Southern Glazer's Wine & Spirits and Republic National Distributing Company Testimony Opposing
LD 1376, An Act to Increase the Acceptable Level of Alcohol in a Low-alcohol Spirits Product and to Increase Availability of Those Products

Joint Standing Committee on Veterans and Legal Affairs

April 9, 2025

Senator Hickman, Representative Supica, and Members of the Veterans and Legal Affairs Committee,

My name is Daniel Walker with Preti Flaherty, and I testify in opposition to LD 1376 on behalf of Southern Glazer's Wine & Spirits (SGWS) and Republic National Distributing Company (RNDC).

SGWS is a national beverage distributor operating in 44 states, the District of Colombia, and Canada. RNDC is a national beverage distributor operating in 39 states and the District of Colombia. Both companies employ managers and salespeople in Maine who interact with the Maine Bureau of Alcoholic Beverages and Lottery Operations (BABLO) on behalf of distilled spirit manufacturers, providing local marketing support, pricing input, as well as working with licensed on and off premise accounts in Maine.

SGWS and RNDC oppose LD 1376 for a number of reasons.

First, the intent behind introducing the low-alcohol spirits products category was to separate an emerging product that, although spirits based, was not the typical bottle of straight liquor bought to make mixed drinks. The law intentionally drew a bright line, capping the ABV for these products at 8 percent, which captures the vast majority of ready-to-drink (RTD) products on the market, but keeps those with higher ABV, not comparable to beer or wine ABV, within Maine's state control regulatory system for wholesaling and retail sales.

This bill proposes to increase the ABV of Low-alcohol Spirits Products to 15%, almost double the current percentage, completely disregarding the intent of the law that these products remain LOW proof, which undermines Maine's state control regulatory system. It would also dim the bright line, allowing beer and wine wholesalers to wholesale and distribute products that are currently imported and distributed by the state's liquor contract vendor, Maine Spirits.

Moreover, by removing products currently sold by Maine's agency liquor stores, the State stands to lose hundreds of thousands of dollars in lost markup, as these products will be bought, distributed, and sold outside of the state system. Contracts with the state to carry out warehousing and distribution may also be negatively impacted. This may very well be in conflict with the state liquor contract, which gives exclusive authority to the state vendor to deal in spirits.

Finally, increasing to 15% ABV would make Maine's low spirits-based product one of the highest in the country, second only to Ohio (21%).

For these reasons, SGWS and RNDC oppose LD 1376. Thank you for the opportunity to provide this testimony.