

Colorado LAG Proposal Points

Direct-to-consumer (DTC) shipping is a critical part of how consumers responsibly enjoy our products and how our industry can modernize while maintaining important regulatory frameworks to meet consumer needs. DTC is defined as when an order is placed on-line or over the phone with a licensed manufacturer or importer of distilled spirits, or in person at the distillery, and the product is shipped directly to consumers using a common carrier (i.e., UPS).

The increasing ease of access to both products AND information, and the ever-growing number of choices consumers have, make modernizing the three-tier system a safe and worthwhile imperative. There are several studies and data points that prove this.

To be clear – any proposal that is brought forward should protect the overall integrity of the three-tier system and the many benefits it still provides. However, allowing DTC shipping positions our industry to effectively maximize the benefits of new technology and greater consumer engagement in a safe, measurable way.

Any policy developed to help bring DTC to the market should at a minimum include consideration of the following:

- Ensure that beer, wine, and spirits are treated equally - especially regarding **market access** and **taxation**.
- Ensure compliance with **Commerce Clause** by treating in-state and out-of-state producers equally.
- Allow DTC shipping from any **in-state or out-of-state suppliers** to residents in Colorado.
- Allow DTC shipping **from in-state suppliers** to residents in states where DTC is allowed.
- Treat **import and domestic** producers equally.
- Ensure **taxes** are collected, paid, and that accurate tax and **sales records** are maintained and available for inspection.
- Provide mechanisms for **enforcement** of laws and regulations and to protect **product integrity** (addressing counterfeit product) including providing the division with the necessary resources.
- Ensure **strict compliance** with responsibility policies and laws, especially around carrier delivery and underage drinking / access.