



January 22, 2022

Re: HB 591, An act relating to a direct-to-consumer spirits shipping license.

Dear Chair Stevens and Committee Members:

On behalf of the Wine and Spirits Wholesalers of America¹ (WSWA), whose members include wine and spirit wholesalers and brokers large and small across America, we respectfully submit these comments in opposition to HB 591 which would authorize in- and out-of-state spirits manufacturers to ship their products directly to Vermont consumers.

HB 591 would harm Vermont's distillers and retailers.

HB 591 would not benefit Vermont's in-state distillers. Vermont's distilleries can already ship their spirits to states that permit direct-to-consumer (DTC) shipments. Instead, the large spirit companies that have the infrastructure and can afford to ship across the country will take sales away from Vermont's distillers and Vermont's agency stores.

HB 591 would increase underage access.

The shipment of alcohol directly to consumers' houses increases the likelihood of underage access as there is little to no oversight of the final delivery of the product by a common carrier. A study by the Journal of Pediatrics and Adolescent Medicine found that 45 percent of alcohol orders placed by underage purchasers were successfully received.² Additionally, "age verification at delivery was inconsistently conducted and, when attempted, failed about half the time." Only 11 percent of online alcohol purchase attempts made by underage buyers were rejected.

In an investigation into DTC shipments in [Kansas](#), two shipments were delivered to underage individuals. In fact, one box of liquor was handed to a 7-year-old. In [Maine](#), a local retailer testified that a shipment of spirits was handed to his five-year-old "with no signature." Moreover, nothing in HB 591 would prohibit a common carrier from delivering a package of spirits to one of Vermont's 22 college campuses.

¹ WSWA is the trade association that represents wine and spirits wholesalers large and small across America. Founded in 1943, WSWA includes more than 350 member companies in 50 states and the District of Columbia. Our members distribute more than 80 percent of all wines and spirits sold at wholesale in the United States. Across the country wholesalers employ approximately 87,000 people who receive nearly \$7.5 billion in wages annually.

² <https://jamanetwork.com/journals/jamapediatrics/fullarticle/1149402>.



HB 591 circumvents Vermont's current regulatory system.

The direct shipment of alcohol circumvents Vermont's regulatory control over all spirits entering the state and the sale and distribution of those spirits to consumers—a system that has successfully balanced consumer health and safety with access for over 80 years. Shipments from the country's 4,126 distilleries would limit Vermont's regulators' ability to ensure taxes are properly collected, IDs are checked, and illicit alcohol is not getting into the hands of consumers. Vermont's nine enforcement agents would be completely overwhelmed if they become responsible for hundreds of out-of-state distilleries holding Vermont shipping licenses, putting Vermont consumers at risk.

We respectfully request that you oppose HB 591.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Chelsea Crucitti', is written in a cursive style.

Chelsea Crucitti
Senior Director, State Affairs
Wine & Spirits Wholesalers of America