



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

**Before the Joint Standing Committee on Veterans and Legal Affairs
In Opposition to LD 591, An Act Regarding Liquor Store Licensing**

Sponsored by Representative Caiazzo

March 8, 2021

Senator Luchini, Representative Caiazzo, and members of the Joint Standing Committee of 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 against the change proposed in LD 591, An Act Regarding Liquor Store Licensing, in Section 1, 1-A, Parts A of the bill. This change would increase the number of licensees in Tier 1, municipalities with a population over 60,000 from eleven to twelve.

Two years ago the Legislature passed LD 1078. The bill increased the number of agency liquor stores in Portland from ten to eleven. Portland was the only town that was increased. And BABLO only recently awarded the new license to Hilltop Superette on Munjoy Hill.

Many agency liquor licenses in Maine are not owned by big stores or chains. They are owned and operated by people like Cathy Sullivan at RSVP, who started there 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.

The issuance of additional licenses is a zero sum game. When more licenses are given out, they take business away from existing agency stores. Even

taking into account any increase in the overall sales of spirits in Maine, sales at a new agency store come at the expense of existing agency stores.

Usually when BABLO grants a new agency license, it does so because there is a town or area of a town that is underserved. To be sure, Portland is not underserved, especially in the area where RSVP is located. Although the surrounding towns have grown over the past forty years, Portland's total population today - 67,000 - is roughly identical to its population back in 1970. Portland had 3 liquor store licenses in the 1990's; it has 11 now, and 3 of them are on Forest Avenue - all within 2 miles of each other.

Some may make arguments about the sanctity of the free enterprise system when talking about the spirits business in Maine. To be sure, we must remember that we have chosen to be a control state. That means the government determines every aspect of the spirits business - who gets a license, where the stores are located, what they sell, what they have to keep for inventory, what price they charge, and so on. It's the state's responsibility, therefore, to make sure it doesn't have too many liquor licensees too close to each other such that they cannot operate successfully.

If we want to scrap that model and pursue a different one, we should have that discussion. But it is inconsistent for us to be a control state and at the same time cleave to the notion that what we do must be guided by the principles of free enterprise.

Our understanding is that this bill initially was intended to increase the number of agency liquor stores in Tier 4 - municipalities with a population between 20,000 and 30,000 - from eight to nine because Hannaford is building a new grocery store in Brunswick and all the licenses in that town are taken. We take no position on this increase.

Thank you for the opportunity to make these comments. I will be present at your work session.