. “Privately-owned retail grocers are facing unprecedented competition from multi-billion dollar megachains and supercenter competitors. In order to compete, family-owned businesses need capital to reinvest in our companies. The death tax takes needed capital from family businesses. Rather than pay the punitive death tax and leverage the company, many family business owners are making the decision to sell. Repeal of the death tax is the only answer to preserving and protecting family business legacies. No exemption or rate reduction can be as effective.”

For example, Goodner explained that the equipment in a single, 60,000 square foot store currently costs \$3.5 million, the inventory costs are \$1.5 million and the cost of the building and parking lot in Oklahoma is about \$3 million. “If my family and employees were to experience my untimely death, the family would face substantial estate tax liability,” he said. “Having to pay the federal government almost 55 percent of the estate would place a substantial drain on our capital base. It would potentially force us to liquidate assets, jeopardizing the future of our company and the continued employment of our loyal associates.”

He noted that his own father, Roy D. Goodner, who began his career in the retail grocery business in 1937 was forced into an precarious financial position because of an estate tax liability. “In the late 1960s, my father began to experience health problems and transferred some of the ownership interests to my mother,” Goodner said. “Unexpectedly, in 1971 my mother passed away before my father did, leaving a substantial estate tax liability. We

paid the government over \$700,000. My father didn't have the cash so we borrowed the money for the federal estate tax payment from our local bank, which took 7 years to repay. During that timeframe, my father became disillusioned by his potential estate tax liability and I gradually proceeded to buy the business interests from him and other family members."

N.G.A. is the national trade association representing the retail and wholesale grocers that comprise the independent sector of the food distribution industry. An independent retailer is a privately owned or controlled food retail company operating in a variety of formats. Some are publicly traded but with controlling shares held by the family. Most independent operators are serviced by wholesale distributors, while others may be partially or fully self-distributing. Independents are the true "entrepreneurs" of the grocery industry and dedicated to their customers, associates, and communities. N.G.A. members include retail and wholesale grocers and their state associations, as well as manufacturers and service suppliers.