



April 16, 2021

Honorable Louis Luchini, Senate Chair
Honorable Chris Caiazzo, House Chair
Joint Committee on Veterans and Legal Affairs

Re: LD 1093, "An Act to Expand Options for the Shipping of Wine Directly to Customers"

Senator Luchini and Representative Caiazzo:

Wine Institute, an association of approximately 1,000 California wineries and affiliated suppliers dedicated to advocating the responsible consumption and enjoyment of wine, would like to express its opposition to the passage of LD 1093, "An Act to Expand Options for the Shipping of Wine Directly to Customers" as written. As you may know, California wineries are responsible for 90% of all wine production in the United States and thus have many Maine consumers among their customer base.

Winery direct shipping to Maine consumers is an extremely popular program which has been in place for more than a decade. The existing law was crafted in a way that would both meet the needs of Maine wine consumers who chose to have wine shipped to them from their favorite wineries and Maine regulators who are charged with enforcing the license requirements on wineries who choose to direct ship. The current statute provides many safeguards to help ensure that winery DTC shipping is conducted in an efficient and responsible manner.

LD 1093 would significantly remove a key component of this carefully crafted statute by eliminating the existing bottle bill exemption(**See page 3, Sec. 4. 28-A MRSA subsection 1403-A-15**), potentially shutting down direct to consumer wine shipping in Maine.

Maine wine consumers have come to enjoy this increasingly popular DTC shipping program. In 2020 alone, according to the 2021 Direct to Consumer Wine Shipping Report, wine shipments to Maine consumers increased over 67%! In addition to revenue from license fees, estimated tax revenues from those wine shipments alone were in excess of **\$435,000.00 in 2020**. Forty-five states allow winery DTC shipping. It is worth mentioning that Iowa, the only other state that includes wine bottles in their bottle bill, also exempts direct to consumer wine shipments from their deposit statutes.

If the current bottle bill exemption is removed from this popular DTC shipping program, we believe that nearly all legal and regulated winery direct to consumer shipping would cease. It would be virtually impossible for wineries located in other states to comply with Maine's bottle bill redemption requirements. Bottle redemption responsibilities in Maine rests with our instate wholesaler partners. Wholesalers make the bottle bill work... they serve as our initiators of deposits (IOD's), they provide and affix the redemption stickers to wine bottles, they register our labels, they collect the redeemed containers, they pay the redemption centers, they remit the escheat and they recycle the containers. It would not be possible for out of state wineries, who ship a relatively small amount of wine to Maine consumers, to comply with these types of mandates.

We would urge the Committee to leave this critical bottle bill exemption for DTC wine sales in place. Like other states where wine bottles are not included in the bottle deposit laws, DTC shipped wine bottles in Maine are most often disposed of via curbside recycling along with other non-deposit waste. This compromise has allowed Maine consumers to receive the wines of their choice via the e-commerce stream they prefer, while still keeping the majority of these bottles out of the landfills.

Thank you for your thoughtful consideration.

Respectfully,

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