

Wednesday, March 26, 2025

TESTIMONY FROM ANTHONY LYONS

LD 1092 AN ACT TO ENSURE THAT DUAL DISTRIBUTION PROHIBITIONS ARE NOT VIOLATED BY DIRECT SHIPPERS OF WINE

Good Morning,

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

My name is Tony Lyons and I am a resident of Auburn, here today representing the Maine Winery Guild and owner of WillowsAwake Winery in Leeds, Maine. Our 67-acre parcel of land is home to WillowsAwake Winery supported by eight acres of vineyard, a state of art winery facility, a tasting room and the No.10 Eatery@WillowsAwake Winery, a Class A Restaurant. Our restaurant operates year-round.

I appreciate the opportunity to offer comments in opposition to the present version of **LD 1092, An Act to Ensure That Dual Distribution Prohibitions Are Not Violated by Direct Shippers of Wine.**

This bill, in its present form, would prohibit a winery from both being a Direct Shipper AND sell to a wholesale distributor; one or the other. The Guild does not believe that the intent of this bill was to take away current flexibility that Maine wineries have to sell and market their products within Maine.

Currently for a winery in Maine to ship within the State, the winery needs to obtain a Direct Shipper of Wine license from the Bureau of Alcoholic Beverages and Lottery Operations (BABLO). (*Title 28-A §1403-A.2. Direct Shipment of Wine*) WillowsAwake holds a Direct Shippers License # DSW-23-106932, that allows us to ship our wine within Maine and to other states that allow the direct shipment of wine. This allows us to sell and ship to our tasting room guests who may be travelling and also our Wine Club members.

Additionally, under *Title 28-A Chapter 51 §1355-A. Manufacturer licenses 4. B. (1)* a licensed winery “**may sell or deliver its products to licensed retailers or wholesalers**”.

So, under current law wineries can both hold a Direct Shippers License and sell through a wholesaler distributor.

WillowsAwake sells specific wines through a Maine wholesale distributor that allows us to have our product available and visible in one of Maine’s largest grocery store chains. We have other wines that we sell directly to retailers, ship or self-distribute.

Now the nitty gritty is that when I wish to market a new wine, I need to have the label approved by the federal Tax and Trade Bureau (TTB). Then I can go to the BABLO BELLS system and register that label within the State of Maine. (*Following Title 28-A. Approval and Registration of Labels. §6-A.*) Within BELLS I can only assign that wine label to either “self-distribute” (under *28-A Chap. 51 §1355-A.4.B (1)*) or to a wholesale distributor and its corresponding territory. I cannot currently do both, distribute or sell that label myself AND use a wholesale distributor to sell for me.

In reality then, current law has provisions to achieve what is possibly the intent of this bill but at the wine label level rather than at a more comprehensive prohibition that affects all wine produced by a licensed winery.

The industry in Maine is still relatively small and we need to have flexible opportunities to market our products and gain visibility. The larger Maine wineries have some of their products currently marketed through Maine’s wholesale distributors; under this bill, as currently written, they would have to surrender their Direct Shippers Licenses and so be unable to ship any wine to tasting room customers and wine club members, even though currently being in compliance with current statutes.

Again, we do not believe this was the intent of this legislation and we are ready and willing to work with the Committee and the Distributors Association to craft an amendment that fulfills their goal without hurting Maine wineries.

Thank you for your time and I welcome any questions you may have at this time.