September 22, 2022

Dear Members of Congress:

We write to respectfully request that you cosponsor the United States Postal Service (USPS) Shipping Equity Act (H.R. 3287/S. 1663) to allow breweries, distilleries, wineries, cideries, and meaderies to utilize the USPS to ship products to consumers where state laws permit it.

Breweries, distilleries, wineries, cideries, and meaderies operate in every state and congressional district and are critical partners to our country's tourism, hospitality, and manufacturing industries. Using barley, wheat, corn, hops, rye, grapes, apples, and honey, as well as other grains, fruits, and botanicals in products, the sector is integrally linked to our nation's agriculture sector.

Over the past few years, adult consumers have become increasingly interested in having their favorite products delivered directly to their door. This legislation would enable the USPS to participate in an existing marketplace alongside private sector carriers and generate an estimated \$190 million annually in new revenue.

As you review the legislation, please consider the following:

- **Beverage alcohol shipping occurs today in much of the country**. The Supreme Court case *Granholm vs. Heald* (2005) led to the expansion of direct-to-consumer wine shipping and the shipping of other types of beverage alcohol. Now, more states are considering legislation to allow adult consumers to ship beverage alcohol to their homes. Today, 47 states allow direct-to-consumer shipping of wine; 11 states allow direct-to-consumer shipping of spirits; and 13 states allow direct-to-consumer shipping of beer. (The District of Columbia allows for direct-to-consumer shipping of wine, spirits, and beer.) Yet, today, only private carriers can ship these products. Providing the USPS the ability to ship beverage alcohol products where legal would enable them to compete effectively in the modern marketplace.
- The beverage alcohol industry is heavily regulated and would remain so with the passage of the USPS Shipping Equity Act. The Alcohol and Tobacco Tax and Trade Bureau (TTB) carries out provisions of the Federal Alcohol Administration Act by approving labels and formulas, collecting federal excise tax, and enforcing regulations. The USPS Shipping Equity Act includes provisions to ensure that beverage alcohol producers may only ship to eligible consumers. The products shipped are subject to the same rigorous standards as any other beverage alcohol product currently on the market.
- The USPS Shipping Equity Act does not make any changes to federal excise tax collection nor does it inhibit state or local authority in regulating beverage alcohol.
- **Beverage alcohol shipping is shown to be safe and secure.** Beverage alcohol producers are responsible for age-gating on websites, noting with a clear label that the box contains alcohol, and identifying and paying for a shipping method that includes ID check. Like private carriers, the USPS has systems in place to verify restricted delivery to adult consumers. We, the undersigned groups, continue to strongly support the inclusion of language in the USPS Shipping Equity Act to require identification checks at point of delivery. Additionally:

- In 2003, a Federal Trade Commission <u>staff report</u> found: "The states that permit interstate direct shipping generally report few or no problems with shipments to minors."
- In 2022, R Street Institute conducted <u>an analysis</u> on underage drinking and alcohol delivery. They noted: "In the end, this data demonstrates that there is no discernible connection between [direct-to-consumer] wine shipping and enhanced underage drinking rates."
- The USPS Shipping Equity Act affirms the preeminence of state, local, and tribal law regarding the delivery, shipment, and sale of beverage alcohol and addresses liability. The legislation includes language to make clear that a state, local, or tribal government may take action against the USPS for a violation of a state, locality, or tribe, respectively, regarding the sale, mailing, transportation, or importation of beverage alcohol. The legislation further specifies that the USPS "shall be liable in the same manner and to the same extent as a private individual under like circumstances."

We encourage you to support this important piece of legislation that will allow for consumer choice, support businesses across the country that have suffered during the pandemic, create a new revenue stream for the USPS, and allow USPS to compete in the marketplace more effectively.

For more information or to add your office as a cosponsor to the USPS Shipping Equity Act (H.R. 3287/S. 1663), please reach out to: Eliazar Chacha (Eliazar.Chacha@mail.house.gov) in Rep. Speier (D-CA)'s office, Travis Martinez (Travis.Martinez@mail.house.gov) in Rep. Newhouse (R-WA)'s office, or Matthew Traylor (Matthew Traylor@merkley.senate.gov) in Sen. Merkley (D-OR)'s office.

Thank you for your consideration. Please don't hesitate to reach out if any of our organizations can be a resource on this issue.

American Cider Association American Craft Spirits Association American Distilling Institute American Mead Makers Association American Postal Workers Union American Single Malt Whiskey Commission American Wine Society **Brewers Association** Distilled Spirits Council of the United States National Active and Retired Federal Employees Association (NARFE) National Association of Letter Carriers National Association of Postal Supervisors National Association of Wine Retailers National Postal Mail Handlers Union National Rural Letter Carriers' Association United Postmasters and Managers of America USApple WineAmerica

Alabama Brewers Guild Arizona Craft Brewers Guild Arizona Craft Distillers Guild Arizona Craft Producers Association Arizona Wine Growers Association Arkansas Brewers Guild Arkansas Distillers Guild Brewers Association of Maryland Brewers Guild of Alaska Brewers Guild of New Jersey Brewers of Indiana Guild Brewers of Pennsylvania California Artisanal Distillers Guild California Craft Brewers Association Colorado Brewers Guild Colorado Distillers Guild **Connecticut Brewers Guild Connecticut Spirits Trail** DC Brewers' Guild **Delaware Brewers Guild** Distillers Association of North Carolina Distillers Guild of Alaska Distillers of San Luis Obispo County Family Winemakers of California Finger Lakes Wine Alliance Florida Brewers Guild Florida Craft Spirits Association Garden State Wine Growers Association Georgia Craft Brewers Guild Georgia Distillers Association Idaho Brewers United Idaho Distillers Association Idaho Grape Growers and Wine Producers Commission Illinois Craft Brewers Guild Illinois Craft Distillers Association Illinois Grape Growers and Vintners Alliance Indiana Winery & Vineyard Association Iowa Brewers Guild Iowa Distillers Alliance Louisiana Craft Brewers Guild Louisiana Distillers Guild Maine Distiller's Guild Maryland Distillers Guild Maryland Wineries Association Massachusetts Brewers Guild Michigan Cider Association Michigan Craft Distillers Association Michigan Wine Collaborative Minnesota Craft Brewers Guild

Missouri Craft Brewers Guild Missouri Craft Distillers Guild Missouri Wine and Grape Board Montana Brewers Association Montana Distillers Guild Montana Grape and Wine Association Nebraska Craft Brewers Guild Nebraska Winery and Grape Growers Association Nevada Craft Brewers Association New Hampshire Brewers Association New Jersey Craft Distillers Guild New Mexico Distiller's Guild New Mexico Wine & Grape Growers Association New Mexico Winegrowers Association New York Cider Association New York State Brewers Association New York State Distillers Guild New York Wine Policy Institute North Carolina Cider Association North Carolina Wine and Grape Council North Dakota Brewers Guild **Ohio Craft Brewers Association** Ohio Distiller's Guild **Ohio Wine Producers Association** Oregon Brewers Guild **Oregon Wine Council Oregon Winegrowers Association** Seneca Lake Winery Association South Carolina Brewers Guild South Carolina Craft Distillers Guild South Dakota Craft Brewers Guild **Tennessee Distillers Guild** Tennessee Farm Winegrowers Alliance Texas Craft Brewers Guild Texas Wine and Grape Growers Association Utah Brewers Guild Vermont Brewers Association Virginia Distillers Association Virginia Wineries Association Washington Brewers Guild Washington Distillers Guild Washington Wine Institute Washington Winegrowers Association