



RHODE ISLAND LIQUOR OPERATORS COLLABORATIVE

REPRESENTING RHODE ISLAND'S INDEPENDENT LIQUOR RETAILERS

H5885 - OPPOSE

3 April 2025

Dear Chairwoman McEntee and Committee Members:

The Rhode Island Liquor Operators Collaborative opposes House Bill 5885.

Rhode Island's Class A Alcohol Retailers come in all shapes and sizes and specialize in different areas of the liquor retail industry. The passage of this bill would severely harm the many Class A Retailers who have focused a significant portion of their business on servicing Class P Licensees, or caterers. One such Class A Licensee, Allen's Wine & Spirits in Portsmouth, RI, has gone on record stating that servicing Class P Licensees equated to nearly 20% of his total business. The passage of such legislation would severely damage Allen's and other businesses just like it.

In the current system, Class A Licensees shoulder many of the costs associated with ordering, receiving, storing and processing excess product. Many Class A Licensees deliver the product to Class P Licensees, as well as take back excess product. Class A Licensees that focus on Class P Licensees emphasize service and add value to Class P Licensees. Furthermore, Class A Licensees compete with each other for Class P Licensees business, ensuring that Class P Licensees get charged fair, competitive prices.

Currently, there are about 70 Class P Licenses issued by the State of Rhode Island. Of those, a vast minority of these Licensees are solely in the catering business. Most Class P Licensees are also in the Restaurant business as Class B Licensees.

When the Class P License was created, the agreement, at the time, was to require Class P Licensees to purchase the alcohol from Class A Licensees. All parties, including both Class A and P Licensees, were at the negotiating table when the license was created. The Class P License was created solely as a way for caterers to secure liquor liability insurance, which is essential for their businesses.

Class A Licensees, who have worked for years to cultivate business by servicing Class P Licensees, would be severely harmed if this legislation moves forward.

Sincerely,

A handwritten signature in black ink, appearing to read "Nicholas A. Fede, Jr.", written in a cursive style.

Nicholas A. Fede, Jr.

Executive Director

Rhode Island Liquor Operators Collaborative