



**Testimony of Newell Augur
On behalf of RSVP Discount Beverage, Portland**

**Before the Joint Standing Committee on Veterans and Legal Affairs
Neither for Nor Against LD 2014, An Act Regarding
Spirits Price Regulation**

Sponsored by Senator Hickman

January 17, 2024

Senator Hickman, Representative Supica, and members of the Committee on Veterans and Legal Affairs, my name is Newell Augur. I am a resident of Yarmouth, a native of Portland, and a lawyer with Pierce Atwood. On behalf of RSVP Discount Beverages, located at 887 Forest Avenue in Portland, I am here to testify neither for nor against LD 2014, An Act Regarding Spirits Price Regulation

Many of the agency liquor stores in Maine are not owned or operated by big box chains. They are run by people like Cathy Sullivan, who started at RSVP as a cashier, worked her way up over the next twenty years, and took the opportunity to purchase the business with her brother back in the early 2000s. RSVP has over 30 employees, and they all have great pay and great benefits. RSVP is also the 2nd largest reseller in the State.

We would offer the following observations as the Committee reviews this proposal. It would appear that the idea was generated in response to a significant increase in the price of lower priced spirits, or "value" items, that took place before the pandemic. At the time this increase was first implemented, RSVP raised concerns with BABLO officials given the volume of goods in this price range that our customers purchase (which we understand mirrors purchasing habits throughout Maine).

At the same time, we are not altogether sure if the solution to that problem is having the Legislature set the retail price for spirits. This seems like an unusually administrative burden for the Legislature and one that would limit the State's ability to respond quickly to changes in the marketplace. Similarly, while a flat rate for all spirits products likely would improve consistency and predictability, we are not altogether sure that a flat rate percentage markup on all retail products – a one size fits all spirits approach – is necessarily the right solution either.

The current pricing model has, for any of its faults, worked well for the State in recovering a larger percentage of business lost to New Hampshire. It has worked well for agency liquor stores in improving efficiency and responsible growth. And it has worked well for Maine consumers in providing a larger number of products at competitive prices.

That said, we believe that reviewing the assumptions that govern the spirits business is always a good exercise and any measure that could improve the transparency of that business is good public policy. We would be happy to represent other agency stores, who are similarly concerned, should there be a stakeholder group assembled to consider ways to move forward with this proposal. If the current pricing for value products is reduced, that change should be accompanied by measures that secure the inventory for those agency stores.

Thank you for the opportunity to provide this testimony. I will be present at your work session.