



My name is Rob Tod, and I am the founder and owner of Allagash Brewing in Portland, and I am here to speak in opposition to LD 2155.

The Maine Brewers Guild recently spent the better part of a year coming to a consensus, both among brewers and with affiliated trade partners, to address an emerging industry landscape that had a clear potential to limit competition and make it more difficult for all brewers to have equal access to market. The result of this coordinated effort was LD 1456.

LD 1456 was an important milestone for a number of reasons:

- If you visit nearly any other country in the world, you **don't** see a thriving craft beer market. That's generally because there are essentially no limitations on brewery ownership of restaurants or bars. Breweries are effectively able to buy exclusivity at retail. This restricts competition, favors the big players, and makes it especially difficult for smaller players to have access to market. LD 1456 thankfully minimizes this threat.
- In the US, we as craft brewers are fortunate because there are provisions in the FAA (Federal Alcohol Administration Act of August 1935) that put limits on brewery ownership of retail licenses. This ensures an open and fair marketplace that is relatively free of the retail exclusion very common in other countries. See: US Code, Title 27, Chapter 8, Subchapter 1 FAA, 205... "Tied House" provisions. Arguably, without these unique provisions, the US Craft Brewery industry would not have been born. In turn, the economically important Maine Craft Brewery industry would likely not exist. We exist because all of us have relatively equal access to retail. There are of course differences from state to state (because beer is regulated at the state level), but the fact remains that we as small brewers enjoy FAR more market access than nearly any other country in the world. LD 1456 more closely aligns Maine with the intent outlined in the FAA Act.
- Our country's philosophy of limiting brewery ownership in the retail tier was, in spirit, initially baked into Maine's state laws that regulated brewers. Prior to LD 1456, Maine regulations read "with each brewery you are entitled to one On Premise Retail License". Title 28-A, Part 3, Chapter 51, Subchapter 2 (1355-A Manufacturers License). Presumably the number of retail licenses was limited to 1 exclusive license per brewery so that competition is not stifled (so brewers don't have an ever-growing control of retail). Due to loopholes in the regulations, the number of retailers owned by brewers proliferated well beyond the 1-1 ratio. LD 1456 reigned in this unhealthy trend.

For these reasons, I respectfully urge the Committee to strongly oppose LD 2155. Thank you for your time and consideration.

G. Robert Tod, Jr.
Allagash Brewing
Founder/Owner