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March 20, 2020

The President
The White House
1600 Pennsylvania Ave, NW
Washington, DC 20500

The Honorable Nancy Pelosi
The Speaker of the House of Representatives
United States Capitol
Washington, DC 20515

The Honorable Mitch McConnell
Majority Leader
United States Senate
Washington, DC 20510

RE: Responsible and Safe Alcohol Sales Are Essential During COVID-19

Mr. President, Speaker Pelosi, and Majority Leader McConnell:

Thank you for your leadership and efforts to keep the country safe during these uncertain times. The Wine and Spirits Wholesalers of America¹ (WSWA) and our nearly 400 wholesaler member companies share your commitment to protecting the health and welfare of every citizen as the COVID-19 pandemic grips the country.

Every day, 88,000 American wholesaler employees across the country earning \$7.4 billion in wages -- from warehouse workers and truck drivers, to marketing and sales professionals -- show up to work to deliver the widest variety of alcohol products found anywhere in the world to consumers everywhere in a manner that is safe, transparent, well-regulated, and efficiently taxed. Alcohol sales generate almost \$6 billion in federal excise tax collection and contribute more than \$43 billion in consumer and business taxes.

Almost overnight, however, the industry has been turned upside down causing market disruption and unpredictability we have not seen since the repeal of Prohibition. Mass restaurant, hotel,

¹ WSWA is the national trade association representing the distributor tier of the wine and spirits industry. Our members operate in all 50 states and the District of Columbia and distribute over 80 percent of the nation's wine and spirits.



casino, and bar closures, self-quarantine and social distancing policies, and the canceling of major sporting and entertainment events nationwide threaten to shutter the legal alcohol industry.

To continue to promote the safest and most transparent alcohol marketplace in the world and avoid turning the clock back to darker times in American history, I urge all lawmakers and regulators to consider best practices in retail alcohol sales that will benefit states, consumers, and businesses -- while protecting against the emergence of an illegal marketplace.

The following letter outlines the public health and safety threats, as well as economic disruption, which could arise due to the closure of off-premise alcohol locations, including the increased likelihood of consumers traveling to find open stores, emergence of counterfeit and black-market products, and loss of jobs and critical government tax revenue.

Instead WSWA, proposes:

- Permitting curbside pickup of orders placed online with a retailer.
- Allowing retailer employees over 21 years of age to deliver alcohol to customers from off-premise locations after checking the customer's identification.
- Enabling restaurants to offer alcohol along with food orders for takeout or delivery.

During this time of heightened health risks, it is of the utmost importance that governments regulate their alcohol supply chains pragmatically. Availability of product from licensed liquor stores is essential to this task.

WSWA is ready to offer more extensive guidance, if desired, regarding practices that will ensure public safety is prioritized, market needs are met, jobs are secure, and black market or unlicensed liquor sales are not given the opportunity to thrive.

Thank you for your time and attention to this matter.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Michelle L. Korsmo'.

Michelle L. Korsmo
President and CEO
Wine & Spirits Wholesalers of America



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RE: Responsible Alcohol Sales are Essential during COVID-19

Dear Governor,

The safety of the nation's 88,000 wholesaler employees and their families, along with our local communities, consumers, and business partners during this COVID-19 pandemic are the top priority for the Wine & Spirits Wholesalers of America¹ (WSWA) and our more than 370 family-owned wholesaler members.

The alcohol industry and the many jobs it supports are feeling the grave impact of COVID-19 – effects that will only grow more severe. As states implement social distancing policies and consider sweeping closures of retailers, including restaurants and bars, we urge you and your fellow leaders to consider best practices in retail alcohol sales that will benefit states, consumers, and businesses – while protecting against the emergence of illegal marketplaces.

Maintaining uniformity by keeping off-premise alcohol retailers (like wine and liquor stores) open for sales to consumers is extremely important during this time.

- If closures of these stores across localities or states occur inconsistently, there is an increased chance that people will **travel** interstate or among localities to find an open store with available supply, increasing risk of spread among communities. We urge you consider these stores “essential”.
- Access to local, legal alcohol has been essential in the fight against illegal and unsafe alcohol marketplaces in the United States. Closing down regulated stores for consumers to access alcohol will likely encourage black market activity – specifically, illicit products and illegal, unlicensed, and untraceable sales and shipments from unknown locations to consumers. Products from illegal sources can be extremely hazardous to consumers' health.

The alcohol industry accounts for 2.5 million jobs nationally, from manufacturers to wholesalers, to retail employees. The federal government collects \$5.7 billion in excise taxes annually from the industry, while state and local governments collect \$43.6 billion in consumer and business taxes. This revenue pays for a variety of expenses, including maintaining the health and safety of citizens.

Governments rely on these tax dollars, and a well-regulated marketplace to collect them.



Under the current circumstances, which present serious challenges, we offer the following safe and responsible solutions. Specifically, instead of closing alcohol retailers, states could:

- Permit **curbside pickup** of orders placed online with a retailer or enact provisions to allow curbside pickup during the COVID-19 pandemic.
- Allow retailer employees over 21 years of age to **deliver alcohol** to customers from off-premise locations after checking the customer's identification.
- **Enable restaurants to offer alcohol along with food orders for takeout or delivery.** For example, allow consumers to bundle their food and alcohol purchases into a single transaction when ordering.
 - *If a state allows third party vendors to deliver alcohol, these vendors should be vetted by regulators and held to the same standards as retail licensees when it comes to ensuring recipients are of legal drinking age and that the alcohol is being delivered in compliance with state and local laws.*

During this time of increased health risks, it is of the utmost importance that states govern their alcohol supply chains closely. Availability of product from licensed liquor stores is essential to this task.

WSWA is ready to offer more extensive guidance, if desired, regarding practices that will ensure market needs are met, jobs are secure, and black market / unlicensed liquor sales are not given an avenue to thrive. Public health and safety is a priority for alcohol wholesalers at all times and in today's marketplace these concerns remain our focus.

We thank you for your time and attention to this matter. We remain available at any time to discuss further.

Sincerely,

A handwritten signature in black ink, appearing to read 'Michelle L. Korsmo'.

Michelle L. Korsmo
President and CEO
Wine & Spirits Wholesalers of America