



Massachusetts Package Stores Association, Inc.

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FEBRUARY 2019 NEWS & TRENDS

MESSAGE FROM THE EXECUTIVE DIRECTOR

Dear Members,

Following the repeal of Prohibition on December 5, 1933, Congress enacted the Federal Alcohol Administration Act (FAA Act). This act led to states, including Massachusetts, adopting various laws that created a "Three-Tier System" for the production, distribution and sale of alcohol. The Three-Tier System is important to all members of the Massachusetts Package Stores Association (MPSA). Separation and regulation of the tiers strengthens the beverage alcohol industry's ability to account for its products, responsibly provide them to consumers, and prevents access of alcohol to those who are underage or should otherwise not be served or sold beverage alcohol. The Three-Tier System is also pro-competitive and an economic mechanism for the orderly marketing, taxation and sale of alcohol beverages. Over \$43 billion dollars of applicable federal, state and local excise taxes have been collected annually under the Three-Tier System. In 2016, the beverage alcohol industry was responsible for \$25.3 billion in federal taxes and an additional \$18.36 billion in state and local taxes.



The three-tier system, which sustains virtually all retailers of beer, wine and spirits, is under attack from every direction. The most important litigation impacting the three-tier system is a case currently before the U.S. Supreme Court, known as "Tennessee Wine & Spirits Retailers Association (TWSRA) v. Blair." Oral arguments for both sides were held at the U.S. Supreme Court on January 16, 2019. Everyone within the alcohol beverages industry was represented, including MPSA.

TWSRA v. Blair is important because justices are considering exactly how expansive or narrow regulatory power will be applied under the three-tier system. In particular, the case addresses the constitutional conflict between the 21st Amendment that in the past has allowed states to impose residency requirements against a doctrine known as the dormant commerce clause, which bars states from discriminating against interstate commerce. The Supreme Court's answer in TWSRA v. Blair could have broad implications applying to where consumers, including residents of Massachusetts, buy their alcohol and what kinds will be available to them. **(READ MORE... for the full article contact MPSA office.)**

Respectfully,

Rob Mellion, Esq.
Executive Director and General Counsel

Statement from American Beverage Licensees on Oral Arguments in Tennessee Wine and Spirits Assoc. v. Blair

Source: ABL

January 16, 2019

The Supreme Court of the United States, in the case of Tennessee Wine and Spirits Retailers Association v. Blair, today heard well-reasoned oral arguments defending the Constitutional right of states to set alcohol policy, and the unique nature of alcohol as it relates to the Dormant Commerce Clause and 21st Amendment.

In questions throughout the arguments, Justices' asked informed questions that demonstrated their understanding of the history of alcohol commerce, practical alcohol regulatory policy and other issues addressed in more than a dozen amicus briefs filed on behalf of the Tennessee Wine and Spirits Retailers Association, including ABL's.

The Court also recognized and cited the "unquestionably legitimate" Three-Tier System, and discussed potentially troublesome implications of adopting remedies suggested by the respondents, including a wave of litigation over state alcohol policy that could undermine the entire alcohol regulatory system. *(READ MORE... for the full article contact MPSA.)*

THE MONOPOLIST IN THE HOUSE: REP. DAVID TRONE'S WINE COMPANY SEEKS TO OVERTURN A CONSTITUTIONAL AMENDMENT

David Dayen

www.theintercept.com

January 23, 2019

PRESIDENT DONALD TRUMP has been reasonably condemned for attempting to trash the Constitution. But there's only one active politician in America working to actually reverse a standing constitutional amendment. He's a freshman Democratic House member from Maryland's 6th Congressional District.

David Trone was elected in 2018 to fill the seat of John Delaney, who seems to think that he's running for president. Trone won a spirited primary with the assistance of \$14.2 million in self-funded contributions and another \$3.25 million in personal loans. This available fortune was generated from Trone's personal alcoholic beverage empire. Total Wine, which Trone co-founded with his brother, is America's largest privately owned retailer of beer, wine, and liquor, with 193 stores in 23 states. Trone served as president of Total Wine until December 2016 and is still listed as co-owner of the company on its website. *(READ MORE... for the full article contact MPSA.)*

Supreme Court justices seem skeptical of Tenn. residency requirement for liquor store owners

Source: <https://www.washingtonpost.com/>

By Robert Barnes

January 16

Supreme Court justices indicated Wednesday that they thought Tennessee's tough residency requirements for those who want to run liquor stores have more to do with protecting in-state economic interests than guarding against the evils of alcohol.

But they also wondered how far they could go, since the Constitution gives states an especially pivotal role in regulating booze.

The two-year residence requirement is being challenged by a literal mom and pop who moved to Memphis to own a liquor store, as well as by retail giant Total Wine, which is based in Maryland.

The oral argument, coincidentally, was held on the 100th anniversary of the ratification of the 18th Amendment, which banned the nationwide sale of alcohol from 1920 to 1933. ***(READ MORE... for the full article contact MPSA.)***

Post-Prohibition, alcohol regulation still makes sense

Source: <https://www.washingtonpost.com/>

By Letters to the Editor

January 21

The Jan. 17 Politics & the Nation article "Justices appear skeptical of Tennessee liquor store owner residency rules ," about a Tennessee " liquor case" before the Supreme Court, neglected the important public-health issues at stake. If the court examines this case solely through an economic lens, alcohol's long-known impact on health is at risk of being overlooked to our collective detriment.

Alcohol is qualitatively different from other consumer products. Excessive use of alcohol triggers a host of serious public-health harms and costs, as well as increased rates of crime, violence, --- ual assault and poverty. Excessive alcohol consumption is the third-leading preventable cause of death and is responsible for approximately 88,000 deaths (including 4,300?deaths among underage youths) annually in the United States.

(READ MORE... for the full article contact MPSA office.)

Cannabis Business Booms But That Does Not Mean A Beverage Alcohol Bust

Source: Forbes

Thomas Pellechia

January 15, 2019

"Every single licensed cannabis retail location could be the nucleus of a specialty store chain that could dominate its local market, its state, or potentially a sizable chunk of the overall North American, or even worldwide, market."

That grand quote from chief editor Tom Adams opened a 2018 Cannabis Intelligence Briefing (CIB) report jointly produced by Arcview Market Research and BDS Analytics. Adams referred to the report as "Cannabis Retail: the \$23-Billion Opportunity"



The first and most glaring chunk of information in the 2018 report was that cannabis retailing had already begun to morph from a single-storefront business into specialty chain opportunities. The latest CIB, released January 15, 2019, confirms much of last year's predictions.
(READ MORE... for the full article contact MPSA office.)

Massachusetts court rules police can arrest you on drugged driving charges based solely on their observations

Updated Jan 14, 5:01 PM; Posted Jan 14, 5:01 PM
By Scott J. Croteau | scroteau@masslive.com

Police in Massachusetts can still arrest people for driving under the influence of marijuana if the officer observes signs of use. The state Supreme Judicial Court made that finding in a ruling issued Monday as more and more retail marijuana shops pop up across Massachusetts.

The ruling involved Mark J. Davis, a man who was arrested July 2015 on the Massachusetts Turnpike after he was pulled over by Massachusetts State Police. Troopers pulled over Davis as he sped along the highway at 80 mph and tailgated other cars, the ruling states. Davis was driving and had two people inside the car. The trooper detected a "strong odor of burnt marijuana and an odor of fresh marijuana" inside the car, according to the ruling. Davis also smelled like pot.
(READ MORE... for the full article contact MPSA office.)

Redefining Wine Shop Design, Inside and Out

These modern wine shops create an experience for customers through innovative design, a welcoming atmosphere and a curated selection of labels.

Source: <https://www.winemag.com/>

BY ANNA ARCHIBALD

January 13, 2019



Crowded displays of wooden crates, narrow aisles lined with bottles, dim lighting-wine shops aren't usually beacons of contemporary style. While vintage bottles may represent history, they don't need to be sold in surroundings that resemble stuffy museums. Shop owners from coast to coast are increasingly embracing modern design to be more approachable to their customers.

These wine shops are not only known for their curated selection of labels, but are also reinventing wine retail style.

Crush Wine & Spirits, New York City

Robert Schagrin had a vision when he opened Crush Wine & Spirits with two of his friends, restaurateur Drew Nieporent and real estate developer Josh Guberman, in 2005.

(READ MORE... for the full article contact MPSA office.)

ALCOHOL MARKETERS FACE SOBERING TIMES AS MODERATION TREND GROWS

Source: <https://adage.com/>

By E.J. Schultz

January 22, 2019

Lindsay Flegge normally goes out for drinks four times a week. "Margaritas are my favorite," says the 30-year-old suburban Indianapolis resident. But she hasn't had the tequila cocktail, or a drop of any other kind of alcohol, all month. "It's basically just to give my body a rest. I think we all know it's not good to be drinking alcohol all the time," she says.

Flegge is one of countless people partaking in Dry January, a one-month post-holiday abstinence movement that quietly began seven years ago in the U.K. This year the trend reached a tipping point in the U.S., spreading via word of mouth and mainstream media coverage.

While Dry January only lasts 31 days, there are signs that a more sweeping and permanent moderation movement is taking root among millennials. **(READ MORE... for the full article please contact the MPSA office.)**

What Does Your Experience Mod Say About You?

Keeping your experience modification factor low to reduce costs



You might have thought the days of being graded were over when you left school, but that's not the case. As an employer, you always have a number that represents your safety record based on your claims history. The industry average is one, so you have a number below one if you're paying less in claims than the average, and your number is more than one if you pay more. This number is your experience modification factor (commonly called the "experience mod").

(READ MORE... for the full article please contact the MPSA office.)

Expect To See Canned Wine Almost Everywhere In 2019

Source: <https://www.forbes.com/>

Jeanette Hurt

December 17, 2018

Expect to see more wines in cans in 2019, with cans showing up in more places than ever before.

Will canned wine eventually replace bottles?

WineSociety company co-founder and CEO Angela Allison thinks it's a definite possibility - so much that she founded a cans-only wine company. "I think it could definitely grow to be 30 percent of the category within five years," Allison says. **(READ MORE... for the full article contact MPSA office.)**

This Month's Advertiser
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Extensive Liquor Industry Expertise
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Call or email Buddy Carp at

508-446-4280

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www.squizzero.com

Welcome New 2019 Associate Member!



AMERICAN
CRAFT BRANDS

We are pleased to welcome our newest Associate Member, **American Craft Brands**. As with all Associate Member companies, we ask that you take a look at their services and please support those businesses that support your association. To learn more about American Craft Brands, visit their website: www.americancraftbrands.com

REMiNDER



2019 DUES REMINDER AND UPDATED MAILING ADDRESS

Your 2019 Membership Invoices have been mailed. We remind you that when mailing in your payment, the MassPack office is now located in Westborough. Please update your records with the address below.

**MA PACKAGE STORES ASSOCIATION
30 LYMAN ST., SUITE 2
WESTBOROUGH, MA 01581**

IMPORTANT DATES TO REMEMBER

February 27th - MassPack Membership Meeting at The Doubletree, Westborough

Look for an invitation in your email early next month with more information, including important topics of discussion.

March 24-26th - ABL Meeting

Retail Beverage Licensees Will Explore "The Challenge of Change" in Las Vegas on .
[FOR MORE INFORMATION](#)

May 8th – BEER, WINE & SPIRITS INDUSTRY EXPERIENCE at Lombardo's, Randolph

Special Guest(s) and Event Theme to be announced in the Spring.

Once again, we remind you if you are receiving this News & Trends by standard mail, you may be missing out on other timely information being sent by email. Please contact Robyn Seymour at 508-366-1100 so that we can update your email address on file.



MASSACHUSETTS PACKAGE STORES ASSOCIATION

**We acknowledge those suppliers who have shown their support
for the package store industry in Massachusetts by becoming...**

2018 ASSOCIATE MEMBERS

3 x 3 Insights	J Polep Distribution
Abacus Distributing LLC	Latitude Beverage Co.
Alberta Payments	Lemate of New England, Inc.
American Craft Brands	Martignetti Companies
American Insulated Panel Co.	MA Beverage Business Journal
Anheuser Busch, Inc.	Merrimack Valley Distributing
Association Members Insurance	Miller Coors
Atlantic Beverage Distributors	Mpower Beverage Software
Atlas Distributing, Inc.	M.S. Walker, Inc.
Bacardi USA	Narragansett Brewing Co
BayState Business Brokers	National Refrigeration Management.
Baystate Wine Co. Inc.	Payment Alliance International
Black Lab Alarm, Inc.	PC Solutions
Burke Distributing Corp.	POS Advisors LLC
Carolina Wine & Spirits	Protastings Quality
Charles River Wine Co.	Beverage Ltd. Retail
CheckWriters Payroll	Control Systems Ruby
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Distilled Spirits Council	Treasury Wine Estates
Drync	Tri Wine Company
ENVIPCO	Truro Vineyards of Cape Cod
First Data	Turn-Key Distrib. Systems
Forbes Snyder - dba Advanced Business solutions	United Liquors WB
FraudFighter	Mason Co., Inc.
George & Co. Business Brokers	Westborough Books Inc. White
Harold Levinson Associates	Lion Brewing
Horizon Beverage Co.	Williams Distributing Co.
HUB International NE	Winebow Boston
Intellicheck ID	Yiannis Distributing

Please support those businesses that support your association. For more information on any of the above businesses, visit the Associate Directory in the 'Members Only' section of the website.

THANK YOU FOR YOUR SUPPORT!