April 3, 2025 March 11, 2019

Honorable Carol McEntee. Chairperson House Small Business Committee State of Rhode Island House of Representatives 82 Smith Street Providence, RI 02903

Dear Chairperson McEntee and Members of the Committee.

I write to you in support of H-5885, which would allow catering companies in the State of Rhode Island that hold a Class P license to purchase alcoholic beverages from a retail establishment as well as a wholesaler.

This year, McGrath Clambakes, Inc. will celebrate it's 56th year in business. The catering business was founded by my parents in 1969. I have owned and operated the business since the year 2000, just beginning my 25th year of ownership.

During the 80's and 90's, my parents, along with the RI Hospitality Association, worked tirelessly, and unfortunately without success, to advance legislation that would grant Caterers a DBR issued liquor license. I continued to work on this issue with RIHA until it was passed in the early 2000's. When the Class P was finally approved by the Rhode Island General Assembly, there was a provision that Caterers must only buy from retail establishments.

As much as the 3 Tier system is the standing in Rhode Island, the provision in the Class P license to buy through retail stores, in essence makes a Class P license holder act under a 4 Tier system. The 3 Tier system protects the end user. Make no mistake about it; a caterer is a service provider, our customers are the end users, and there is no justifiable reason that Class P license holders should not be allowed to buy wholesale. At McGrath Clambakes we purchase every product besides alcoholic beverages directly from a wholesaler. My lobsters are delivered to my kitchen from a wholesaler in Point Judith, my paper products are delivered from a wholesaler in Middletown, fresh bread, produce, you name it and I can buy it on a wholesale account.

Over the years I have testified in front of numerous Senate and House committees in an effort to let Class P caterers purchase alcoholic beverages from wholesalers. Class P caterers are the only liquor license holders in the State that are not allowed to purchase from a wholesaler. Indeed, if a local church were to host a bingo night or bazaar, they can obtain a one-day Class F liquor license from their local municipality and buy alcoholic beverages from a wholesaler. Additionally, caterers do not just compete for business with other caterers. We compete for business with Hotels, Country Clubs, Banquet Halls, Restaurants, and other facilities that have in-house food and beverage capabilities – all of which can buy wholesale under their licenses. This puts caterers at a competitive disadvantage when bidding against these facilities.

There is no reason that catering companies in the State of Rhode Island should be treated differently than every other business in the hospitality industry, saddling them with undue expense by purchasing thru what amounts to just a middle man. My parents waited over 30 years to see the Class P license come to fruition. As I enter the 20th year of owning and operating McGrath Clambakes, Inc., my hope is that I will not have to wait another 30 years to see Class P licenses holders treated the same as other businesses in this State.

For these reasons, I respectfully ask that you support H-5885.

Thank you for your attention.

T.R. McGrath, President McGrath Clambakes, Inc.