



**Specialty Wine Retailers Association**  
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## **THE SPECIALTY WINE RETAILERS ASSOCIATION – THE FACTS**

### The Organization and the Mission

SWRA's mission is to legally open the national US wine market to all US fine wine retailers. US wine consumers do not want their choices of wine, or wine merchants, artificially restricted by state borders, and those consumers are the customers of SWRA's members. This mission will only be accomplished when each state adopts a non-discriminatory state permit system that allows registration and sale of wine in accordance with state law by licensed in-state and licensed out-of-state retailers (operating on a non-discriminatory basis wherever home delivery is allowed) under state-issued permits and paying state excise and sales taxes.

### SWRA's Position on Alcohol Regulation

Each of SWRA's members is licensed and qualified to sell alcoholic beverages by its home state alcohol regulatory authorities. SWRA and its members believe in obeying ALL state regulations. SWRA fully supports state regulators in their efforts to: (1) prevent the sale of alcohol to minors; (2) collect state taxes; (3) qualify industry participants (including wine direct shipper permit holders); (4) level the playing field between in-state and out-of-state competitors on the same level of the industry; and (5) regulate and control intemperate marketing practices.

### SWRA'S Position on the Three-Tier System

SWRA supports the three-tier system and honors it. Every state requires all imported wine (and most domestic wine) to be purchased through the three-tier system. These wines, which are the wines marketed and sold by SWRA members, are already state and federal excise tax-paid in the SWRA member's home state when purchased from a wholesaler. SWRA members are willing to pay a second set of state excise taxes, along with state sales tax, in return for the privilege of market access to consumers via a wine shippers' direct permit. Adopting a national permit model will NOT "extinguish" or "destroy" the three-tier system. Rather, it enhances the system. In every state where retailers have been permitted to ship via permit, the three-tier system has not been harmed. Indeed, wine sales (and profits) in those states have increased for ALL levels of the industry, as have state tax revenues associated with those sales, with NO adverse regulatory consequences.

### SWRA's Position on the *Granholm v. Heald* US Supreme Court case – Retailers are Included

It is clear, under the recent US Supreme Court decision in *Granholm v. Heald*, that retailers are entitled to the protection of the dormant Commerce Clause. The *Granholm* case stated as a **principle** that regulatory schemes that provide for differential treatment of in-state and out-of state competitors discriminate against interstate commerce in violation of the Commerce Clause. The holding in the self-distribution aspect of the federal court *Costco* retailer case is consistent with *Granholm*. This conclusion is also supported by respected constitutional scholars. If any state regulator desires a copy of the legal opinion supporting SWRA's position issued by Kathleen Sullivan, former Dean of the Stanford Law School, and Judge Kenneth Starr, Dean of Pepperdine Law School, it is available from SWRA upon request.

### Fulfillment of the SWRA Mission

SWRA members are respected retailers, and belong to state and national retailer trade associations. SWRA and its supporters will advocate for the passage of wine direct shipment permit bills in every state where local retailers are permitted to offer home delivery of wine. If enabling legislation is blocked by the opposition of entrenched local interests, SWRA will be compelled to sue for access in federal court. This is a matter of federal civil rights, and the SWRA must act to enforce the rights of its members.

If you have any questions about SWRA (a not-for-profit 501(c)(6) organization) or its mission, log onto the SWRA website – [www.specialtywineretailers.org](http://www.specialtywineretailers.org), or call or email one of the officers, Lesley Berglund [lberglund@specialtywineretailers.org] or John Hinman [jhinman@specialtywineretailers.org].