

# A COMMON OPERATING PROCEDURE FOR WINE RETAILERS

## THE GOAL:

*To develop a common procedure for retail wine sale and delivery that can be embraced by the membership and endorsed by NAWR.*

## WHY IS A COMMON OPERATING PLATFORM INTERESTING?

- The retail environment is changing fast
  - In an adverse direction for independent retailers
    - Influenced by well-funded wholesalers influencing issues such as:
      - Interstate shipping
      - Primary Source
  - New business models are expanding and challenging the independents, such as:
    - Total Wines
    - Amazon.com

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## THE NEED FOR A COMMON PLATFORM:

- In order to compete and have a voice, retailers need to:
  - Unite behind a common platform, which:
    - Agrees/wants to pay taxes/fees on shipments to all states
    - Will not sell to minors
  - Grow the NAWR membership to a meaningful number
  - Grow consumer support through Wine Freedom to a meaningful number
  - Use its support base to achieve regulatory change

## NAWR's ROLE:

- Should NAWR:
  - Make these procedural recommendations public?
    - Without a common platform, NAWR will struggle to be taken seriously
  - Require all members to agree to follow these recommendations?
    - Agreement will strengthen the platform

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## THE COMMON PLATFORM:

- Ship direct where lawful (14 states; DTC permits, reciprocal, etc.) – collecting appropriate taxes/fees
- Common language for Terms of Sale for all sales platforms and transaction documents
  - Sale takes place where retailer is licensed (“Passage of Title”)
  - Consumer takes ownership in that state
  - All delivery arrangements are made by consumer
- Retailer collects and remits sales tax on all sales to its state of licensure
- Two different options for getting the goods to the consumer
  - Consumer uses his or her own carrier account if making delivery arrangements and it is a “personal property” account (i.e. not identified as an Alcohol account) – OR --
  - Retailer sets up third party entity that has its own carrier account, which is a personal property account (i.e. not identified as an Alcohol account)