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## Battle Over Direct Shipping Heats Up

**L**ines are being drawn in Congress in the fight over direct-to-consumer wine shipping. At press time in late June, 119 congressmen had signed on as co-sponsors of H.R. 5034, also known as the Comprehensive Alcohol Regulatory Effectiveness Act of 2010, or CARE Act. A *Wine Spectator* investigation has found one potential reason for the support.

In the four years since a Supreme Court ruling eased restrictions on direct shipping, H.R. 5034's biggest supporters—the National Beer Wholesalers Association (NBWA) and the Wine and Spirits Wholesalers of America (WSWA)—each increased federal campaign contributions by 33 percent compared with the previous four years. All told, the organizations' political action committees (PACs) have donated more than \$11.55 million since 2005.

Introduced on April 15 by U.S. Rep. William Delahunt, D-Mass., the CARE Act would erect large hurdles for anyone attempting to challenge a state's wine-shipping laws through litigation. The NBWA made the initial lobbying push for the bill. An early draft of the bill, obtained by *Wine Spectator*, was written by NBWA staff and closely mirrors the language of the current version. But despite the growing number of congressmen supporting H.R. 5034, the bill is not expected to pass in the current session, and there is no companion Senate bill.

"I've met with the Speaker (Rep. Nancy Pelosi, D-Calif.), and she's assured me she's in opposition to [H.R. 5034] and will make sure it doesn't pass," said Rep. Mike Thompson, D-Calif., a direct-shipping proponent. Thompson represents California's 1st District, including Lake and Mendocino counties, and parts of Napa and Sonoma counties. Still, Thompson says that the wholesaler groups are a powerful lobbying force.

The NBWA, through its PAC, donated \$4.84 million from 2001 through 2004 to federal campaigns. From 2005 through 2008, that rose to \$6.45 million. The WSWA donated \$1.57 million from 2001 through 2004, and \$2.1 million from 2005 through 2008. In each case, these figures represent a 33 percent increase in campaign financing. Since 2005, H.R. 5034's 119 co-sponsors have collectively accepted \$1.79 million from the NBWA PAC, and \$28,400 from the WSWA PAC. All told, alcohol wholesaler PACs have donated \$2.1 million to the

members of Congress who currently support the bill.

Rep. Howard Coble, R-N.C., who introduced the bill to the floor alongside Delahunt, has accepted \$27,500 from the NBWA since 2005. Some of the wholesalers' top beneficiaries have signed on as co-sponsors, including Patrick McHenry (R-N.C., accepted \$46,500 since 2005) and Debbie Wasserman Schultz (D-Fla., \$46,000). Some representatives of wine regions are co-sponsors, including Tim Bishop, D-N.Y., whose district includes Long Island's 44 wineries, Lamar Smith, R-Texas, whose district includes part of the Hill Country AVA, Walter Minnick, D-Idaho, and Peter Hoekstra, R-Mich. Eighteen legislators were even forced to return money to either the NBWA or the WSWA because the PACs exceeded contribution limits. The bill's sponsorship is bipartisan—78 co-sponsors are Democrats and 41 are Republicans.

Opponents of H.R. 5034 aren't completely silent when it comes to campaign cash. But few wineries are big contributors, and allied organizations such as the California Association of Wine Grape Growers, Allied Grape Growers, the Wine Institute, WineAmerica and the Distilled Spirits Council of the United States have contributed only \$745,000 through their PACs since 2005. More powerful adversaries are brewing companies Anheuser-Busch and SAB MillerCoors, who have voiced dissatisfaction with H.R. 5034 and have put \$5 million toward federal campaigns since 2005. The bill's opponents have made educating House members a top priority, and have met with some success.

—Robert Taylor and Ben O'Donnell

### WHICH REPRESENTATIVES SUPPORT H.R. 5034?

