



Maine State Senate President, The Honorable Michael Thibodeau

3 State House Station

Augusta, Maine 04333

May 15, 2017

Dear President Thibodeau:

My name is Mark Brown and I am the CEO of the Sazerac Company. Presently, we proudly own and operate the Sazerac of Maine facility in Lewiston, Maine. I would like to express our opposition to LD 56. Sazerac employs 130 people at our Boston Brands Lewiston facility, formerly known as the White Rock distillery. The average salary there is \$50,000.00

Our Boston Brands of Maine facility finishes and bottles Fireball whiskey, including bottling Fireball in 50-milliliter bottles otherwise known as "nips." This homegrown product has created numerous jobs that LD 56 is now attempting to target and inadvertently diminish. In fact, the sale of Fireball 50ml bottles account for roughly 50% of all "nip" sales in Maine.

Like you, we are concerned about the apparent littering problem as it pertains to the 50 mls. In fact, in the spirit of being a good corporate citizen, we reached a compromise with Senator Tom Saviello. Under that compromise, we concluded that we could incorporate the 5 cent deposit into our costs without passing it on to the consumer and without negatively impacting any of the 130 jobs in Lewiston. Unfortunately, the situation in Augusta has changed and it has caused us to reevaluate our position.

When we first heard that Governor LePage might delist 50 mls if LD 56 passed, we became concerned about its impact on our operations in Maine. I have since confirmed with the Governor that his position on delisting is very real. While we could have lived with a 5 cent redemption sticker if the state really thought that would solve the littering problem, we can no longer support the legislation while under the threat of having 50 mls delisted. Such a move would be detrimental to the state's finances as this is one of the fastest growing sectors in Maine. In fact, at present growth rates, 50mls of spirits will eventually generate \$8.4 million dollars a year for the state, and become a 200,000 case business. That equates to 15% of the state's sale of spirits.

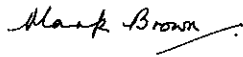
Not only would the state lose the profits from the sale of the products, it would also shift business to neighboring states who would certainly see their sales of 50 mls rise. It would negatively impact the

finances of Maine corporate resident Sazerac, the largest producer of 50 mls in Maine. As a result, we cannot support LD 56 or any other legislation that would have such a drastic impact on our company and our employees

Sazerac is an American, independent and family-owned company. We are the largest distiller in the United States and the fifth largest in the world. We presently have 2,200 employees and have operations in Kentucky, Louisiana, South Carolina, Virginia, California, Maryland, New Hampshire and Maine. Over the last 35 years, we have doubled in size every five years. We are proud to be on this journey with Maine as our partner, unfortunately we see LD 56 as a threat to the goodwill we have come to expect from our relationship. We urge you to help defeat this issue.

If you or your colleagues have any questions regarding our position or our operations in Lewiston, please feel free to reach out to me directly at [mbrown@sazerac.com](mailto:mbrown@sazerac.com). My number is 502. 696-5978 or call our Jason Underwood at 502.376.3100. Thank you for letting us register our concerns and we look forward to moving forward and growing our business in Maine.

Respectfully,

A handwritten signature in cursive script that reads "Mark Brown". The signature is written in black ink and is positioned above the typed name and title.

Mark Brown

CEO, Sazerac