



For Immediate Release
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Report: \$50 Million Spent By Alcohol Wholesalers To Gain Political Influence

—Legislation Protecting Wholesalers Follows in Numerous States—

(Sacramento, CALIF)—American alcohol distributors have contributed \$50 Million to state political campaigns between 2000 and 2006, according to a new report issued today by the Specialty Wine Retailers Association. The enormous amount of political contributions dwarfs that of any other sector of the American alcohol industry as well as numerous other groups and coincides with the enactment alcohol wholesaler-supported policies in nearly every state that protect the wholesaler.

“Being one of the only industries in America that enjoys monopoly advantages granted by the state, American alcohol wholesalers have a great deal to protect,” said Tom Wark, Executive Director of the Specialty Wine Retailers Association. “Wholesalers have used their \$50 million in political contributions to gain political access that appears to have resulted in anti-consumer and protectionist laws being passed across the country.”

- Between 2000 and 2006 Illinois alcohol wholesalers contributed \$5,731,776 to political campaigns. In 2007 the Illinois Legislature passed a law that protected in-state alcohol wholesalers by prohibiting Illinois consumers from continuing to buy wine from out-of-state retailers. Wholesalers also convinced the Illinois legislature to force large Illinois wineries to sell only to state wholesalers, rather than direct to retailers as they had been able to do.

- Between 2000 and 2006 Texas alcohol wholesalers contributed \$6,976,104 to state political campaigns. The Texas Legislature has passed prohibitions on out-of-state retailers shipping to Texans and limitations on in-state retailers shipping to Texans, both moves protective of and supported by state alcohol wholesalers.

- Between 2000 and 2006 California alcohol wholesalers contributed \$4,296,304 to state political campaigns. In 2005 California passed legislation protecting wholesalers from competition by prohibiting Californians from purchasing wine from out-of-state retailers, policy California wholesalers pushed for.

- Between 2000 and 2006 Michigan wine wholesalers contributed \$2,099,319 to state political campaigns. In 2005 the Michigan legislature passed a wholesaler-supported law that protected in-state wholesalers from competition by prohibiting Michigan consumers from purchasing wine from out-of-state retailers.

- Between 2000 and 2006 Virginia alcohol wholesalers contributed \$2,580,161 to state political campaigns. The Virginia General Assembly passed a wholesaler-supported law prohibiting Virginia wineries from continuing to sell wine directly to retailers and forcing them to sell their wine to wholesalers.

The amount of money alcohol wholesalers contribute to state political campaigns in an effort gain influence is often greater than far more visible industries. For example, in 2006, Texas alcohol wholesaler political contributions were greater than the political contributions of all gambling and casino interests, retail interests, food interests and all business services...combined. That year Texas alcohol wholesalers also outspent commercial banks, security and investment interests, the insurance industry and banks and lending institutions when it came to political contributions.

“No one disputes the alcohol wholesalers’ right to participate in political process, but when the results of their participation leads to the detriment of consumers and other members of the industry it is time to consider the circumstances surrounding their involvement,” says Wark.

Wark explains, “In nearly every state, law mandates that the vast majority of wine flow from the producer and through wholesalers before it gets to restaurants and retailers and then to the customer, a privileged position that has granted the wholesale tier of the alcohol industry the kind of enormous power that allows it to shovel \$50 million into the political process.”

The specialty Wine Retailers Association have made the “Wholesale Protection” report available to the public at their website: <http://www.specialtywineretailers.org/documents.html>. The report looks at total contributions by alcohol wholesalers from 2000 to 2006 on a state-by-state basis, as well as identifies the largest contributors in each state.

Specialty Wine Retailers Association is a nationwide organization of wine merchants organized to advocate on behalf of retailers and consumers for fair, constitutional laws concerning alcohol distribution and direct-to-consumer sales. Through lobbying and litigation SWRA seeks to legally provide US consumers with the wine they want from wherever it is available

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