

Alcohol Regulation in the U.S.

America's unique history with alcohol has helped shape the U.S. system of alcohol regulation we know today. This history includes Prohibition, which started with the adoption of the 18th Amendment to the U.S. Constitution in 1920 and was nullified by the ratification of the 21st Amendment in 1933. The U.S. system of alcohol regulation has continued to evolve and adapt throughout the nearly 90 years since the passage of the 21st Amendment, which delegated primary regulatory authority of alcohol to the states.

American consumers benefit from this system that works to protect public health and safety and has helped facilitate unprecedented consumer choice. **A key component of this regulatory structure is a robust system of open and independent distribution.**

Unlike many foreign alcohol markets, which can be riddled with tainted and unsafe products, America's system of distribution and regulation ensures consumers can be confident in the products they consume. This system requires a clear chain-of-custody for alcohol products and a separation between licensed and regulated suppliers, distributors, and retailers (the three-tier system) – thereby creating several checks and balances to ensure that unlicensed or illegally sourced products do not reach American consumers.

This open and independent distribution system has also helped foster tremendous growth within the craft beer segment and is essential to competition within the beer marketplace. In the 1980s, there were fewer than 50 breweries in the U.S. Today, there are over 12,000. The U.S. system of independent distribution has allowed countless new breweries and products – from imports to crafts to seltzers – to grow in response to consumer demand by ensuring all brewers have access to the marketplace.

NBWA Key Priorities:

- NBWA supports the 21st Amendment to the U.S. Constitution that ended Prohibition and delegated primary authority of alcohol regulation to the states.
- NBWA opposes legislative and regulatory challenges to federal and state alcohol laws that weaken regulatory authorities and threaten to undermine the public health and safety benefits and other legitimate interests afforded by the current system.
- NBWA works with the industry's federal regulator, the U.S. Treasury Department's Alcohol and Tobacco Tax and Trade Bureau (TTB), to ensure proper federal oversight.
- The benefits of the U.S. three-tier system of regulation are demonstrated by contrasting it with foreign systems where consumers face uncertainty about the integrity and safety of alcohol products.

NBWA Encourages Congress to:

- ✓ Support the 21st Amendment to the U.S. Constitution.
- ✓ Support legislative policies that uphold the effective regulation of alcohol at the state and federal levels and maintain the current system of independent alcohol distribution.
- ✓ Ensure the proper oversight and appropriate funding of the TTB.
- ✓ Oppose legislation that preempts state alcohol laws and threatens state regulatory authority.
- ✓ Support antitrust oversight and enforcement to prevent vertical integration and promote access to the marketplace via independent distribution.
- ✓ Utilize NBWA as a resource on all alcohol-related legislation and policy by emailing info@nbwa.org.