

Independent package stores decry chain liquor store legislation

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Independent Bay State package stores are raising concerns with legislation that would distinguish licensees as “chain stores,” allowing for consolidated purchasing and marketing power for companies that hold up to seven liquor licenses.

Proposed by state Rep. Timothy Whelan, R-Brewster, the legislation would allow the chain to purchase alcohol for all of its stores, acting as a single entity rather than independent operators as they must currently operate. The chain would also have permission to use common marketing, a common name and shared accounting and property insurance.

Whelan was not immediately available for comment.

Public testimony for the legislation lasted less than 10 minutes Thursday, with only the Massachusetts Package Stores Association Executive Director Robert Mellion declaring the legislation is problematic because of its infringement of the commonwealth’s “three-tier system” of manufacturers, wholesalers and retailers.

Mellion compared this proposed “blur” of the tiers to brew pubs, which both produce and sell their products, and therefore do not adhere to the process of the three tiers.

“What’s happening, particularly in this environment, both nationally and statewide, is that we’re seeing pressure, due to the desire to make a profit,” Mellion said in an interview. “That’s where the level playing field now does not become level anymore.”

Disruption has found the alcoholic beverage industry, as national brands with greater buying power enter the market and apps with direct shipping capabilities are growing. Walmart, for example, purchased a license for its Westfield location and expects to open “very soon,” according to MassLive. Boston-based startups such as Drizly and Frat Tap deliver alcohol directly to customers’ doorsteps.

Mellion acknowledged that change is inevitable but said that Whelan’s legislation should also have an accommodation to enable independent package stores to form co-ops “so a handful of independents on the Cape, or a handful of independents in the Berkshires, can get together and operate selectively.”

“We can’t stop the large national companies from coming in, the doors are already open,” Mellion said. “All we can do is help to bolster some of the smaller ones, so they can continue to compete against them.”