

Federal Preemption: Alcohol Shipping through the U.S. Postal Service (USPS)

The 21st Amendment to the U.S. Constitution grants states clear authority to regulate the manufacture, sale, and distribution of alcohol within their respective borders. This allows states to establish an alcohol regulatory framework that appropriately balances the demands of the marketplace with consumer protection, revenue collection, and public safety concerns, including the improper sale, mishandling, misuse, and abuse of alcohol.

Legislation to allow the USPS to ship beverage alcohol undermines nearly 90 years of well-established state alcohol regulatory authority while threatening the public health and safety benefits fundamental to the current alcohol regulatory structure. Past legislation failed to recognize each state's constitutional authority to enforce its alcohol laws against the industry and a state's ability to differentiate between beer, wine, and distilled spirits. Such proposals could compromise the ability of states to effectively oversee the alcohol industry and marketplace by preempting state alcohol laws.

NBWA Key Priorities:

- **Marketplace and Consumer Protections:** The current system of alcohol regulation exists to safeguard the American public and marketplace. Allowing the shipping of alcohol through unregulated channels could have severe consequences, including opening the market to potentially counterfeit or tainted foreign-sourced alcohol and creating easier access to alcohol for underage consumers.
- **Current Law Creates Accountability:** There is a chain-of-custody for all alcohol sold in the United States; a supplier (brewer, distiller, vintner, or importer) sells to a licensed distributor who can only sell to a licensed retailer.
- **Successful State-Based System of Alcohol Regulation:** As a result of the passage of the 21st Amendment, there are 50 different state regulatory regimes for alcohol sales that are determined by state legislatures and are reflective of the attitudes of their citizens. In some states, common carriers can deliver alcohol but are required to follow established protocols that comply with state law. Additionally, state regulators lack the jurisdictional authority over the federal USPS to properly enforce these established protocols that protect public health and safety. These include age verification, appropriate revenue collection, license revocation, and product safety.
- **Alcohol Excise Tax Collection:** The alcohol industry collectively contributes over \$20 billion in annual tax revenue to state and local governments for sales and excise taxes on beverage alcohol. Past legislation failed to recognize this and risks forfeiting the collection and remittance of necessary state and local taxes.

NBWA Encourages Congress to:

- ✓ Oppose legislative proposals that undermine the crucial role of the state and federal system of alcohol regulation in safeguarding the public and disregard the work by state and local regulatory agencies to create a system of industry accountability.
- ✓ Oppose efforts to allow the USPS to ship alcohol and support the current system of alcohol regulation that protects the American public.