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Texas Whiskey Association Calls On Texas Governor Greg Abbott to Waive Direct-Sales Restrictions on Distillers Helping Save Lives During COVID-19

FOR IMMEDIATE RELEASE

AUSTIN, TX April 27, 2020 – The Texas Whiskey Association announced the expansion of their #StillStrongTX Campaign supporting Texas distillers in producing and distributing hand sanitizer during the COVID-19 crisis. The association is asking Texas Governor Greg Abbott to use his authority to waive certain direct-to-consumer sales restrictions imposed uniquely on operators with Texas Distillers & Rectifiers permits. The advocacy campaign website at www.StillStrongTX.com, has generated over 7,000 letters to state elected officials from advocates within the first 4 days of its launch.

Over the last month, Texas distilleries — many of whom are part of the Texas Whiskey Trail — have produced hundreds of thousands of gallons of WHO (World Health Organization) formula ethyl-based hand sanitizer rub. TXWA estimates that over **\$6.1 million worth of sanitizer has been donated to first-responders**, front-line healthcare organizations and high-risk essential employees over the last 30 days. In addition, these distilleries have endured at least **\$4.2M in additional expenses** to produce, bottle and distribute these products to their local communities. Despite online spirit sales increasing more than 200%, **Texas distilleries are facing 60-80% losses to their critical on-premise revenues** during this timeframe.

“Much of the recent revenue gains seen in the spirits industry are not being realized by the craft distillers who continue to operate, while also helping their communities by producing sanitizer.”— Spencer Whelan, Executive Director of TXWA.

Whelan added, *“Texas spirits, and specifically Certified Texas Whiskeys, are becoming some of the most awarded and recognized in the world. Yet, Texas distillers are among the most restricted by state blue laws. Whether the product is hand sanitizer or craft spirits, this public health crisis is shining a light on the deficiencies in our laws and supply chains. We are simply asking that our members be allowed parity with other sectors of the alcohol industry to effectively sell the products consumers want while maintaining a focus on public safety.”*

Texas is unique in its restrictions on the sale of spirits directly to consumers from distillers. Texas alcoholic beverage code §14.05 prevents distillers from selling more than two 750ml bottles per customer, per 30 days. It also requires the customer to be physically present, on-property with a valid ID, and that they not transact on behalf of any other individual. This effectively prohibits deliveries from distillers or 3rd party apps within their counties and prohibits distillers from shipping direct-to-consumers with age-

verified fulfillment through licensed carriers. Other states like Florida, New York, Virginia, Washington and Kentucky either already allow, or have recently allowed direct shipping of spirits to consumers during COVID-19.

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Interested parties can learn more about the #StillStrongTX campaign by visiting www.StillStrongTX.com or the organization's websites at www.TexasWhiskey.org or www.TexasWhiskeyTrail.com.

About TXWA: The Texas Whiskey Association was established by a trailblazing group of whiskey makers with the common goals to promote Texas Whiskey, educate consumers and support distilleries that produce whiskey all within the territorial boundaries of the State of Texas. Their mission is to create and grow worldwide demand, appreciation and respect for whiskeys made in Texas.

In 2019, the TXWA successfully mobilized thousands of advocates to maintain reduced Federal Excise Tax rates through the extension of the Craft Beverage Modernization & Tax Reform Act. In less than one year, the Texas Whiskey Trail has added 1500 registered Trail Members who have made over 6,000 verified in-person visits to Trail distilleries since Memorial Day 2019.