June 23, 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 agricultural, tourism, hospitality, and manufacturing industries. 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 this 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 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.

Sincerely,

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

WineAmerica