

John Engler

President and CEO

July 27, 2010

The Honorable John Conyers, Jr.  
Chairman  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

The Honorable Lamar Smith  
Ranking Member  
Committee on the Judiciary  
U.S. House of Representatives  
Washington, DC 20515

Dear Chairman Conyers and Ranking Member Smith:

On behalf of the National Association of Manufacturers (NAM), the nation's largest industrial trade association representing small and large manufacturers in every industrial sector, I urge you to oppose efforts to enact H.R. 5034, the Comprehensive Alcohol Regulatory Effectiveness (CARE) Act.

This bill would undercut the current balance of authority between the Federal government and states over alcohol regulation. It seeks to override all Congressional authority over interstate commerce as it relates to alcohol regulations. This is a far reaching step that would reverse long-established judicial precedent.

Passage of the CARE ACT would allow discrimination against out-of-state producers of alcoholic beverages and balkanize the marketplace. States already have significant authority to regulate alcohol sales under their police powers. This legislation is unnecessary to protect a state's citizens or preserve a state's ownership of retail distribution. Its only purpose is to protect the economic interests of certain parts of the distribution network to the detriment of others. Further, H.R. 5034 contains no exceptions for key areas in which national uniformity are critical to our member companies like foreign importation, labeling standards and advertising.

We strongly believe passage of H.R. 5034 would be detrimental to alcohol manufacturing by unfairly discriminating against certain producers, imposing greater operational complexity, increasing costs and imposing duplicative and conflicting regulations that will negatively impact our brewing, distilling and vintner member companies and cost jobs.

After careful analysis, we believe H.R. 5034 undermines the appropriate balance between federal, state and local regulation of alcohol. I urge you to strongly oppose this legislation.

Sincerely,



John Engler

JE/rp