

## If Your Wine Gets More Expensive, This Will Be Why

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Eric Asimov at the *New York Times* has an excellent, detailed, and highly discouraging look at the reversal of one of the favorable trends for freedom of commerce in recent years, the greater ease of interstate wine shipment. Excerpt:

In the last year or so, carriers like United Parcel Service and FedEx have told retailers that they will no longer accept out-of-state shipments of alcoholic beverages unless they are bound for one of 14 states (along with Washington, D.C.) that explicitly permit such interstate commerce.... Strictly speaking, it was probably never entirely legal in New York or in many other states to have wine shipped in from out-of-state retailers. Yet, these laws requiring a license for interstate wine shipments seemed vague and were rarely enforced....

But now, states — urged on by wine and spirits wholesalers who oppose any sort of interstate alcohol commerce that bypasses them — have stepped up enforcement efforts. Retailers say that the carriers began sending out letters to them a year ago saying they would no longer handle their shipments.

Asimov notes that the cost of restraints on commerce falls most heavily on those who live far from high-end markets:

For consumers who live in states stocked with fine-wine retailers, like New York, the restrictions are an inconvenience. For consumers in states with few retail options, they are disastrous. It's hard enough outside major metropolitan areas to find wines from small producers. The crackdown makes it that much harder.

Unfortunately, alcohol wholesalers are among the most powerful of state-level lobbies, and intent on keeping a system that serves their interests. They invoke far-fetched health and safety rationales, claiming that restraints on interstate shipment are “all that protects the wine and spirits business from descending into chaos. The Supreme Court did not buy the argument in 2005, and to me, their economic interest seems a far more likely motivation than public health,” writes Asimov.

The Supreme Court's constitutional pronouncements in this area, alas, provide only spotty and indirect protection for consumers' rights to do business with willing providers, concentrating instead on improper protectionism directed by states against other states. Ilya Shapiro analyzed the case law in this 2011 post and related podcast. Brandon Arnold, then Cato's director of government affairs, wrote about a 2010 attempt by wholesalers to get their way through federal legislation. And while state-by-state liberalization efforts are underway in many state capitals,

they are routinely stymied by the well-entrenched wholesaler lobby. For more background reading, the California-centric Wine Institute has [this FAQ](#).

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