



April 8, 2020

The Honorable Larry Hogan
Chairman
National Governors Association
444 North Capitol Street, N.W.
Suite 267
Washington, D.C. 20001

Dear Governor Hogan:

I am writing on behalf of the American Craft Spirits Association (ACSA), which represents the interests of craft distillers across the U.S. Prior to COVID-19 hitting the U.S., over 2000 craft distillers were producing, directly employing over 25,000, with distilleries in every state. Many helped revitalize towns and brought business back to Mainstreet USA. Moreover, in this time of national crisis, almost 75% have changed their production to step up to manufacture and provide local supplies of desperately needed sanitizers for hospitals, nursing homes, prisons, police and first responders, among other groups. Many are providing this free of charge.

The craft distilling movement is still in its formative stages, with many in business for less than five years. Our industry, despite having to battle cumbersome laws, regulations and rules, many which are rooted from the early 20th century, was one of the fastest growing sectors of the alcohol beverage market.

As head of the National Governor's Association, we know you are in frequent contact with Governors across this country.

Like many small businesses, we are coping with the pandemic and resulting economic crisis, but while distilleries are deemed "essential" by almost every state, their pipeline to putting product into the marketplace has been thwarted by the closing of tasting rooms, bars, and restaurants and the restrictions of antiquated regulation. We now need the help of Governors to move our industry into the Internet age as soon as possible, such as selling directly to consumers, even if these are but temporary measures during this crisis. The bottom line is that these small

businesses are told they are “essential”, and they have proved to be a critical resource in the battle against COVID-19, but they now have extremely limited ability to get product into the marketplace and keep the doors open. Indeed, recent studies show that sales are down by 85% since the pandemic.

We are asking that:

- The Governors of each State authorize on-line sales to consumers with delivery and age verification provided by a common carrier or, at the very least, refrain from any enforcement against this activity during the crisis. We know that the States of California, Colorado, Ohio, New York and Virginia have moved in this direction, and wine producers in 48 states already enjoy this benefit under the conditions proposed herein. Our distillers have had to shutter their tasting rooms, which makes sense in a time of social distancing. But common sense suggests that distillers be granted another way to sell and deliver our products safely to the public during a time when we are compelled to minimize person to person contacts.
- Many distilleries are making hand sanitizer, or providing essential ingredients to other facilities, who are producing this vital product. We need the Governors to encourage this activity. Much of this product is going into local communities, for health care workers, first responders, nursing home staff, postal workers and other necessary front-line workers. We understood that one State was trying to limit some distilleries in this activity and are concerned that we are being denied the ability to help curtail the virus. We also encourage Governors to reach out to the FDA to have them relax their rules on the use of denatured alcohol in hand sanitizer to make it easier to provide to the public. We know there are specific ways to both manage public health and safety while keeping sanitizing solutions in the hands of people who desperately need it.

Our national emergency merits taking extraordinary efforts to save this small segment of American business, craft distillers, but what we are asking for are simple, common sense measures that will enable us to contribute to the health and safety of citizenry as well as the national economy. We would look forward to discussing this with you or your staff in greater detail. I can be reached at (202)669-3661 or margie@americancraftspirits.org. Thank you for your attention to this critical issue.

Sincerely,



Margie A.S. Lehrman
Chief Executive Officer