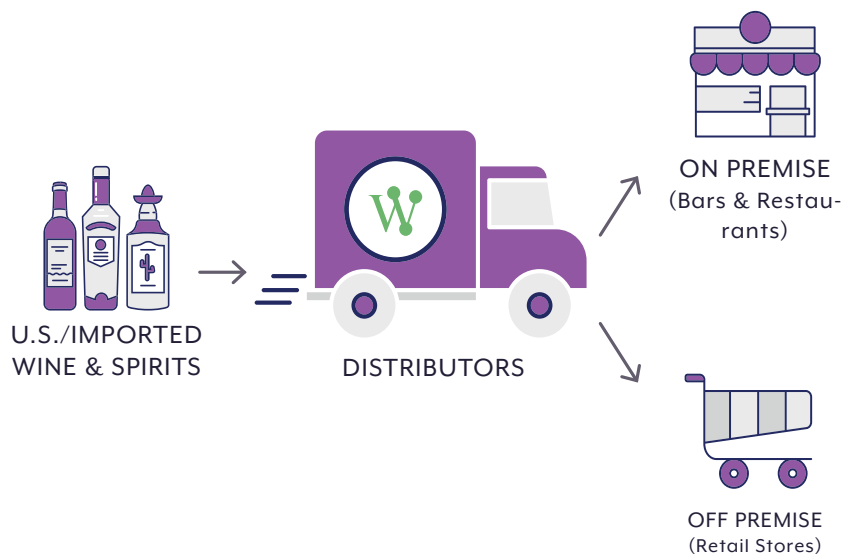




WINE & SPIRITS  
WHOLESALEERS  
OF AMERICA

# The Three-Tier Alcohol Distribution System

## WHY IT WORKS



For over 85 years, the beverage alcohol industry has successfully served consumers and communities by distributing wine, spirits and beer through a three-tier system of licensed suppliers, wholesalers and retailers. Every state established this system after the repeal of Prohibition in 1933 and adoption of the 21st Amendment. Designed to prevent the abuses that led to Prohibition, the three-tier system has created the most innovative, competitive and consumer-friendly system in the world today.

**Because of the three-tier system, Americans have access to an astounding variety and selection of products in every category, at reasonable and dependable prices.**

The system creates a framework of regulations, which mandate responsibility and accountability in beverage alcohol distribution.

The three-tier system is the model of social responsibility. Suppliers, wholesalers and retailers all play a crucial role in providing outstanding choice and availability, while protecting the integrity and quality of alcoholic beverages.

Consumers benefit from the three-tier system every day through lower prices and greater selection. Boutique distillers and wineries are able to get their products to a wider range of outlets, and small retailers have access to a greater variety of product at lower prices through wholesalers.

**Disrupting this regulated chain would have disastrous ramifications on public safety and marketplace stability.**

Vertical integration will cost the consumer, businesses, and state governments in the end. Prices will likely increase; retailers will be driven out of business; innovation will decrease; consumer choice will be limited; tax revenues will decline; state regulatory expenses will increase; and jobs will be lost.

### Benefits of Three-Tier Regulations

- Efficiency in collecting taxes
- Preventing the sale of alcohol to minors
- Fostering and overseeing responsible competition
- Creating balance between and within the tiers
- Ensuring public safety
- Preventing the sale of counterfeit and dangerous or deadly products