

Testimony of Nate Cloutier

Before the Joint Standing Committee on Veterans and Legal Affairs
April 23, 2025

In Opposition to LD 1754, “*An Act to Provide for the Direct Shipment of Spirits to Consumers*”

Senator Hickman, Representative Supica, and distinguished members of the Joint Standing Committee on Veterans and Legal Affairs, my name is Nate Cloutier, and I am here today on behalf of HospitalityMaine, representing Maine’s first-rate restaurant and lodging industries. HospitalityMaine opposes LD 1754, “*An Act to Provide for the Direct Shipment of Spirits to Consumers*”.

LD 1754, allowing spirits manufacturers and distilleries to ship spirits to recipients in the state of Maine, is not a new issue to this committee. Our concerns with the policy remain the same as in years previous. We outline those concerns below.

1. We are concerned that this would have an adverse impact on Maine businesses.

A. Nearly every session, this committee considers legislation to change the number of allowable agency liquor stores. This consideration requires legislative approval for what are arguably minor changes in a heavily regulated community for businesses here on the ground. It’s unfair to ask retailers in perpetuity to convince the legislature why an additional agency liquor store should be permissible while at the same time essentially providing unlimited and unrestricted licenses to those who would be able to ship directly to Maine residents. Simultaneously, opening the floodgates for out-of-state manufacturers to ship thousands of new, unlisted products directly to consumers that are not accessible for hospitality members to procure and serve. Unintentionally, these new spirits products entering the Maine market are likely to create unwanted competition for Maine’s distillers.

B. We are concerned that this could disrupt the spirits sales dynamics within the hospitality sector, impacting revenue streams for restaurants and lodging businesses that heavily rely on the sale of alcoholic beverages as part of their overall customer experience. Our members seek to purchase limited-edition and exclusive items that can be priced at a per-pour rate which provides a strong margin. Restaurants and hotels appreciate the ability to procure the premium, small-batch boutique products used for pairings, tastings, and experiential beverages.

2. We are concerned about adequate oversight and enforcement of DTC sales.

A. Industry has put in the hard work over the years by working with the legislature and the bureau to craft policy that charges off-premise and on-premise licensees with responsibly overseeing sales while ensuring that products are reaching the intended and vetted consumer. We commend the commitment to ensuring responsible consumption and question the age-verification compliance rate of at-home deliveries as compared to in-person licensee sales.

B. What would obligate an out of state producer to list the product with the state? BABLO would need appropriate oversight and resources to appropriately administer additional programs.

For these reasons, we urge the committee to oppose LD 1754. Thank you for your time and consideration.