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Direct to Consumer Unregulated Alcohol Is Bad Public Policy For Texas

Multi-national special interests primarily represented by The Distilled Spirits Council of the United States (DISCUS) continue pushing legislation across the country to roll back Texas' Three-Tier System, which has successfully governed the production, distribution and sale of alcohol for decades through its establishment of an orderly market founded on well-defined accountability. Legislation that would allow unregulated direct-to-consumer shipments of alcohol directly undermines the safety benefits and economic contributions of our Three-Tier System, and puts minors at increased risk through easier, unmonitored access to alcoholic beverages.

Texas' Three-Tier System Works

- The beer and alcohol industry exist within a three-tier system. Producers sell their products to wholesale distributors, who then sell to retailers, and retailers sell to consumers.
- This regulatory framework, put in place decades ago, continues to evolve ensuring safety, quality, prompt tax collection, and access to market for both large and small participants.
- The checks and balances within Texas' Three-Tier System have consistently provided a foundation to protect public health and safety, and to ensure timely collection of tax revenue for the State.

Unregulated Direct Shipping is Bad Public Policy for Texas

- By allowing unregulated direct shipments to consumers, previously regulated products would sidestep the Three-Tier System and bypass laws and regulations that ensure public health and safety, as well as an efficient tax revenue collection system relied on by Texas.
- These sales outside of Texas' Three-Tier System significantly increase the likelihood of easier, unmonitored purchases of alcohol by minors.

Texas Already Allows Home Delivery that Operates within its Three-Tier System

- Recent changes in alcohol regulations allow consumers to purchase beer and other alcoholic beverages for home delivery (Instacart, Drizly, GoPuff, DoorDash, etc.).
- These ordering platforms are three-tier compliant, thereby providing for home delivery that ensures consumer safety, product quality and tax revenue collection.

The Beer Industry's Role in the Three-Tier System is an Essential Part of the Texas Economy

- The Texas Beer Industry currently supports over 170,000 jobs.
- The Texas Beer Industry has a combined economic output of over \$28 billion.
- The Texas Beer Industry accounts for \$4.2 billion in tax revenue annually.