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75th Anniversary of Prohibition's Repeal Shows Little Has Changed

—Specialty Wine Retailers Call for Common Sense Changes in Wine Shipping Laws—

(Sacramento, CALIF)—The Specialty Wine Retailers Association (SWRA) today commemorates the 75th Anniversary of Repeal of Prohibition by sadly observing that very little has changed since the days of Prohibition when a small syndicate of powerful men controlled the distribution of alcohol. SWRA believes that after 75 years, it's time for changes in the alcohol distribution system that account for the needs of consumers, rather than a powerful set of special interests.

At the height of Prohibition a small syndicate of powerful and wealthy individuals controlled alcohol distribution across the country through corruption, close affiliations with government officials and heavy-handed tactics. On the 75th anniversary of Repeal of Prohibition, a small group of alcohol distributors completely control alcohol distribution through heavy-handed tactics that stymie entrepreneurship and prevent consumer access to wine—all for the sake of extraordinary wholesaler profits. Hundreds of thousands of wines are now available in the United States, but consumers in the individual states don't have access to more than a fraction of those wines because wholesalers don't distribute them and they work with politicians to assure consumers may not legally purchase wine from out-of-state sources that can provide the wines they want.

POST PROHIBITION DISTRIBUTION NETWORK SERVES WHOLESALERS' PROFITS

"America's wholesalers have proven to be a failure at providing retailers and their customers with even a fraction of the wines available in the United States," said Tom Wark, executive director of SWRA. "Yet, they use their extraordinary profits and political power gained from their privileged and state-mandated position in the middle of the antiquated 3-tier system to stymie any of the needed reforms of the wine distribution laws.

"Despite evidence and educated opinions to the contrary, America's wine wholesalers have continued to insist that adult Americans should not have access to wines via direct shipment," Wark reiterates. "Research shows that in the past 6 years, American wine wholesalers dumped more than \$50 million dollars into state political campaigns to achieve their goal of keeping consumer from accessing the wines they want via direct shipment. Today, only 15 states allow retailer-to-consumer shipment of wine over state lines. The result is a diminished market for wine, loss of state tax revenues, consumer frustration and lack of confidence that the alcohol regulatory process is fair."

Specialty Wine Retailers believes that common sense changes to the states' alcohol regulatory frameworks are necessary to address the evolution in the American wine market over the past seventy-five years. It's time to give consumers the ability to access the wines they want by allowing wineries and retailers to ship direct to consumers, by instituting proven methods for keeping minors from accessing wine, by providing the means for wineries and retailers to pay state taxes on sales and shipment to consumers and by exploring a system of wine shipping regulation that is truly national in scope.

“Without these needed changes, America will continue with a Prohibition-era system that benefits wine wholesalers’ own special interests, while ignoring the realities of the modern wine market and the needs and demands of consumers” added Wark.

Specialty Wine Retailers Association represents wine merchants and wine consumers across the United States and advocates for fair and non-discriminatory access to wine. For more information see www.specialtywineretailers.org.

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