



January 17, 2024

Maine State Legislature
Joint Veterans and Legal Affairs Committee
Senator Craig Hickman, Chair
Representative Laura Supica, Chair
Via email to: VLA@legislature.maine.gov

Dear Chairs Hickman and Supica and Members the Maine Joint Veterans and Legal Affairs Committee,

I am writing on behalf of the American Distilled Spirits Alliance (ADSA), a group of industry leaders in the manufacturing, importing, and marketing of distilled spirits in the United States and around the world. Our Alliance represents hundreds of spirits brands and over 70% of all distilled spirits sales in the US.

We are aware that there have been pricing related issues for a number of years and that the pricing model has become complex over time. LD 2014 gives the legislature, the regulator, suppliers and other industry stakeholders an opportunity to consider other pricing strategies that may be beneficial to the State, its citizens, suppliers and retailers.

Pricing considerations should result in improved efficiency and should be consistent and predictable over time. The number of pricing calculations is a full-time exercise in itself. The concept proposed in LD 2014 would allow for a fresh look at the 'pricing calculator' and all of the various inputs (product, bottle, size, value vs premium, discounts, etc). LD 2014 is not prescriptive in its pricing language, nor should it be at this time, as there is not enough information to make a fully informed decision on a potentially new pricing model.

ADSA is similar to any organization weighing legislative or regulatory changes upon its industry and membership. The outcome of LD 2014 as originally drafted, and recently amended, will be no different. We may have members that prefer the pricing calculator as-is, while others might prefer a more streamlined model such as a percentage mark-up. LD 2014 will encourage more communication with regulators and suppliers to at least move the pricing formula conversation forward. We look forward to being included in that industry discussion. Thank you for your consideration.

Sincerely,

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