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

U.S. Apple Association

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

Northwest Cider Association

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