

LICENSED BEVERAGE DISTRIBUTORS OF MARYLAND, INC.

Leadership in Industry Cooperation
446 Park Creek Road
Pasadena, Maryland 21122

February 16, 2023

HB0565 – OPPOSE

Members

**BREAKTHRU BEVERAGE DISTRIBUTORS
REPUBLIC NATIONAL DISTRIBUTING
COMPANY, LLC**

House Economic Matters Committee
Mr. Chairman, Vice Chair and Members,

The Licensed Beverage Distributors of Maryland oppose HB0565 because it is not needed and guts Maryland's highly regarded regulatory system for alcoholic beverages. As such we ask for an unfavorable report. The bill tears apart Maryland's regulatory system by allowing a distiller to ignore the 3-tier control system. Maryland has protected consumers from unfair pricing, contaminated beverages and discrimination for nearly 90 years by separating the manufacturing, wholesale distribution and consumer sales operations to create a successful check and balance system. This bill permits a manufacturer to operate as a wholesale distributor for its product and to obtain a wholesale permit. At no time has Maryland ever allowed a company in one tier to obtain a permit to operate in the other tier. Such a dramatic change is neither needed or justified. The existing system and its licensed companies can distribute products safely and effectively. The licensed beverage distributors can work to resolve problems without throwing out the regulatory system. There is no need to throw out the baby because a few people do not like the bath water. Please deliver an unfavorable report on HB0565.

Very truly yours,

Joel Polichene, Republic National Distributing Company
Jeff Scarry, Breakthru Beverage Distributors (formerly Reliable Churchill LLP)