



July 27, 2010

Dear Member of Congress:

As consumer advocates, we would like to express our views on H.R. 5034, the so-called Comprehensive Alcohol Regulatory Effectiveness (CARE) Act. This legislation is an affront to consumer freedom and runs counter to basic constitutional principles.

The U.S. Constitution advances mutually beneficial trade between the states. To that end, the Commerce Clause grants the U.S. Congress the sole power to regulate interstate trade and bars states from passing laws and regulations that impede such trade (a concept defined as the “Dormant Commerce Clause”).

In *Granholm v. Heald* (2005), the Supreme Court ruled that a state cannot pass laws that discriminate between in-state and out-of-state wineries unless the state could prove that it lacked other means of meeting policy objectives unrelated to protectionism, i.e., public health and safety. Since that ruling, states have begun to liberalize their liquor laws, particularly those regarding the direct shipping of wine. Problems have been few; adults present proof of legal age and sign to receive shipments. These changes have expanded options for consumers in open states, and pressure is mounting to expand consumer freedom in the other states.

Yet H.R. 5034 could impede these positive trends. It would allow states to reverse course and pass protectionist laws for just about any alleged reason at all. And it makes it nearly impossible for anyone to challenge those laws in court.

This bill would harm consumers while serving only one special interest: wholesalers who support protectionist laws to protect their role as middlemen.

H.R. 5034 undercuts basic constitutional principles to serve a single special interest. Should lawmakers proceed with this legislation, consumers, small businesses, and our constitutional system will suffer.

Sincerely,

Fred Smith, President, Competitive Enterprise Institute, Washington, D.C.
Jon Boyles, National Organization for Marriage, Princeton, NJ
Jerry Cantrell, President, Common Sense Institute of New Jersey, Randolph, NJ
John Charles, President, Cascade Policy Institute, Portland, OR

Jon Coupal, President, Howard Jarvis Taxpayers Association, Sacramento, CA
Kim Crockett, President and General Counsel, Minnesota Free Market Institute, St. Paul, MN
Chuck Cushman, Executive Director, American Land Rights Association, Battle Ground, WA
Myron Ebell, President, Freedom Action, Washington, D.C.
Don Fife, League of Private Property Voters, Battle Ground, WA
Paul Gessing, President, Rio Grande Foundation, Albuquerque, NM
Susan Gore, Wyoming Liberty Group, Cheyenne, WY
Jennifer Hulsey, American Grassroots Coalition, Marietta, GA
Niger Innis, National Spokesman, Congress of Racial Equality, New York, NY
Kevin Kane, President, Pelican Institute for Public Policy, New Orleans, LA
Karen Kerrigan, President & CEO, Small Business and Entrepreneurship Council, Oakton, VA
David Keene, American Conservative Union, Washington, D.C.
Phil Kerpen, Vice President for Policy, Americans for Prosperity, Washington, D.C.
Matt Kibbe, President, FreedomWorks, Washington, D.C.
Barrett E. Kidner, Caesar Rodney Institute, Dover, DE
Manny Klausner, General Counsel, Individual Rights Foundation, Los Angeles, CA
Amy Kremer, Tea Party Express, Washington, D.C.
George Landrith, President, Frontiers of Freedom, Oakton, VA
Andrew Langer, President, Institute for Liberty, Washington, D.C.
Mario Lopez, Hispanic Leadership Fund, Alexandria, VA
Jim Martin, Chairman, 60 Plus Association, Alexandria, VA
Jeffrey Mazzella, Center for Individual Freedom, Alexandria, VA
Lisa Miller, Tea Party WDC, Washington, D.C.
C. Preston Noell, American Society for the Defense of Tradition, Family and Property, Hanover
PA
Grover Norquist, President, American for Tax Reform, Washington D.C.
Justin Owen, Tennessee Center for Policy Research, Nashville, TN
Duane Parde, President, National Taxpayers Union, Alexandria, VA
Dick Patten, American Family Business Institute, Washington, D.C.
Sally Pipes, President, Pacific Research Institute, San Francisco, CA
Andrew F. Quinlan, President, Center for Freedom and Prosperity, Alexandria, VA
David Ridenour, Vice President, National Center for Public Policy Research, Washington, D.C.
Thomas A. Schatz, President, Council for Citizens Against Government Waste, Washington
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Steve Simpson, Senior Attorney, Institute for Justice, Arlington, VA
Laurence Socci, The C.L.A. Group, Alexandria, VA
Jack Sommer, Chairman and President, Political Economy Research Institute, Raleigh, NC
Derek Swanson, The Weekly Wine Pick, Washington, D.C.
John Tillman, CEO, Illinois Policy Institute, Chicago, IL
John W. Whitehead, President, The Rutherford Institute, Charlottesville, VA