

From Arash Tafakor:

I have been in business with the Montgomery County Department of Liquor Control for over 10 years. Ran my father's business in Bethesda, Georgetown Square Wine and Beer and opened up Downtown Crown Wine and Beer in Gaithersburg.

The business environment when it comes to on and off sale of alcohol in Montgomery County is severely broken and has been for decades. There's a reason why Montgomery County does not have new restaurants with celebrity chefs or new good bottle shops opening up. That reason is very simple. The business environment the DLC has created makes it impossible for small businesses to open up and thrive. It is an unfair pure monopoly that cannot handle the rapidly changing alcohol industry. Private wholesalers have hundreds of products and manage those products based on consumer demand and warehouse operations. DLC is literally trying to manage/deliver every private wholesaler's products. That is impossible. It's hard for just one wholesaler to deal with what is on their plate. Imagine a wholesaler that has hundreds of thousands of products. It does not work. Changes need to be made.

DLC has made significant changes in the past few months. Most changes are made to make DLC a bigger entity. They're going to make money for themselves and are going to slowly drive private retailers out of business. They recently increased our prices on special order wines over 18 dollars wholesale. This already has had an adverse effect on our business. People are buying their wine and beer across Montgomery County's borders in droves.

The solution is simple. It lets the DLC operate its stores and keeps giving money into the county general fund. It requires a couple changes in wholesale operations.

1. Let wholesalers deliver wine and beer directly to off premise stores and on premise restaurants. DLC has shown failure time and time again in delivery of products that are our lifeline to run a business. Their pricing is incorrect and often over charge licensees.
2. DLC keeps their stores, keeps the monopoly of the distribution and sale of liquor. To consumers and restaurants. Along with the sale of liquor they can sell wine and beer as well. They will still have an advantage against private retailers but not as much, evens the playing field a little bit.
3. Charge a fee similar to the Maryland excise tax on alcohol. Either a fee per gallon on wine and beer or a fee per case of beer or wine (kegs have case equivalents and fee can be determined based on keg size). DLC has to pay the same fee as well. The proceeds of this fee will go straight to the Montgomery County's general fund. The amount of money that will generated will be pure profit. There will be no overhead of warehousing, delivering and labor. Wholesalers will be responsible for charging and paying the fee to the county. They will pass on the fee to licensees obviously.
4. Do not issue off premise licenses to any premise over 5,000 square feet. This will insure the survival of the profit generating DLC stores. If a big box alcohol store opens in the county, it will put the DLC stores out of business well as the existing private retailers.

I believe this is a common sense approach that should most everyone happy. It will not eliminate DLC but it will even the playing field a little bit. DLC keeps its profit generating stores as long as keep the monopoly and delivery of liquor. It will keep money flowing into the county's general fund and will also save the county millions in the cost of warehousing, delivering and labor. DLC will still be responsible for issuing licenses, yearly fees of licenses and regulation of alcohol rules.

I have taken the time to calculate the amount of money this would generate based on what kind of fee the county would choose. I will share that if this proposal gets any further