



December 3, 2021

The Honorable Gavin Newsom
Governor, State of California
State Capitol Building
Sacramento, CA 95814

Mr. Eric Hirata
Director of the Department of Alcoholic Beverage Control
3927 Lennane Drive, Suite 100
Sacramento, CA 95834

RE: EXTEND ABC's DIRECT TO CONSUMER SHIPPING AUTHORIZATION FOR CALIFORNIA DISTILLERIES

Dear Governor Newsom and Director Hirata,

In March of 2020, the California Department of Alcoholic Beverage Control (ABC) provided regulatory relief allowing craft distillers to ship directly to consumers (DTC). This rule has made it possible for small producers to stay in business during the global COVID-19 Pandemic. The industry is immensely grateful for this emergency order, which has been a lifeline for these small California businesses many of which are in their infancy since the industry is just starting in the state. It has allowed distillers to continue to reach their customers in a way that consumers have come to expect, often while adding jobs in the process. For the last year and a half, the 150+ members of the California craft distilling community have safely and responsibly exercised this new privilege, and it has become a crucial factor in their continued success. DTC shipping is an important tool for small producers, who must demonstrate growth and consumer demand to have any hope of winning wholesale distribution.

The California Legislature is considering a permanent solution to this issue with SB 620 (Allen). SB 620 proposes to make DTC shipping permanent for both distilleries and breweries. Wineries have been safely shipping wine to consumers since 1986. This bill will be essential for California's craft distillers that cannot attract distributors since they produce such small amounts of product or be financially viable without direct access to consumers. DTC represents an on-ramp into the distribution system, allowing distillers to demonstrate success in the market with the goal of winning the attention of a mainline wholesaler.

The current emergency order will sunset at the end of 2021, and the legislative process will not have time to take its course before the order expires. Allowing the order to lapse would be a

grave threat to the California craft distilling industry. The loss of DTC shipping would mean a likelihood of confusion among consumers, who have become accustomed to this new norm, the risk of losing newly created jobs, and a fundamental threat to the viability of small California producers.

As we continue to contend with the great challenges of the COVID-19 pandemic, we ask that you extend the emergency order granting craft distillers DTC shipping privileges for one additional year to December 31, 2022. An extension will provide vital support to California distillers, especially in light of the recent extension of the state's COVID-19 emergency order, while allowing sufficient time for the state legislature to address this important issue.

Thank you for your consideration,



MONIQUE LIMON
Senator, 19th District



SCOTT WILK
Senator, 21st District



ANDREAS BORGEAS
Senator, 8th District



BEN ALLEN
Senator, 26th District



NANCY SKINNER
Senator, 9th District



BOB ARCHULETA
Senator, 32nd District



JOSH BECKER
Senator, 13th District



TOM UMBERG
Senator, 34th District



JOHN LAIRD
Senator, 17th District



STEVEN BRADFORD
Senator, 35th District



BRIAN JONES
Senator, 38th District



BEN HUESO
Senator, 40th District



CECILIA AGUIAR-CURRY
Assemblymember, 4th District



MARC LEVINE
Assemblymember, 10th District



JORDAN CUNNINGHAM
Assemblymember, 35th District