



April 23, 2025

Senator Craig Hickman, Chair
Representative Laura Supica, Chair
Joint Committee on Veterans and Legal Affairs

Re: LD 1754, introduced by Rep. Kristen Cloutier

I am Andy Deloney, Senior Vice President and Head of State Public Policy for the Distilled Spirits Council of the United States (DISCUS), a national trade association representing producers, importers, and marketers of distilled spirits sold in the United States, from large well-known companies to small craft distilleries, including a few in Maine.

We are in support of LD 1754 and thank Representative Kristen Cloutier for her support and leadership on this issue. We also very much appreciate the quick scheduling of this important legislation for a public hearing and the opportunity to speak to the committee.

This committee has had considerable discussion on legislation regarding direct-to-consumer (DTC) shipping of wine in the current and previous legislative sessions, and the subject of DTC shipping of spirits is not a new issue either, as it was discussed, amended, and debated at length last session in public hearings and work sessions of the Joint Committee on Veterans and Legal Affairs and on the floor of the House and Senate.

Issue Summary

While 47 states, including Maine, allow the direct shipment of wine straight from winemakers to consumers, only 11 states currently allow distillers to ship their products directly to consumers, including neighboring control state New Hampshire. In the last 15 years, growing consumer interest in diverse spirits products has led to the increase in the number of distilleries in the U.S. from just 70 to more than 3,000. There are now more than 15,000 distilled spirits products in the marketplace, and a modern spirits marketplace will allow consumers to buy the products they want, in the way they want, while allowing smart regulation to ensure responsible delivery.

Passage of LD 1754 allowing distillers to ship directly to consumers:

- Increases consumer convenience, particularly those in very rural areas,
- Provides a positive boost for tourism and the hospitality industry ,
- Treats wineries and distilleries the same ,
- Builds small businesses and enhances their ability to reach new consumers, and

- **Maintains important responsibility measures to prevent underage access.**

Why is DTC shipping of spirits appropriate in Maine?

For more than a decade, Mainers have enjoyed DTC shipping of wine. Now, consumers expect and want DTC shipping of spirits. It's time for the marketplace to meet what consumers are seeking. In fact, **80 percent of consumers believe distillers should be allowed to direct ship spirits.**

The increased demand for consumer convenience and choice, additional support for distillers, and responsibility measures already in place to prevent illegal purchases all highlight the reasons Maine should adopt measures allowing DTC shipping of spirits.

Who benefits from direct shipments of distilled spirits?

Consumers

Consumers want the ability to choose specialty products not widely distributed nationwide, club offerings, special one-time products, distillery exclusives, or to ship products home from a distillery visit.

Distillers

DTC shipping of spirits provides additional market access channels for distillers to connect with new and returning consumers where they are, particularly rural Mainers and visitors from other states.

The Wider Spirits Industry

Expanding distillers' ability to direct ship will introduce consumers to new products that will eventually grow into brands carried by Maine's control system, thus strengthening the overall spirits industry and state market, particularly its retailers. Wine has been shipped for more than a decade in Maine, and during that time, liquor store jobs grew by 61 percent during the same period. DTC shipping serves as an onramp for small distillers by allowing tasting experiences and organic brand building – creating a cost-effective way to generate the kind of attention that is critical for partnering with the state and its agency stores.

The State of Maine

The state would benefit from additional licensing fees and new tax revenue on every DTC sale made in Maine. Additionally, the new market access channels would foster growth in the spirits industry which already contributes 6,300 jobs and more than \$680 million in economic impact in the state.

What are the measures ensuring responsible delivery?

Wine producers have responsibly shipped wine direct-to-consumers for more than a decade in Maine. There are well established and appropriate responsibility measures in place that prevent minors from illegally accessing beverage alcohol. Just as IDs are required for any alcohol purchase, ID checks are required in order for the recipient to accept an alcohol delivery. Additionally, an adult signature is required.

Solution

LD 1754. It's time for consumers to be granted the same market access to distilled spirits that they have enjoyed with wine for more than a decade in Maine. This is a solid bill, and it improves on the bill from last session by addressing potential constitutionality concerns, but we know there is further consideration needed in working with BABLO on:

- Addressing the listing process for products shipped through the DTC channel now that BABLO has updated technology,
- Addressing the discount rate to make sure the state brings in the appropriate revenues,
- Addressing the issue of imported product, which every other state for DTC allows, and
- Any other technical changes that are identified.

We appreciate the communication we have had in previous sessions with BABLO on this issue and we remain committed to working with BABLO Director Louis Luchini and his team to address issues of mutual concern.

Conclusion

We respectfully urge your support for LD 1754 and look forward to being there in person at a future work session on the bill.

Sincerely,

A handwritten signature in black ink, appearing to read 'AD', with a stylized flourish at the end.

Andy Deloney
Senior Vice President and Head of State Public Policy