

0:00:00.709,0:00:08.460
hello everybody and welcome to nabcas

0:00:04.859,0:00:12.090
webinar the three-tier system of alcohol

0:00:08.460,0:00:15.660
control why do we have it and what are

0:00:12.090,0:00:19.289
the benefits this webinar will explain

0:00:15.660,0:00:22.140
the three-tier system highlight the

0:00:19.289,0:00:24.630
benefits of the system and explain how

0:00:22.140,0:00:27.869
it works to foster public health and

0:00:24.630,0:00:30.929
safety if you are experiencing any

0:00:27.869,0:00:33.210
technical difficulties I encourage you

0:00:30.929,0:00:35.730
to please contact citrix customer

0:00:33.210,0:00:39.770
service directly their phone number is

0:00:35.730,0:00:47.280
eight five five three five two nine zero

0:00:39.770,0:00:52.010
zero two that's 855 352 9002 and give

0:00:47.280,0:00:57.329
them this webinar number which is 148

0:00:52.010,0:01:04.559
846 107 again the webinar number is 1

0:00:57.329,0:01:07.439
for 8 8 46 107 so we expect this webinar

0:01:04.559,0:01:09.930
to last one hour with room for Q&A at

0:01:07.439,0:01:11.970

the end if there are a lot of questions

0:01:09.930,0:01:13.860

and if there and if attendees don't mind

0:01:11.970,0:01:16.290

we may stay on a little longer and

0:01:13.860,0:01:17.970

please know that once the webinar begins

0:01:16.290,0:01:20.220

I'm not able to acknowledge receipt of

0:01:17.970,0:01:22.950

questions but know that Pam will answer

0:01:20.220,0:01:25.710

questions at the end and if you have

0:01:22.950,0:01:27.780

questions I invite you to look at the

0:01:25.710,0:01:29.549

chat window on the lower right corner of

0:01:27.780,0:01:31.470

your screen at the end of the

0:01:29.549,0:01:34.710

presentation I will ask the questions on

0:01:31.470,0:01:37.140

your behalf also this webinar is being

0:01:34.710,0:01:40.829

recorded and will be available later

0:01:37.140,0:01:43.920

through the napkin website I'd now like

0:01:40.829,0:01:45.799

to introduce you to Pam Erickson Pam is

0:01:43.920,0:01:48.630

a passionate leader on alcohol issues

0:01:45.799,0:01:50.909

currently she owns public action

0:01:48.630,0:01:53.880

management and Arizona's small business

0:01:50.909,0:01:57.810

and operates an education campaign for a

0:01:53.880,0:02:00.750

healthy alcohol marketplace from 1996 to

0:01:57.810,0:02:04.770

2003 she directed the Oregon Liquor

0:02:00.750,0:02:07.590

Control Commission in 2003 she joined

0:02:04.770,0:02:09.959

oregon partnership to direct leadership

0:02:07.590,0:02:13.740

and media campaigns to reduce underage

0:02:09.959,0:02:16.410

drinking her recent publications include

0:02:13.740,0:02:20.190

alcohol deregulation by ballot measure

0:02:16.410,0:02:24.060

in Washington State and issue briefs for

0:02:20.190,0:02:25.920

States 2014 her other publications

0:02:24.060,0:02:28.050

include the danger of alcohol

0:02:25.920,0:02:31.590

deregulation the United Kingdom

0:02:28.050,0:02:34.140

experience and safe and sound how the

0:02:31.590,0:02:37.080

three-tier system of us alcohol

0:02:34.140,0:02:40.320

regulation helps ensure safe products

0:02:37.080,0:02:42.810
and protects against revenue loss these

0:02:40.320,0:02:45.570
reports explain how deregulation can

0:02:42.810,0:02:47.520
lead to increased social problems such

0:02:45.570,0:02:50.250
as high rates of underage drinking

0:02:47.520,0:02:53.340
public order offences and

0:02:50.250,0:02:56.040
alcohol-related disease recently Pam

0:02:53.340,0:02:58.680
served as an expert witness in a key

0:02:56.040,0:03:01.740
alcohol regulation case in Kentucky and

0:02:58.680,0:03:04.980
California her educational materials are

0:03:01.740,0:03:08.550
available at healthy alcohol market all

0:03:04.980,0:03:11.670
one word calm Pam thank you very much

0:03:08.550,0:03:15.690
for being our presenter today and I will

0:03:11.670,0:03:18.000
turn the presentation over to you thank

0:03:15.690,0:03:22.140
you so much Maggie it's a pleasure to

0:03:18.000,0:03:25.200
talk with all of you this afternoon this

0:03:22.140,0:03:29.040
is a very important topic but i have to

0:03:25.200,0:03:31.830
say that as a regulator i came to

0:03:29.040,0:03:35.970

realize i didn't know as much as I

0:03:31.830,0:03:38.580

should about that topic when i left the

0:03:35.970,0:03:40.890

Liquor Commission after seven years and

0:03:38.580,0:03:43.080

joined Oregon partnership I had to

0:03:40.890,0:03:46.350

acquaint myself with all of the research

0:03:43.080,0:03:49.410

that says what's effective in

0:03:46.350,0:03:51.480

controlling alcohol problems and I came

0:03:49.410,0:03:55.890

to realize that a three-tiered system

0:03:51.480,0:03:58.110

and its structure of regulation was

0:03:55.890,0:04:00.710

really very important and I actually

0:03:58.110,0:04:04.230

didn't understand it as well as I should

0:04:00.710,0:04:06.540

so eventually I came to develop this

0:04:04.230,0:04:09.480

program to explain it to people in

0:04:06.540,0:04:12.570

relatively simple terms it is a very

0:04:09.480,0:04:17.250

complex topic as I'm sure you will come

0:04:12.570,0:04:19.140

to see so the purpose of this webinar is

0:04:17.250,0:04:21.780

to explain the benefits of the

0:04:19.140,0:04:25.650
three-tier system and how it works to

0:04:21.780,0:04:27.420
foster public health and safety that

0:04:25.650,0:04:29.940
objectives are

0:04:27.420,0:04:32.250
going to describe the system and why it

0:04:29.940,0:04:34.740
was developed I'm going to explain how

0:04:32.250,0:04:37.080
it works to enhance basic system

0:04:34.740,0:04:40.650
strategies designed to reduce problems

0:04:37.080,0:04:44.570
and indicate the unique benefit of this

0:04:40.650,0:04:47.640
system for the industry and the public

0:04:44.570,0:04:51.060
so the first question is what is the

0:04:47.640,0:04:55.410
three-tiered system as an analogy I like

0:04:51.060,0:04:57.390
to think about it as the foundation when

0:04:55.410,0:04:59.610
you have a house when you buy a house

0:04:57.390,0:05:02.100
you have the foundation inspected you

0:04:59.610,0:05:04.350
realize how important the foundation is

0:05:02.100,0:05:07.740
but over the years you kind of forget

0:05:04.350,0:05:09.780
about it and that's kind of what we have

0:05:07.740,0:05:12.600
with the three church system our

0:05:09.780,0:05:15.420
three-tiered system is the foundation

0:05:12.600,0:05:17.370
for our alcohol regulations but we tend

0:05:15.420,0:05:20.340
to focus on some of the other

0:05:17.370,0:05:23.750
regulations and forget about what's

0:05:20.340,0:05:26.430
happening with the three-tiered system

0:05:23.750,0:05:30.060
technically the three-tiered system is a

0:05:26.430,0:05:34.020
regulatory structure that involves a

0:05:30.060,0:05:36.210
closed system of product sales so all

0:05:34.020,0:05:40.770
alcohol products start with a

0:05:36.210,0:05:43.410
manufacturer or supplier that's licensed

0:05:40.770,0:05:46.680
they can only sell to a licensed

0:05:43.410,0:05:51.000
distributor that distributor in turn can

0:05:46.680,0:05:53.520
only sell to a licensed retailer each

0:05:51.000,0:05:56.940
tier is usually required to be

0:05:53.520,0:06:00.930
independent of one another so it's a

0:05:56.940,0:06:04.590
very comprehensive system that protects

0:06:00.930,0:06:08.370
the products flowing through it as you

0:06:04.590,0:06:13.710
will see in a little bit next why was it

0:06:08.370,0:06:16.290
developed well after prohibition we

0:06:13.710,0:06:18.630
address the task of developing

0:06:16.290,0:06:21.450
regulations and there were two

0:06:18.630,0:06:24.420
dramatically different experiences that

0:06:21.450,0:06:29.130
we drew upon one was the situation

0:06:24.420,0:06:32.520
before prohibition which was basically a

0:06:29.130,0:06:36.420
very poorly regulated market if it were

0:06:32.520,0:06:40.650
regulated at all then during Prohibition

0:06:36.420,0:06:44.070
it was a completely illegal market

0:06:40.650,0:06:45.870
fortunately we had a study to help guide

0:06:44.070,0:06:48.060
the development of our regulations

0:06:45.870,0:06:50.910
called toward Liquor Control not talk

0:06:48.060,0:06:54.449
more about that in a minute but first

0:06:50.910,0:07:00.000

let's go back in history and let's look

0:06:54.449,0:07:03.270

at what happens before prohibition this

0:07:00.000,0:07:06.389

slide has a quote from a university of

0:07:03.270,0:07:08.789

washington historian who specializes in

0:07:06.389,0:07:11.910

alcohol history his name is Bill

0:07:08.789,0:07:15.180

rohrbaugh and he characterized the

0:07:11.910,0:07:17.639

situation as for generations American

0:07:15.180,0:07:20.910

Americans have been heavy drinkers and

0:07:17.639,0:07:22.919

by 1900 saloons were identified with

0:07:20.910,0:07:28.229

political corruption gambling crime

0:07:22.919,0:07:30.330

poverty and family destruction it was

0:07:28.229,0:07:34.169

propelled by something called the tied

0:07:30.330,0:07:38.220

house system it was a system where of a

0:07:34.169,0:07:42.389

series of national manufacturers would

0:07:38.220,0:07:44.940

own retail establishments and these

0:07:42.389,0:07:47.789

manufacturers required that these retail

0:07:44.940,0:07:52.830

establishments only sell their products

0:07:47.789,0:07:56.880

so Brand X manufacturer would own brand

0:07:52.830,0:07:59.130

x retailer and the only beer or products

0:07:56.880,0:08:03.449

you could buy there were from Brand X

0:07:59.130,0:08:06.330

and so you had a multitude of saloons in

0:08:03.449,0:08:08.599

local communities because each

0:08:06.330,0:08:11.909

manufacturer had their own retail

0:08:08.599,0:08:15.000

establishment because these were large

0:08:11.909,0:08:17.310

national companies they were really a

0:08:15.000,0:08:19.860

part of the local community they use

0:08:17.310,0:08:21.870

very very aggressive sales tactics they

0:08:19.860,0:08:24.690

were only interested in the bottom line

0:08:21.870,0:08:27.449

in selling as much alcohol as possible

0:08:24.690,0:08:31.229

and they use a lot of its senses as

0:08:27.449,0:08:33.839

incentives again gambling prostitution a

0:08:31.229,0:08:36.209

lot of times they were located in areas

0:08:33.839,0:08:39.060

where there were a lot of workers

0:08:36.209,0:08:42.599

factory workers who would be encouraged

0:08:39.060,0:08:45.570

to go to the saloon after work and they

0:08:42.599,0:08:48.120

could pledge their monthly paycheck for

0:08:45.570,0:08:50.029

their bar vil and sometimes after the

0:08:48.120,0:08:54.060

end of the month there was nothing left

0:08:50.029,0:08:57.720

for the family of their parish paychecks

0:08:54.060,0:09:03.660

it engendered a lot of social problem

0:08:57.720,0:09:06.110

and fostered the the solution which was

0:09:03.660,0:09:11.339

really quite an extreme solution of

0:09:06.110,0:09:16.880

prohibition the second experience that

0:09:11.339,0:09:19.110

we had was with an illegal market

0:09:16.880,0:09:21.720

prohibition has been characterized as a

0:09:19.110,0:09:24.950

failure but it does not fail in some

0:09:21.720,0:09:27.779

ways a consumption was reduced and the

0:09:24.950,0:09:30.240

public order problems that you had

0:09:27.779,0:09:34.020

outside the saloons were really

0:09:30.240,0:09:37.080

eliminated but it drove drinking

0:09:34.020,0:09:40.610

underground and spawned a nationally

0:09:37.080,0:09:44.339

organized crime syndicate that were

0:09:40.610,0:09:47.460

employed to supply alcohol there were

0:09:44.339,0:09:49.770

also a lot of loopholes that where you

0:09:47.460,0:09:53.430

can legitimately buy alcohol if you had

0:09:49.770,0:09:57.330

a medical problem or you had a religious

0:09:53.430,0:10:00.089

purpose for it it well it did reduce

0:09:57.330,0:10:03.030

consumption in some problems it became

0:10:00.089,0:10:09.080

very unpopular and eventually was

0:10:03.030,0:10:11.850

repealed when it was repealed the

0:10:09.080,0:10:15.180

statute there that the constitutional

0:10:11.850,0:10:17.670

measure which repealed it gave the duty

0:10:15.180,0:10:24.260

to regulate alcohol primarily to the

0:10:17.670,0:10:27.930

state and so the states had the duty to

0:10:24.260,0:10:32.540

regulate alcohol but few people really

0:10:27.930,0:10:35.250

knew how to do that and fortunately

0:10:32.540,0:10:38.910

there was a book called toward Liquor

0:10:35.250,0:10:44.459

Control that was a write-up of a study

0:10:38.910,0:10:49.110

that was done by two men Boston his mod

0:10:44.459,0:10:53.690

that surveyed many countries and looked

0:10:49.110,0:10:56.459

at different models of regulation and

0:10:53.690,0:10:59.910

proposed two different systems a control

0:10:56.459,0:11:02.490

system and a license system but

0:10:59.910,0:11:06.430

primarily they were interested in

0:11:02.490,0:11:08.980

ensuring that the problems that occurred

0:11:06.430,0:11:13.450

both during and and before prohibition

0:11:08.980,0:11:16.720

would not reoccur the first thing that

0:11:13.450,0:11:19.480

was of great concern was what's called

0:11:16.720,0:11:22.000

vertical integration that's where you

0:11:19.480,0:11:24.730

have the manufacturer the distributor

0:11:22.000,0:11:28.180

and the retailer all in one company

0:11:24.730,0:11:31.089

because that resulted in the marketplace

0:11:28.180,0:11:33.490

domination the aggressive sales tactics

0:11:31.089,0:11:38.170

and things that created the social

0:11:33.490,0:11:42.430
problem so a three-tier system was

0:11:38.170,0:11:46.209
eventually adopted one way or another in

0:11:42.430,0:11:49.390
most of our states and it's designed to

0:11:46.209,0:11:52.990
prevent vertical integration to have

0:11:49.390,0:11:56.860
things in three separate tears and to

0:11:52.990,0:12:01.589
have those tears independent of one

0:11:56.860,0:12:05.230
another within all of these tears our

0:12:01.589,0:12:08.339
various regulations that really reduce

0:12:05.230,0:12:12.459
the severe impacts of the profit motive

0:12:08.339,0:12:15.640
price wars incentives to consume at high

0:12:12.459,0:12:17.709
volume created a lot of problems and so

0:12:15.640,0:12:21.120
there we have a lot of regulations that

0:12:17.709,0:12:24.430
are are designed to reduce those things

0:12:21.120,0:12:28.120
also we have measures that were designed

0:12:24.430,0:12:32.589
to reduce the public order problems that

0:12:28.120,0:12:36.730
occurred in saloons so most states have

0:12:32.589,0:12:40.930

quotas on a number of outlets to control

0:12:36.730,0:12:43.420

outlet density and actually after

0:12:40.930,0:12:45.760

prohibition there are a lot of efforts

0:12:43.420,0:12:50.440

to encourage people to do their drinking

0:12:45.760,0:12:53.110

at home not in forms and taverns also

0:12:50.440,0:12:57.000

there were regulations that are designed

0:12:53.110,0:13:00.850

to eliminate the criminal element we

0:12:57.000,0:13:02.620

generally I think assume that our system

0:13:00.850,0:13:05.740

today is pretty free of criminal

0:13:02.620,0:13:09.250

elements but we see it still see some

0:13:05.740,0:13:13.329

problems every once in a while but also

0:13:09.250,0:13:18.190

was an effort to encourage people who

0:13:13.329,0:13:20.140

drank to drink lighter products many

0:13:18.190,0:13:23.680

states have regulations

0:13:20.140,0:13:29.140

allow the widespread availability of

0:13:23.680,0:13:32.740

Light beer but have tighter control over

0:13:29.140,0:13:35.020

products of higher alcohol content those

0:13:32.740,0:13:37.420

were certainly the products that that

0:13:35.020,0:13:39.840

were it was the drink of choice during

0:13:37.420,0:13:44.500

Prohibition created a lot of problems

0:13:39.840,0:13:49.270

during our error and we can look at some

0:13:44.500,0:13:51.460

examples to to help us understand that

0:13:49.270,0:13:53.860

the problems that occur in the

0:13:51.460,0:13:56.740

marketplace when a product is

0:13:53.860,0:14:00.130

commercialized if we look at the efforts

0:13:56.740,0:14:02.800

to legalize marijuana particularly for

0:14:00.130,0:14:05.980

recreational purposes we can see some of

0:14:02.800,0:14:08.440

the problems I have a slide with a

0:14:05.980,0:14:13.510

picture of some of the products that are

0:14:08.440,0:14:16.120

for sale in Colorado and and we can we

0:14:13.510,0:14:19.090

have read various news articles about

0:14:16.120,0:14:23.080

about problems the difficulty is that

0:14:19.090,0:14:25.450

that private businesses objective is to

0:14:23.080,0:14:27.610

make as much money as possible and this

0:14:25.450,0:14:29.470

isn't a bad thing because if you're not

0:14:27.610,0:14:31.660

focused on making money you're probably

0:14:29.470,0:14:33.460

not going to be in business very long so

0:14:31.660,0:14:36.660

you have to be focused on your bottom

0:14:33.460,0:14:40.600

line but an extreme bottom line

0:14:36.660,0:14:43.780

orientation can induce sales that result

0:14:40.600,0:14:46.720

in underage youth addiction impaired

0:14:43.780,0:14:51.250

driving violence abuse and psychotic

0:14:46.720,0:14:54.460

events so it so regulation seeks to tamp

0:14:51.250,0:14:56.920

down some of these business practices

0:14:54.460,0:15:01.600

that for other commodities are perfectly

0:14:56.920,0:15:04.450

legitimate marketing to you if you have

0:15:01.600,0:15:06.450

a different kind of business that you're

0:15:04.450,0:15:10.030

selling flowers is perfectly acceptable

0:15:06.450,0:15:13.180

to market to use but not for alcohol

0:15:10.030,0:15:17.110

because we don't allow underage persons

0:15:13.180,0:15:19.210

to drink price concessions which

0:15:17.110,0:15:22.720

encourage high volume consent

0:15:19.210,0:15:25.480

consumption this is a very common tactic

0:15:22.720,0:15:28.960

in our free market today to offer

0:15:25.480,0:15:31.420

incentives to buy more product that

0:15:28.960,0:15:35.070

again needs to be tamped down because it

0:15:31.420,0:15:35.070

can encourage high volume

0:15:35.130,0:15:43.690

certainly if we had lollipops that were

0:15:39.330,0:15:46.110

alcohol it involves alcohol that would

0:15:43.690,0:15:50.050

be a problem these are typical

0:15:46.110,0:15:53.620

youth-oriented kind of products that we

0:15:50.050,0:15:57.160

think are are inappropriate another

0:15:53.620,0:15:59.410

example that it's good to look at is the

0:15:57.160,0:16:01.530

United Kingdom right after prohibition

0:15:59.410,0:16:05.560

the United Kingdom had a very good

0:16:01.530,0:16:08.890

license system and many of our state's

0:16:05.560,0:16:12.190

models their regulations thought from

0:16:08.890,0:16:15.420
the United Kingdom's experience but

0:16:12.190,0:16:20.770
beginning in the late 1950s they

0:16:15.420,0:16:24.490
embarked on a almost four to six decade

0:16:20.770,0:16:27.790
process of deregulation to the point

0:16:24.490,0:16:32.320
where they almost treat alcohol like any

0:16:27.790,0:16:35.050
other commodity large grocery chains are

0:16:32.320,0:16:38.860
vertically integrated that there's very

0:16:35.050,0:16:41.680
little in the way of a distributed here

0:16:38.860,0:16:45.820
they work directly with the manufacturer

0:16:41.680,0:16:49.150
and dominate the local markets cheap

0:16:45.820,0:16:52.510
alcohol is available in the UK 24 hours

0:16:49.150,0:16:55.720
a day seven days a week industry

0:16:52.510,0:17:01.150
lobbyists and lawyers are so powerful

0:16:55.720,0:17:03.820
that it's been very difficult to to

0:17:01.150,0:17:06.120
embark on a correction course the last

0:17:03.820,0:17:09.430
three prime ministers have had extensive

0:17:06.120,0:17:12.190
alcohol policies many of which didn't

0:17:09.430,0:17:15.580
get implemented and haven't been extreme

0:17:12.190,0:17:18.400
exceptionally effective industry

0:17:15.580,0:17:22.330
lobbyists and lawyers prefer to focus on

0:17:18.400,0:17:24.280
education and personal responsibility if

0:17:22.330,0:17:27.190
you look at this slide you'll see the

0:17:24.280,0:17:31.390
middle photo shows an example of the

0:17:27.190,0:17:34.810
failure of personal responsibility the

0:17:31.390,0:17:37.660
United Kingdom usually has all kinds of

0:17:34.810,0:17:39.370
these kinds of situations on weekends

0:17:37.660,0:17:41.230
and particularly in New Year's this

0:17:39.370,0:17:45.910
photo is a New Year's this New Year's

0:17:41.230,0:17:47.350
Eve photograph the United Kingdom has

0:17:45.910,0:17:50.710
been really oh

0:17:47.350,0:17:54.190
well with drunken behavior their

0:17:50.710,0:17:56.919
enforcement budgets and their ER budgets

0:17:54.190,0:18:00.580
are are really overwhelmed with the

0:17:56.919,0:18:02.140

amount of situations where they have to

0:18:00.580,0:18:07.390

respond because people are not

0:18:02.140,0:18:09.330

exercising personal responsibility the

0:18:07.390,0:18:11.890

government in the United Kingdom

0:18:09.330,0:18:16.240

estimates that they lose about a third

0:18:11.890,0:18:18.880

of their revenue through this through

0:18:16.240,0:18:22.090

system leakages which means that the

0:18:18.880,0:18:25.419

retailer bought the product from

0:18:22.090,0:18:29.070

somebody other than a major manufacturer

0:18:25.419,0:18:33.970

in instances of counterfeit product

0:18:29.070,0:18:36.429

painted product and and so that's become

0:18:33.970,0:18:39.820

a real problem the united kingdom today

0:18:36.429,0:18:42.000

has an epidemic of high rates of

0:18:39.820,0:18:46.299

underage drinking public drunkenness

0:18:42.000,0:18:48.850

alcohol-related disease during the

0:18:46.299,0:18:51.360

recession there were the reduction in

0:18:48.850,0:18:55.929

consumption so problems seem to be

0:18:51.360,0:19:00.450
subsiding but they are still very large

0:18:55.929,0:19:04.750
and very much a problem the next slide

0:19:00.450,0:19:07.090
it gives you a rundown of the three

0:19:04.750,0:19:10.120
church system and what it involves I

0:19:07.090,0:19:13.270
warn you it is a really complicated

0:19:10.120,0:19:17.380
system and it's complicated by the fact

0:19:13.270,0:19:19.470
that we have laws affecting alcohol

0:19:17.380,0:19:22.299
regulation at every level of the

0:19:19.470,0:19:25.929
government the federal government

0:19:22.299,0:19:28.030
focuses primarily on manufacturing the

0:19:25.929,0:19:31.620
primary regulation is usually done at

0:19:28.030,0:19:35.440
the state level but some states have

0:19:31.620,0:19:39.100
have delegated licensing functions to

0:19:35.440,0:19:42.340
the local level so we have kind of a

0:19:39.100,0:19:46.409
mishmash of regulations throughout the

0:19:42.340,0:19:49.990
country so it is really very complicated

0:19:46.409,0:19:52.150
and what I'm going to give you is a

0:19:49.990,0:19:55.000

little bit of a broad brush so that you

0:19:52.150,0:19:58.400

understand the basics but if you want to

0:19:55.000,0:20:01.520

know what regulations

0:19:58.400,0:20:04.580

happen in your individual state you need

0:20:01.520,0:20:08.030

to talk to your lawyer or talk to your

0:20:04.580,0:20:10.190

alcohol regulatory control agency to get

0:20:08.030,0:20:12.860

the particulars from your individual

0:20:10.190,0:20:16.310

state but let me just go over some of

0:20:12.860,0:20:19.840

the basics the first principle is

0:20:16.310,0:20:24.620

financial independence for each tier and

0:20:19.840,0:20:26.870

it's achieved by several practices which

0:20:24.620,0:20:30.410

are prohibited the first one is

0:20:26.870,0:20:33.170

ownership in many states ownership is

0:20:30.410,0:20:35.060

prohibited from one tier to another in

0:20:33.170,0:20:38.570

other words a retailer can't own a

0:20:35.060,0:20:40.850

distributor a manufacturer can't own a

0:20:38.570,0:20:45.520

distributor now the federal government

0:20:40.850,0:20:48.860

does pro does allow ownership but it

0:20:45.520,0:20:54.170

requires that retailers particularly are

0:20:48.860,0:20:56.450

independent ownership is one way to

0:20:54.170,0:20:58.700

prohibit financial ties but there are

0:20:56.450,0:21:02.180

lots of other ways that business can't

0:20:58.700,0:21:04.550

businesses can be tied together short of

0:21:02.180,0:21:07.360

ownership so there are a whole series of

0:21:04.550,0:21:11.150

other things that are usually prohibited

0:21:07.360,0:21:14.180

lone favorable credit terms cash

0:21:11.150,0:21:16.400

payments exclusive favorable product

0:21:14.180,0:21:18.860

pricing these are kind of typical

0:21:16.400,0:21:22.180

regulations that are designed to

0:21:18.860,0:21:26.350

prohibit specific ties between a

0:21:22.180,0:21:29.810

manufacturer distributor or n retailer

0:21:26.350,0:21:32.750

many states have franchise laws that

0:21:29.810,0:21:36.320

protect the distributor's independence

0:21:32.750,0:21:40.640
from being dominated by a manufacturer

0:21:36.320,0:21:43.640
and then we come to laws that often are

0:21:40.640,0:21:47.770
considered to be silly these are laws

0:21:43.640,0:21:52.160
that are called things of value

0:21:47.770,0:21:55.580
oftentimes a manufacturer or the

0:21:52.160,0:21:58.370
distributor will want to give a retailer

0:21:55.580,0:22:03.280
certain things to help promote that

0:21:58.370,0:22:07.010
their product napkins coupon calendar

0:22:03.280,0:22:09.920
ashtray all kinds of things and many

0:22:07.010,0:22:10.480
states allow a certain amount of that if

0:22:09.920,0:22:14.440
it's

0:22:10.480,0:22:18.910
a kind of nominal value but when it gets

0:22:14.440,0:22:22.210
to things like TV sets labor free

0:22:18.910,0:22:24.970
product fixtures furniture it really

0:22:22.210,0:22:31.450
kind of goes over the lawn and becomes a

0:22:24.970,0:22:35.200
thing of value that's prohibited the

0:22:31.450,0:22:38.530
next slide shows the the issue of

0:22:35.200,0:22:42.730
functional independence and this is

0:22:38.530,0:22:45.070
often one that is not even found in the

0:22:42.730,0:22:48.400
rule books because it's embedded in the

0:22:45.070,0:22:50.950
license privilege each factor is

0:22:48.400,0:22:54.460
licensed to perform their particular

0:22:50.950,0:22:59.350
functions a retailer is licensed to have

0:22:54.460,0:23:02.140
a store or a restaurant bar and sell

0:22:59.350,0:23:04.660
products at retail they are not licensed

0:23:02.140,0:23:08.350
to have a central warehouse and

0:23:04.660,0:23:11.650
distribute products around if they're

0:23:08.350,0:23:16.840
not usually license to manufacture the

0:23:11.650,0:23:20.410
product so each tier is designed to have

0:23:16.840,0:23:22.870
a specific function and to be licensed

0:23:20.410,0:23:25.600
to do that particular function and not

0:23:22.870,0:23:28.240
perform some other function now there

0:23:25.600,0:23:33.370
are some exceptions to be because that's

0:23:28.240,0:23:36.460

the general principle the next slide

0:23:33.370,0:23:39.280
shows some of the important regulatory

0:23:36.460,0:23:42.130
functions that each tier has and I think

0:23:39.280,0:23:45.970
that's one of the brilliant aspects of

0:23:42.130,0:23:51.220
our system is that some of the cheers

0:23:45.970,0:23:54.190
have duties regulatory duties and help

0:23:51.220,0:23:57.190
make the system work better and help

0:23:54.190,0:24:00.610
save the government some money the

0:23:57.190,0:24:05.020
middle tier the distributor collects the

0:24:00.610,0:24:08.440
excise tax on alcohol and we have almost

0:24:05.020,0:24:13.240
one hundred percent collection of excise

0:24:08.440,0:24:17.230
taxes other countries lose a third to a

0:24:13.240,0:24:20.350
half a substantial portion of the

0:24:17.230,0:24:22.330
collections just never happened and so

0:24:20.350,0:24:23.410
that's one of the great benefits of our

0:24:22.330,0:24:25.090
system

0:24:23.410,0:24:28.690
so the government doesn't have to have

0:24:25.090,0:24:33.430

set up a special unit to go out and

0:24:28.690,0:24:37.570

collect the excise tax using using

0:24:33.430,0:24:40.540

government employees one of the benefits

0:24:37.570,0:24:43.660

that is not really always rekin

0:24:40.540,0:24:46.080

recognized of our system is that we have

0:24:43.660,0:24:50.020

a great system of product quality

0:24:46.080,0:24:53.140

because it's a closed system and because

0:24:50.020,0:24:55.660

a licensed manufacturer can only sell

0:24:53.140,0:24:58.870

through a licensed distributor and to a

0:24:55.660,0:25:03.300

licensed retailer the middle chair

0:24:58.870,0:25:06.730

tracks all of the bottles and cans and

0:25:03.300,0:25:10.200

in that way if there's a problem with

0:25:06.730,0:25:13.600

any product it can be quickly identified

0:25:10.200,0:25:16.480

we had a situation recently where

0:25:13.600,0:25:19.780

apparently some of the some of the tops

0:25:16.480,0:25:21.730

of a glass bottle were chipped and there

0:25:19.780,0:25:25.710

was a concern that there might be some

0:25:21.730,0:25:29.850

glass that fell into the bottle those

0:25:25.710,0:25:32.770

products were identified very quickly

0:25:29.850,0:25:37.210

removed from the shelf and no customer

0:25:32.770,0:25:40.240

was ever harmed we in contrast if you

0:25:37.210,0:25:42.700

look at things like the wreath not too

0:25:40.240,0:25:44.890

long ago we had a problem with painted

0:25:42.700,0:25:47.590

to spinach people got sick from being

0:25:44.890,0:25:51.970

spinach and it took a long time to find

0:25:47.590,0:25:54.360

out where that came from and meanwhile

0:25:51.970,0:25:58.030

people just stopped buying spinach so

0:25:54.360,0:26:00.520

people completely innocent suffered

0:25:58.030,0:26:05.560

greatly we just don't have that problem

0:26:00.520,0:26:08.170

other countries every every month you

0:26:05.560,0:26:11.500

see articles about people dying or

0:26:08.170,0:26:14.590

getting very sick from tainted products

0:26:11.500,0:26:18.850

product that was sold by some

0:26:14.590,0:26:22.450

fly-by-night outfit that that used

0:26:18.850,0:26:25.030

methanol a substance that not cute not

0:26:22.450,0:26:28.200

fit for human consumption can make

0:26:25.030,0:26:33.490

people very sick and can kill people so

0:26:28.200,0:26:35.290

we have a very very safe system and it

0:26:33.490,0:26:41.410

it's

0:26:35.290,0:26:45.910

protects us the retail care we depend on

0:26:41.410,0:26:48.910

our retailers to stop sales to underage

0:26:45.910,0:26:51.220

person and intoxicated individual

0:26:48.910,0:26:53.550

they're kind of our first line of

0:26:51.220,0:26:56.560

defense for underage drinking and

0:26:53.550,0:26:59.890

intoxication and so they have a very

0:26:56.560,0:27:02.470

very important regulatory function which

0:26:59.890,0:27:06.400

they perform so those are some of the

0:27:02.470,0:27:08.590

great things about our our system you

0:27:06.400,0:27:10.870

probably don't know a lot about the

0:27:08.590,0:27:13.810

efforts to keep the criminal element out

0:27:10.870,0:27:15.640

of the business I think as as we're

0:27:13.810,0:27:18.550

finding with legalization of marijuana

0:27:15.640,0:27:21.880

it's actually pretty difficult to keep

0:27:18.550,0:27:25.210

the criminal element out of the business

0:27:21.880,0:27:29.680

and it took a long time for us to

0:27:25.210,0:27:34.270

completely rid the alcohol system from

0:27:29.680,0:27:38.050

from element of criminality and we still

0:27:34.270,0:27:39.880

work at it in fact the federal

0:27:38.050,0:27:42.820

government monitors some of the

0:27:39.880,0:27:45.940

ingredients that go into the production

0:27:42.820,0:27:48.280

of bootleg product products so if you're

0:27:45.940,0:27:51.040

you live off in the mountains and you're

0:27:48.280,0:27:52.660

ordering a large quantity of sugar you

0:27:51.040,0:27:55.240

might come to the attention of the

0:27:52.660,0:27:57.550

federal government because what would

0:27:55.240,0:28:02.170

you be doing with all that sugar other

0:27:57.550,0:28:05.170

than making some bootleg product so we

0:28:02.170,0:28:08.680
still make quite a few efforts to keep

0:28:05.170,0:28:14.440
the criminal element out of alcohol

0:28:08.680,0:28:17.260
business um I also talked a little bit

0:28:14.440,0:28:19.540
about the fact that we have alcohol

0:28:17.260,0:28:23.500
regulation at every level of government

0:28:19.540,0:28:26.500
the federal government focuses primarily

0:28:23.500,0:28:29.950
on the manufacturing regulation if you

0:28:26.500,0:28:32.290
are any kind of an importer or supplier

0:28:29.950,0:28:35.530
you need to have a federal license and

0:28:32.290,0:28:39.730
any any product that you produce have to

0:28:35.530,0:28:41.860
have a federally approved label the

0:28:39.730,0:28:44.830
federal government also has a number of

0:28:41.860,0:28:47.500
trade practice regulations these are

0:28:44.830,0:28:51.180
things that ensure a

0:28:47.500,0:28:54.250
fair transparent and even playing field

0:28:51.180,0:28:57.460
so that small operators in your

0:28:54.250,0:29:00.550

community can be successful alongside

0:28:57.460,0:29:04.870

large national chain that's one of the

0:29:00.550,0:29:08.350

benefits of our systems each they have

0:29:04.870,0:29:10.660

some level of trade practice regulations

0:29:08.350,0:29:15.010

and some of them are very similar to the

0:29:10.660,0:29:19.090

federal regulation in most days the

0:29:15.010,0:29:22.560

primary source of regulatory authority

0:29:19.090,0:29:25.300

is lodged at the state and often in a

0:29:22.560,0:29:29.260

State Department of alcohol beverage

0:29:25.300,0:29:32.080

control but some states have delegated a

0:29:29.260,0:29:36.010

lot of that function to local government

0:29:32.080,0:29:39.130

in Minnesota Wisconsin Nevada for

0:29:36.010,0:29:42.580

example all the licensing has done at

0:29:39.130,0:29:45.430

the local level so it can get kind of

0:29:42.580,0:29:48.160

complicated there are also states that

0:29:45.430,0:29:51.570

have what's called dual licenses

0:29:48.160,0:29:53.950

Illinois for example if you want to be a

0:29:51.570,0:29:57.400

retailer for example you have to get

0:29:53.950,0:29:59.440

both estate and a local license and the

0:29:57.400,0:30:01.660

local government can have different

0:29:59.440,0:30:04.510

regulations like different hours of

0:30:01.660,0:30:09.100

operation and that kind of thing most

0:30:04.510,0:30:12.220

states have some kind of local local

0:30:09.100,0:30:15.580

regulation so that local governments can

0:30:12.220,0:30:19.830

have some control over their their

0:30:15.580,0:30:19.830

business and love nightlife community

0:30:20.580,0:30:27.490

they're actually uh some benefit from

0:30:24.910,0:30:29.350

regulation oftentimes regulation is

0:30:27.490,0:30:32.620

characterized as being bad for business

0:30:29.350,0:30:34.480

I don't think alcohol regulation is it

0:30:32.620,0:30:37.510

all bad for business and south I see a

0:30:34.480,0:30:42.910

lot of benefits and the first one is

0:30:37.510,0:30:45.310

that it's our regulatory systems and if

0:30:42.910,0:30:49.720

it's three tiered system particularly

0:30:45.310,0:30:53.980
has allowed the flourishing of a craft

0:30:49.720,0:30:57.850
beer and now a craft is still distillery

0:30:53.980,0:31:00.050
business if you are to go to Italy for

0:30:57.850,0:31:03.160
example like I did two years ago

0:31:00.050,0:31:07.400
you would go into a restaurant and I

0:31:03.160,0:31:11.450
typically saw two brands of beer and the

0:31:07.400,0:31:14.960
reason is that large beer companies have

0:31:11.450,0:31:17.810
exclusive arrangements with retailers in

0:31:14.960,0:31:19.960
Mexico for example there are two large

0:31:17.810,0:31:24.200
beer companies and up until recently

0:31:19.960,0:31:26.780
they almost all retailers had an

0:31:24.200,0:31:29.620
exclusive arrangement with one or the

0:31:26.780,0:31:32.690
other of those large companies those

0:31:29.620,0:31:35.480
craft beers simply could not get to

0:31:32.690,0:31:39.100
market because no retailer would would

0:31:35.480,0:31:41.480
carry anything that wasn't own and

0:31:39.100,0:31:45.880

supplied by one of these two large

0:31:41.480,0:31:48.350

companies recently the Mexico

0:31:45.880,0:31:51.500

Competition Commission have ruled

0:31:48.350,0:31:54.170

against exclusive arrangements you can

0:31:51.500,0:31:57.410

still have some mods they've curtail

0:31:54.170,0:32:01.280

them so it may be that craft products

0:31:57.410,0:32:03.340

will eventually get to the market the

0:32:01.280,0:32:06.260

federal government does not allow

0:32:03.340,0:32:09.080

exclusive arrangement with a particular

0:32:06.260,0:32:13.760

kind of product that's simply illegal

0:32:09.080,0:32:17.090

and so so the flourishing of the craft

0:32:13.760,0:32:20.240

beer business and now a flourishing of a

0:32:17.090,0:32:24.200

craft distillery business is really due

0:32:20.240,0:32:26.570

to the system that that prohibits these

0:32:24.200,0:32:30.490

kind of practices which would keep these

0:32:26.570,0:32:33.650

products from being on the market

0:32:30.490,0:32:37.370

regulations also reduce some business

0:32:33.650,0:32:39.860
costs if you're an again the breakfast

0:32:37.370,0:32:42.920
cereal business and you want your

0:32:39.860,0:32:44.750
product prominently displayed in a big

0:32:42.920,0:32:46.970
box grocery store you're going to have

0:32:44.750,0:32:51.290
to pay for that it's called a slotting

0:32:46.970,0:32:53.390
sheet so in order to get an an eye-level

0:32:51.290,0:32:56.800
placement you will need to pay the

0:32:53.390,0:33:00.860
retailer for that slotting fees are

0:32:56.800,0:33:03.110
illegal for alcohol so alcohol

0:33:00.860,0:33:07.340
businesses do not have to pay slotting

0:33:03.110,0:33:10.340
fees favors in exchange for exclusivity

0:33:07.340,0:33:13.460
or favorable placement are also illegal

0:33:10.340,0:33:15.919
so those things are not

0:33:13.460,0:33:20.299
they are are not costs of doing business

0:33:15.919,0:33:23.929
in alcohol world trade practice

0:33:20.299,0:33:26.750
regulations prevent price wars and

0:33:23.929,0:33:29.210
reduce market volatility one of the

0:33:26.750,0:33:31.640
things that businesses really appreciate

0:33:29.210,0:33:34.149
is a certain amount of stability and

0:33:31.640,0:33:37.130
predictability for their business and

0:33:34.149,0:33:40.429
alcohol regulations provide a degree of

0:33:37.130,0:33:42.919
that and then finally the three-tier

0:33:40.429,0:33:47.120
system provides the prop that products

0:33:42.919,0:33:52.100
tracking that prevents disasters when a

0:33:47.120,0:33:55.990
tainted product if it is discovered now

0:33:52.100,0:34:01.779
let us let's talk about some hot issue

0:33:55.990,0:34:05.690
and first of all I want to talk about

0:34:01.779,0:34:09.470
that I think the hottest issue is the

0:34:05.690,0:34:14.810
big bucks brochures are very interested

0:34:09.470,0:34:17.599
in being able to to sell all forms of

0:34:14.810,0:34:19.070
alcohol in kind of lightly controlled

0:34:17.599,0:34:21.379
environments where they can use

0:34:19.070,0:34:26.149
self-service to reduce labor costs and

0:34:21.379,0:34:29.089

so forth a number of states in fact most

0:34:26.149,0:34:32.919

states have some version of a system

0:34:29.089,0:34:36.619

that allows a widespread availability of

0:34:32.919,0:34:40.030

light alcohol products and originally

0:34:36.619,0:34:44.359

that was three-point-two percent beer

0:34:40.030,0:34:46.909

there is now typically more like four to

0:34:44.359,0:34:50.359

six percent but that was the idea

0:34:46.909,0:34:52.190

encourage people to drink lighter

0:34:50.359,0:34:58.250

products by making them more widely

0:34:52.190,0:35:01.730

available and then curtail control the

0:34:58.250,0:35:04.480

sales of products with higher alcohol

0:35:01.730,0:35:08.300

content by having them available in

0:35:04.480,0:35:13.160

package liquor stores in controlled save

0:35:08.300,0:35:15.560

those stores are are owned originally

0:35:13.160,0:35:18.700

they were owned now they're often

0:35:15.560,0:35:22.790

license but the state has an ownership

0:35:18.700,0:35:26.000

of that product in licensed states those

0:35:22.790,0:35:28.670

are done in individually licensed attack

0:35:26.000,0:35:31.310

doors there's a big push to change all

0:35:28.670,0:35:34.010

these regulations alcohol is a

0:35:31.310,0:35:36.740

high-margin product is often used to

0:35:34.010,0:35:40.120

induce customers to come to your store

0:35:36.740,0:35:44.030

and so everybody wants to sell alcohol

0:35:40.120,0:35:46.250

and so there's a big push by big box

0:35:44.030,0:35:49.490

brochures to squeeze out the small

0:35:46.250,0:35:51.490

operators and distributors and push to

0:35:49.490,0:35:54.680

change regulations through lawsuits

0:35:51.490,0:35:57.530

lobbying and even funding a ballot

0:35:54.680,0:36:01.880

measure like the measure which

0:35:57.530,0:36:04.550

privatized alcohol and deregulated wine

0:36:01.880,0:36:07.220

in Washington state it was sponsored and

0:36:04.550,0:36:11.930

funded almost entirely by the costco

0:36:07.220,0:36:14.780

corporation another high issue is large

0:36:11.930,0:36:19.400

suppliers that want to own distributors

0:36:14.780,0:36:21.980
and craft producers this oftentimes

0:36:19.400,0:36:25.250
there's talk about eliminating the

0:36:21.980,0:36:28.070
middleman well the middleman has a

0:36:25.250,0:36:31.670
function of delivering alcohol product

0:36:28.070,0:36:34.670
and large suppliers are seeking to

0:36:31.670,0:36:36.350
increase their bottom line and if they

0:36:34.670,0:36:40.220
own distributors they can get the

0:36:36.350,0:36:44.510
profits from that function as well they

0:36:40.220,0:36:47.990
are also things popularity of craft beer

0:36:44.510,0:36:50.830
and crap products and a number of large

0:36:47.990,0:36:55.010
suppliers have purchased small

0:36:50.830,0:37:00.320
flourishing craft operators so that's

0:36:55.010,0:37:02.480
creating a lot of controversies and by

0:37:00.320,0:37:05.390
the a large supplier owning a

0:37:02.480,0:37:10.520
distributor that's taking kind of the

0:37:05.390,0:37:14.920
first step and vertical integration on

0:37:10.520,0:37:18.440

the other end small craft operations

0:37:14.920,0:37:22.250

want to have some exemptions from some

0:37:18.440,0:37:24.920

of the three chair regulation brewpubs

0:37:22.250,0:37:27.590

for example want to be able to brew

0:37:24.920,0:37:30.380

their product on premise and then sell

0:37:27.590,0:37:36.340

it well that is a vertically operated

0:37:30.380,0:37:39.269

vertically integrated operation and most

0:37:36.340,0:37:41.669

policy makers feel that as one

0:37:39.269,0:37:44.849

long as these exceptions are only given

0:37:41.669,0:37:47.369

to small operators and don't become

0:37:44.849,0:37:50.909

widespread then it might be okay but

0:37:47.369,0:37:53.939

then what happens when these licensees

0:37:50.909,0:37:56.369

become very successful and they're big

0:37:53.939,0:38:00.809

they're going to want to continue these

0:37:56.369,0:38:02.959

some of these same privileges rise in

0:38:00.809,0:38:06.829

recent years we have seen some

0:38:02.959,0:38:11.549

pay-to-play practices this is where

0:38:06.829,0:38:20.399
somebody will pay a retailer extra money

0:38:11.549,0:38:23.640
or give them extra favors to to in order

0:38:20.399,0:38:28.559
to favor their product and so we've got

0:38:23.640,0:38:33.390
problems with that three-tier violations

0:38:28.559,0:38:35.279
are often very hard to identify and to

0:38:33.390,0:38:38.759
enforce so we have some enforcement

0:38:35.279,0:38:40.919
difficulties one of my greatest fears is

0:38:38.759,0:38:43.439
that we will lose some of these good

0:38:40.919,0:38:46.649
regulations because people just don't

0:38:43.439,0:38:49.019
understand them and I have to say that I

0:38:46.649,0:38:53.489
committed that sin when I was a

0:38:49.019,0:38:56.969
regulator I there was a proposal to

0:38:53.489,0:38:59.309
eliminate one of our quotas and when

0:38:56.969,0:39:02.069
asked whether it served any real purpose

0:38:59.309,0:39:05.880
in today's market I said well I just

0:39:02.069,0:39:09.239
didn't see that it did I was wrong I

0:39:05.880,0:39:13.319
didn't understand it completely and we

0:39:09.239,0:39:17.489

lost that one so I think changes need to

0:39:13.319,0:39:19.889

be made very very careful carefully and

0:39:17.489,0:39:22.619

you ought to be a little concerned when

0:39:19.889,0:39:27.179

our regulation is characterized as

0:39:22.619,0:39:29.130

antiquated up until very recently

0:39:27.179,0:39:32.249

there's been very little antitrust

0:39:29.130,0:39:38.579

enforcement of although there are now

0:39:32.249,0:39:41.759

some changes so in summary let me just

0:39:38.579,0:39:43.679

summarize some of these major point the

0:39:41.759,0:39:46.709

three-tiered system is a tightly

0:39:43.679,0:39:49.079

controlled trobe system which protects

0:39:46.709,0:39:52.740

the public from tainted and counterfeit

0:39:49.079,0:39:55.320

product ensures high tax collection

0:39:52.740,0:39:58.530

and helps reduce the involvement of the

0:39:55.320,0:40:01.080

criminal element in the business trade

0:39:58.530,0:40:03.360

practice regulations curtail market

0:40:01.080,0:40:06.150

practices which encourage high volume

0:40:03.360,0:40:08.190

consumption sales to vulnerable

0:40:06.150,0:40:11.670

populations and attractive honest

0:40:08.190,0:40:14.550

business people our comprehensive

0:40:11.670,0:40:17.640

regulations also foster a more even

0:40:14.550,0:40:20.400

playing field which allows the small

0:40:17.640,0:40:24.570

local licensees to operate alongside

0:40:20.400,0:40:28.200

national national change and the final

0:40:24.570,0:40:31.020

point is that licensees have very

0:40:28.200,0:40:33.600

important regulatory duty that help

0:40:31.020,0:40:37.070

protect the public such as preventing

0:40:33.600,0:40:40.470

sales to minors and intoxicated person

0:40:37.070,0:40:44.810

before we get to questions I want to

0:40:40.470,0:40:50.910

offer my website as a resource for you

0:40:44.810,0:40:53.790

it's a healthy alcohol market com my

0:40:50.910,0:40:56.040

website has I produce a monthly

0:40:53.790,0:40:59.100

newsletter and all you have to do is

0:40:56.040,0:41:01.619
sign up for it's free of charge and I'll

0:40:59.100,0:41:04.830
set it out to you I have a number of

0:41:01.619,0:41:07.619
educational report Maggie mentioned many

0:41:04.830,0:41:09.600
of those earlier these are free of

0:41:07.619,0:41:14.910
charge you can download them from the

0:41:09.600,0:41:17.220
website i have i did a report on the

0:41:14.910,0:41:21.570
washington state ballot measure that i

0:41:17.220,0:41:25.200
published recently in 2014 that can talk

0:41:21.570,0:41:29.430
about that the issue briefs for 2 to 4

0:41:25.200,0:41:32.369
2014 is now available but within really

0:41:29.430,0:41:36.660
just a few weeks i will do a revised

0:41:32.369,0:41:40.680
version 4 2015 these are designed for

0:41:36.660,0:41:44.940
policy makers who really have time to

0:41:40.680,0:41:48.420
read one page and they can be separated

0:41:44.940,0:41:51.150
you can see rocks them give them to your

0:41:48.420,0:41:54.150
legislators put together your customized

0:41:51.150,0:41:57.240
packet these are really designed to be

0:41:54.150,0:42:00.869
helpful to so people will come to

0:41:57.240,0:42:03.310
understand our regulation now I'd be

0:42:00.869,0:42:06.820
ready for question okay

0:42:03.310,0:42:10.840
a pan we've got several questions the

0:42:06.820,0:42:14.380
first one is how does the Amazon model

0:42:10.840,0:42:18.510
fit with the three-tier system as they

0:42:14.380,0:42:21.730
would be both wholesaler and retailer um

0:42:18.510,0:42:26.230
you know you know I I don't know the

0:42:21.730,0:42:29.110
answer to that question I know there

0:42:26.230,0:42:34.090
have been some you know kind of third

0:42:29.110,0:42:37.810
parties out there we I know that we

0:42:34.090,0:42:41.410
wrestled with this issue a lot when you

0:42:37.810,0:42:44.200
had online wine sales and I think what

0:42:41.410,0:42:47.670
you have to do and you know I could be

0:42:44.200,0:42:50.710
wrong I think you have to work with each

0:42:47.670,0:42:52.380
individual state because each state is

0:42:50.710,0:42:56.290

going to be different in terms of

0:42:52.380,0:43:01.660

licenses some will you know some states

0:42:56.290,0:43:05.650

still don't even allow in porting

0:43:01.660,0:43:09.160

through the mail so I that's a very

0:43:05.650,0:43:13.090

difficult and technical question and so

0:43:09.160,0:43:15.970

I think that you know probably probably

0:43:13.090,0:43:20.680

some legal expert is better at answering

0:43:15.970,0:43:24.220

that one now I am okay I have another

0:43:20.680,0:43:26.560

one and then just for folks who would be

0:43:24.220,0:43:29.680

interested in and asking a question

0:43:26.560,0:43:31.450

again just please type in your question

0:43:29.680,0:43:35.410

in the lower right hand corner in your

0:43:31.450,0:43:37.720

chat window and we'll we'll get to your

0:43:35.410,0:43:41.170

question and so a next question Pam is

0:43:37.720,0:43:44.950

what drove the deregulation in the

0:43:41.170,0:43:49.570

United Kingdom 50 to 60 years ago what

0:43:44.950,0:43:51.880

what was the shift gradual yes the shift

0:43:49.570,0:43:57.250

was very gradual like I said it took

0:43:51.880,0:43:59.440

took place over 50 to 60 years and it

0:43:57.250,0:44:03.460

you know when you make a small change

0:43:59.440,0:44:08.040

you may not see it see the difference

0:44:03.460,0:44:12.130

for a few years and and really I think

0:44:08.040,0:44:14.890

that the epidemic didn't just didn't

0:44:12.130,0:44:17.050

really explode until I think around the

0:44:14.890,0:44:20.650

you know the late nineteen

0:44:17.050,0:44:23.860

hundreds early two thousands but it

0:44:20.650,0:44:27.160

really gotta push when uh when Maggie

0:44:23.860,0:44:29.710

Thatcher was the Prime Minister she was

0:44:27.160,0:44:34.750

a strong believer in the free market

0:44:29.710,0:44:38.380

system which you know I a lot of us love

0:44:34.750,0:44:42.090

the free market but the free market has

0:44:38.380,0:44:45.370

is problematic for products like alcohol

0:44:42.090,0:44:46.930

products like marijuana there are a lot

0:44:45.370,0:44:49.210

of products that are potentially

0:44:46.930,0:44:54.910
dangerous and you just can't use the

0:44:49.210,0:44:57.250
same techniques I often use a of a

0:44:54.910,0:44:59.050
flower shop if you are going to go into

0:44:57.250,0:45:01.480
the flower business the first thing you

0:44:59.050,0:45:05.500
won't want to do is want to know who my

0:45:01.480,0:45:08.200
most flowers and how can I make those

0:45:05.500,0:45:11.410
people buy more flowers and how can I

0:45:08.200,0:45:15.070
expand that to love people well if you

0:45:11.410,0:45:17.350
do that with alcohol it means you want

0:45:15.070,0:45:21.100
people who drink a lot to drink even

0:45:17.350,0:45:25.120
more and you want more people to drink

0:45:21.100,0:45:28.720
very heavily so so you just have to be a

0:45:25.120,0:45:31.690
little more cautious about some of those

0:45:28.720,0:45:33.640
sales tactics like at like I say are

0:45:31.690,0:45:39.910
perfectly legitimate for other

0:45:33.640,0:45:41.680
commodities in pen sorry I was just

0:45:39.910,0:45:46.750

going to say a couple more things about

0:45:41.680,0:45:49.840
the UK once the the thing got really out

0:45:46.750,0:45:51.910
of control they had a look they made

0:45:49.840,0:45:55.030
decisions based on really bad

0:45:51.910,0:45:58.090
information like they thought that if

0:45:55.030,0:46:01.390
they eliminated closing hours that that

0:45:58.090,0:46:03.670
would face out the people coming out of

0:46:01.390,0:46:06.850
bars there wouldn't be as many fights

0:46:03.670,0:46:09.310
there would be as much drinking and

0:46:06.850,0:46:11.560
really the office that happened people

0:46:09.310,0:46:16.030
of law enforcement wasn't staff ducked

0:46:11.560,0:46:18.760
for it so they had to have people out at

0:46:16.030,0:46:20.950
four in the morning vs so you know one

0:46:18.760,0:46:23.050
or two whatever closing hours were and

0:46:20.950,0:46:25.740
people were just drinking a lot more

0:46:23.050,0:46:28.240
because the bars were open longer and

0:46:25.740,0:46:30.330
they were drinking around the clock it's

0:46:28.240,0:46:33.540

just it was a disaster

0:46:30.330,0:46:36.030

but the research community told them

0:46:33.540,0:46:42.390

that that it wouldn't work and people

0:46:36.030,0:46:45.930

did not didn't pay attention so um Pam a

0:46:42.390,0:46:52.170

follow-up question to the UK is what

0:46:45.930,0:46:54.780

tier was attacked initially I'm sorry I

0:46:52.170,0:46:56.960

didn't understand the question I think

0:46:54.780,0:46:59.760

it's a follow-up question to the one

0:46:56.960,0:47:02.820

regarding the United Kingdom what drove

0:46:59.760,0:47:04.620

the deregulation was to shift gradual

0:47:02.820,0:47:06.870

and then the follow-up question to that

0:47:04.620,0:47:09.120

is what tier was attacked initially do

0:47:06.870,0:47:14.070

you know like what tier today learning

0:47:09.120,0:47:17.640

initially yeah I think that that one of

0:47:14.070,0:47:22.500

the things that have happened in the UK

0:47:17.640,0:47:26.430

and is happening here is it is greater

0:47:22.500,0:47:28.710

alcohol outlets and and there have been

0:47:26.430,0:47:30.870

you know lawsuits there have been all

0:47:28.710,0:47:34.830

kinds of other things that have happened

0:47:30.870,0:47:37.590

that that suggests it's just unfair to

0:47:34.830,0:47:40.580

give the privilege of selling alcohol to

0:47:37.590,0:47:44.160

one group and not to another and

0:47:40.580,0:47:47.430

unfortunately those laws were often not

0:47:44.160,0:47:49.710

well to send it and we didn't you know

0:47:47.430,0:47:52.620

years ago we didn't have good research

0:47:49.710,0:47:56.040

on outlet density we now have a lot of

0:47:52.620,0:47:59.640

research that tells us that if the more

0:47:56.040,0:48:02.970

outlets we have for alcohol there that

0:47:59.640,0:48:05.460

tends to push problem and it also

0:48:02.970,0:48:07.560

burdens law enforcement if you if you

0:48:05.460,0:48:11.580

double the number of outlets that means

0:48:07.560,0:48:15.330

twice at twice as many licenses that you

0:48:11.580,0:48:21.060

have to check up on and it just

0:48:15.330,0:48:24.300

radically increases the problems we just

0:48:21.060,0:48:26.820

know a lot more about what work that

0:48:24.300,0:48:29.820

doesn't work with alcohol today then

0:48:26.820,0:48:33.480

even ten years ago and certainly 20

0:48:29.820,0:48:36.480

years ago when you know things started

0:48:33.480,0:48:38.910

loosening up we just didn't have the

0:48:36.480,0:48:42.990

same kind of research but we really know

0:48:38.910,0:48:50.160

a lot now and you know we can crack

0:48:42.990,0:48:52.530

pretty good control system okay a next

0:48:50.160,0:48:55.890

question is are there any studies that

0:48:52.530,0:48:58.800

indicate that it is in the economic

0:48:55.890,0:49:02.970

interest of alcohol retailers to promote

0:48:58.800,0:49:08.640

responsible drinking as opposed to binge

0:49:02.970,0:49:13.890

high consumption drinking I don't know

0:49:08.640,0:49:16.950

of anything and you know i'd have to

0:49:13.890,0:49:21.090

look around and see particularly how

0:49:16.950,0:49:24.660

that would be phrased you know certainly

0:49:21.090,0:49:30.060

it's it's laudable when you have

0:49:24.660,0:49:33.180

retailers that are very responsible one

0:49:30.060,0:49:35.610

thing I found in working with licenses

0:49:33.180,0:49:38.550

is that most licensees want to be

0:49:35.610,0:49:41.660

responsible and they don't want to

0:49:38.550,0:49:47.250

compete with someone who isn't I

0:49:41.660,0:49:49.410

remember having a rule advisory

0:49:47.250,0:49:53.190

committee meeting where one tavern owner

0:49:49.410,0:49:57.480

said I just don't like it when I see

0:49:53.190,0:49:59.970

people flowing up over the deck at my

0:49:57.480,0:50:02.840

competitors establishment and I don't

0:49:59.970,0:50:06.030

want to have to compete that person so

0:50:02.840,0:50:08.369

you know that's you know that's one of

0:50:06.030,0:50:11.100

those things that maybe is something in

0:50:08.369,0:50:14.130

the future that that can be done is is

0:50:11.100,0:50:18.630

some rewards for people that really try

0:50:14.130,0:50:23.010

to do the right thing okay a couple more

0:50:18.630,0:50:24.600
questions Pam regarding costco they

0:50:23.010,0:50:27.510
appear to be involved in the

0:50:24.600,0:50:30.840
manufacturing process and on the retail

0:50:27.510,0:50:33.119
end with private label Kirkland products

0:50:30.840,0:50:35.960
what is being done to monitor this

0:50:33.119,0:50:38.190
because they are beginning to vertically

0:50:35.960,0:50:40.140
integrate themselves because aren't they

0:50:38.190,0:50:43.800
aren't they vertically integrating

0:50:40.140,0:50:46.830
themselves yes i've been very worried

0:50:43.800,0:50:50.670
about that issue and in fact I'm I'm

0:50:46.830,0:50:55.109
going to issue a report on private

0:50:50.670,0:50:56.339
labels the in looking at the whole

0:50:55.109,0:50:58.890
private label

0:50:56.339,0:51:02.880
issue the first thing I did was study

0:50:58.890,0:51:05.339
how private labels are done with other

0:51:02.880,0:51:10.200
commodities and typically what happens

0:51:05.339,0:51:15.150

is a retailer works with a manufacturer

0:51:10.200,0:51:18.900

to create a new product and most big box

0:51:15.150,0:51:22.619

grocery stores have several lines of

0:51:18.900,0:51:26.670

private label products they will have a

0:51:22.619,0:51:29.779

low value product a product that

0:51:26.670,0:51:34.349

directly competes with national brands

0:51:29.779,0:51:40.799

an organic product line and some of them

0:51:34.349,0:51:44.880

now have premium product lines I I have

0:51:40.799,0:51:47.789

had some discussion with the federal

0:51:44.880,0:51:53.849

government about isn't this practice

0:51:47.789,0:51:57.960

illegal and the answer really is it's a

0:51:53.849,0:52:00.989

technical a technical matter if you have

0:51:57.960,0:52:06.630

a business agreement between a retailer

0:52:00.989,0:52:10.920

and a manufacturer that basically ties

0:52:06.630,0:52:14.819

them together in in an exclusive

0:52:10.920,0:52:17.940

arrangement where the retailer is

0:52:14.819,0:52:21.960

obligated to buy a product on a

0:52:17.940,0:52:23.969
continuous basis that may be a violation

0:52:21.960,0:52:27.029
of federal law now I'm not an attorney

0:52:23.969,0:52:28.499
so somebody wants a legal opinion

0:52:27.029,0:52:34.170
they're going to have to talk to

0:52:28.499,0:52:37.019
somebody else but I I am I am hoping

0:52:34.170,0:52:39.269
that the feds will clarify this issue a

0:52:37.019,0:52:42.599
little bit because we are seeing a lot

0:52:39.269,0:52:45.809
more private labels out there and if

0:52:42.599,0:52:49.190
they're done exactly in the way that

0:52:45.809,0:52:51.779
they're done other commodity I think if

0:52:49.190,0:52:55.829
you know I don't quite see how it's a

0:52:51.779,0:52:59.670
legal operation but you know I could be

0:52:55.829,0:53:04.019
wrong I I expect to publish this little

0:52:59.670,0:53:06.089
booklet that that helps to clarify what

0:53:04.019,0:53:07.950
are private labels how our private

0:53:06.089,0:53:09.509
labels used in the marketplace today

0:53:07.950,0:53:12.599
because

0:53:09.509,0:53:16.139
used to be kind of you know what low

0:53:12.599,0:53:20.279
value poor quality products that's not

0:53:16.139,0:53:22.619
true anymore grocery stores are even

0:53:20.279,0:53:26.069
going after the premium line a high

0:53:22.619,0:53:28.469
value products so it's you know I think

0:53:26.069,0:53:31.769
it's a great concern and I think there

0:53:28.469,0:53:36.689
is a potential for through the skies of

0:53:31.769,0:53:39.659
private labels having a actual vertical

0:53:36.689,0:53:42.179
integration so it's one of those issues

0:53:39.659,0:53:45.359
that I think we all need to be concerned

0:53:42.179,0:53:48.319
about and may need to make sure that

0:53:45.359,0:53:55.139
these products are actually in

0:53:48.319,0:53:56.969
conformance with our laws okay another

0:53:55.139,0:53:59.729
question here what do you think is the

0:53:56.969,0:54:07.259
key in getting responsible beverage

0:53:59.729,0:54:10.769
server laws ordinances passed um that's

0:54:07.259,0:54:14.099

that's a good question I come from

0:54:10.769,0:54:17.809

Oregon where we have you know we had

0:54:14.099,0:54:21.989

really a really very long server

0:54:17.809,0:54:24.689

education and civil net program but when

0:54:21.989,0:54:28.199

we tried to expand that to the seller

0:54:24.689,0:54:32.809

that the off-premise establishments just

0:54:28.199,0:54:36.049

didn't get anywhere I I would hope that

0:54:32.809,0:54:40.319

like like I say I believe that most

0:54:36.049,0:54:45.630

licensees are responsible want to be

0:54:40.319,0:54:48.949

responsible and if this and and many of

0:54:45.630,0:54:52.739

them train do the training on their own

0:54:48.949,0:54:57.749

what I would try to do if my fate didn't

0:54:52.739,0:55:00.119

have a responsible beverage law or

0:54:57.749,0:55:03.509

education program I would try to get

0:55:00.119,0:55:05.099

support from the industry because I

0:55:03.509,0:55:08.219

would think it really is in the

0:55:05.099,0:55:11.819

industries interest nobody wants a

0:55:08.219,0:55:14.339

server that over-served somebody that

0:55:11.819,0:55:16.439

person goes out and kills somebody on

0:55:14.339,0:55:20.929

the highways no one wants that on their

0:55:16.439,0:55:23.220

shoulders so I think it I think that

0:55:20.929,0:55:26.430

getting the industry support

0:55:23.220,0:55:29.340

or convincing them that it really is in

0:55:26.430,0:55:32.820

their interest to do that I think it's

0:55:29.340,0:55:34.320

the way to go okay a couple more

0:55:32.820,0:55:37.440

questions I know we're getting close to

0:55:34.320,0:55:40.140

that three o'clock hour one other

0:55:37.440,0:55:43.430

question here is do you think hi abv

0:55:40.140,0:55:46.349

malt beverages need greater regulation

0:55:43.430,0:55:52.020

regulations such as twelve percent abv

0:55:46.349,0:55:55.500

four loko certainly that product is i

0:55:52.020,0:55:58.140

would say needs greater greater

0:55:55.500,0:56:03.180

regulation you know one of the things

0:55:58.140,0:56:06.260

that happened after prohibition was you

0:56:03.180,0:56:10.080

know I talked about the idea of making

0:56:06.260,0:56:12.210

low alcohol content products more widely

0:56:10.080,0:56:14.849

available and at the time it was

0:56:12.210,0:56:18.750

three-point-two percent beer in single

0:56:14.849,0:56:22.380

serving can and the idea was that you

0:56:18.750,0:56:26.520

know you sell low alcohol products in a

0:56:22.380,0:56:29.190

single serving can or bottle so people

0:56:26.520,0:56:31.950

can monitor their alcohol consumption

0:56:29.190,0:56:34.710

but when you have a product that's

0:56:31.950,0:56:37.890

twelve percent alcohol in a 24 ounce

0:56:34.710,0:56:43.260

can those cans that are five drinks

0:56:37.890,0:56:46.230

almost five drinks and in 11 serving you

0:56:43.260,0:56:49.109

know people people don't know what

0:56:46.230,0:56:52.140

they're drinking you know I found that

0:56:49.109,0:56:55.980

people actually many people actually do

0:56:52.140,0:56:59.190

try to monitor their drinking but you

0:56:55.980,0:57:01.980

know they often aren't helped they they

0:56:59.190,0:57:05.220

don't have the tools to do that and I

0:57:01.980,0:57:09.359

think we want to foster personal

0:57:05.220,0:57:11.220

responsibility there's we certainly want

0:57:09.359,0:57:13.830

to do that it shouldn't be our only

0:57:11.220,0:57:15.690

strategy but we want to encourage people

0:57:13.830,0:57:21.000

to be responsible but they have to have

0:57:15.690,0:57:25.470

the tools to do it you know I think that

0:57:21.000,0:57:29.160

a couple of states have made products

0:57:25.470,0:57:33.240

like four loko and some of the large

0:57:29.160,0:57:35.880

cans with high alcohol content only

0:57:33.240,0:57:36.980

available in liquor stores but I do

0:57:35.880,0:57:38.660

think some of those

0:57:36.980,0:57:43.010

products need greater register

0:57:38.660,0:57:44.630

regulation okay and Pam I know we're at

0:57:43.010,0:57:47.060

three o'clock but they're just two more

0:57:44.630,0:57:48.890

questions and they actually both relate

0:57:47.060,0:57:52.220

to costco one you may have answered

0:57:48.890,0:57:54.680

already but I'll just read it anyway one

0:57:52.220,0:57:57.109

is can you discuss the costco case and

0:57:54.680,0:57:59.180

the other impending legal challenges to

0:57:57.109,0:58:01.700

the three-tier system and if possible

0:57:59.180,0:58:04.609

the legal principles at stake for

0:58:01.700,0:58:08.900

example commerce clauses versus states

0:58:04.609,0:58:14.020

rights to regulate alcohol well that

0:58:08.900,0:58:16.730

that's the perennial dilemma is is that

0:58:14.020,0:58:19.510

you know that the twenty-first of an

0:58:16.730,0:58:22.280

amendment versus the Commerce Clause and

0:58:19.510,0:58:27.050

you know though those are things that

0:58:22.280,0:58:30.710

judges wrestle with and I don't remember

0:58:27.050,0:58:34.250

the legal article but i think it was Jim

0:58:30.710,0:58:37.190

Moser that wrote a kind of a history of

0:58:34.250,0:58:41.119

the twenty-first amendment right after

0:58:37.190,0:58:43.490

prohibition the the judges were very

0:58:41.119,0:58:45.530
liberal about letting States do pretty

0:58:43.490,0:58:49.690
much whatever they wanted to in terms of

0:58:45.530,0:58:52.580
regulating alcohol now there's kind of a

0:58:49.690,0:58:54.850
you know a more favorable attitude

0:58:52.580,0:58:57.859
towards the interstate commerce clause

0:58:54.850,0:59:02.660
but you know I think that you just have

0:58:57.859,0:59:06.380
to balance those things and it struck me

0:59:02.660,0:59:09.950
that as a regulator one of your primary

0:59:06.380,0:59:13.580
job is balanced making sure that your

0:59:09.950,0:59:16.730
local market is well balanced we want

0:59:13.580,0:59:20.030
our businesses to be able to operate

0:59:16.730,0:59:22.520
successfully but we don't want them to

0:59:20.030,0:59:26.200
be contributing to social problems and

0:59:22.520,0:59:29.920
that you know that takes an ongoing

0:59:26.200,0:59:32.540
active role on the part of the regulator

0:59:29.920,0:59:35.450
businesses are very clever they're very

0:59:32.540,0:59:37.940

good at finding ways around regulations

0:59:35.450,0:59:40.990

and so you will always have some new

0:59:37.940,0:59:48.430

challenge but it's important to remember

0:59:40.990,0:59:48.430

your overall goals what costco did

0:59:48.450,0:59:53.520

the state of Washington unfortunately

0:59:50.640,0:59:58.800

has a somewhat weak ballot measure

0:59:53.520,1:00:03.510

regulation other states curtail things

0:59:58.800,1:00:06.089

like signature gathering in Washington

1:00:03.510,1:00:10.550

people would could be paid by the

1:00:06.089,1:00:13.770

signature oftentimes they would have a

1:00:10.550,1:00:15.119

clipboard with five different ballot

1:00:13.770,1:00:18.060

measures and they would just get

1:00:15.119,1:00:20.040

somebody to sign all of them people

1:00:18.060,1:00:24.660

often didn't even look at what they were

1:00:20.040,1:00:26.849

signing and once it gets a appropriate

1:00:24.660,1:00:31.410

number of signatures there isn't any

1:00:26.849,1:00:34.530

kind of legal review or way to challenge

1:00:31.410,1:00:37.290

the ballot measure other states do that

1:00:34.530,1:00:40.920

and oftentimes when one of these things

1:00:37.290,1:00:43.490

passive you spent years cleaning up the

1:00:40.920,1:00:48.030

legislation because it's poorly written

1:00:43.490,1:00:51.270

it and Costco's ballot measure that pass

1:00:48.030,1:00:54.329

was was a rewrite of 60 pages of

1:00:51.270,1:00:57.329

Washington statute I read that several

1:00:54.329,1:00:59.579

times and I did not pick up all of the

1:00:57.329,1:01:03.510

benefits that went to the Costco

1:00:59.579,1:01:07.560

corporations specifically and I doubt

1:01:03.510,1:01:11.369

more than 20 voters read the entire

1:01:07.560,1:01:15.420

ballot measure and actually understood

1:01:11.369,1:01:19.200

it it's very very complicated if you

1:01:15.420,1:01:21.140

know if the ballot initiative was

1:01:19.200,1:01:23.670

originally designed for grassroots

1:01:21.140,1:01:26.720

operations and has just been kind of

1:01:23.670,1:01:30.930

captured by corporations sometimes

1:01:26.720,1:01:35.040

costco donated 22 million dollars for

1:01:30.930,1:01:37.380

passage of the measure it just you know

1:01:35.040,1:01:40.920

yes i think it's a kind of

1:01:37.380,1:01:44.910

anti-democratic way of doing things but

1:01:40.920,1:01:46.589

it is what it is so now the state of

1:01:44.910,1:01:51.020

washington is going to have to deal with

1:01:46.589,1:01:52.940

it for many years to come okay

1:01:51.020,1:01:55.070

final question Pam is a federal

1:01:52.940,1:01:57.230

involvement is federal involvement the

1:01:55.070,1:02:01.630

only way that costco can be stopped from

1:01:57.230,1:02:08.330

going after the other control states um

1:02:01.630,1:02:12.770

I I don't know that the feds would

1:02:08.330,1:02:16.130

wander into that one the difficulty is

1:02:12.770,1:02:20.330

that that states have the primary role

1:02:16.130,1:02:22.580

for regulating alcohol and I'm afraid

1:02:20.330,1:02:26.870

that that people have to do it

1:02:22.580,1:02:29.660

state-by-state I don't know that the

1:02:26.870,1:02:32.210

federal government or particularly the

1:02:29.660,1:02:36.950

age the federal agency would do much of

1:02:32.210,1:02:40.880

anything I hope what I hope is that

1:02:36.950,1:02:45.070

people come to understand we have a very

1:02:40.880,1:02:49.310

good alcohol regulatory system and

1:02:45.070,1:02:50.960

because of it we're not as likely to

1:02:49.310,1:02:55.030

encounter some of the problems that

1:02:50.960,1:03:00.560

they've had in in UK and other countries

1:02:55.030,1:03:04.370

and yeah I just I just hope that people

1:03:00.560,1:03:08.660

will come to recognize that and support

1:03:04.370,1:03:11.180

the systems that we've got our drinking

1:03:08.660,1:03:14.390

rates and our problems are much less

1:03:11.180,1:03:17.510

than what you've got in the UK and other

1:03:14.390,1:03:19.850

European countries it's often a myth

1:03:17.510,1:03:24.260

that other countries do really well with

1:03:19.850,1:03:27.820

alcohol they don't the Europe is the

1:03:24.260,1:03:30.860

largest drinking sector in the world

1:03:27.820,1:03:32.480

their consumption rates their rates of

1:03:30.860,1:03:35.270

disease and problems are far higher

1:03:32.480,1:03:38.210

higher than upset hours underage

1:03:35.270,1:03:41.350

drinking rates are higher than ours and

1:03:38.210,1:03:45.650

they're starting to enact some fairly

1:03:41.350,1:03:48.860

dramatic of regulations I just read

1:03:45.650,1:03:50.930

about France that's beginning to have a

1:03:48.860,1:03:54.860

problem with binge drinking with their

1:03:50.930,1:03:57.080

their kids and their they have pretty

1:03:54.860,1:04:00.140

restrictive alcohol advertising

1:03:57.080,1:04:04.200

regulations and are looking at doing

1:04:00.140,1:04:08.630

some even more restrictive things so

1:04:04.200,1:04:13.140

hoping that we can get industry support

1:04:08.630,1:04:15.540

community support for the basic tenants

1:04:13.140,1:04:18.119

of our alcohol regulatory system because

1:04:15.540,1:04:23.369

if it really has prevented a lot of

1:04:18.119,1:04:25.200

problems and keeps us safe okay all

1:04:23.369,1:04:26.369

right Pam thank you very much there has

1:04:25.200,1:04:28.230

been there have been several questions

1:04:26.369,1:04:31.349

on whether or not the PowerPoint slides

1:04:28.230,1:04:34.369

would be available and yes they are you

1:04:31.349,1:04:37.589

can email Pam or you can email me Maggie

1:04:34.369,1:04:40.500

varshini at nalco org if you go to nab

1:04:37.589,1:04:43.619

co.org you can find my name in the staff

1:04:40.500,1:04:45.150

directory so thank you pam for your time

1:04:43.619,1:04:47.010

and for sharing your valuable knowledge

1:04:45.150,1:04:49.859

with us and thank you all for joining

1:04:47.010,1:04:51.780

napkin on this webinar if anyone has

1:04:49.859,1:04:53.579

questions that we did not address or

1:04:51.780,1:04:56.490

thinks of something afterwards feel free

1:04:53.579,1:04:59.160

to email me also please visit the navika

1:04:56.490,1:05:01.470

website at nalco org for various

1:04:59.160,1:05:03.030

resources we have including white papers

1:05:01.470,1:05:05.070

on the three-tier system and other

1:05:03.030,1:05:06.690

subjects we would like your feedback

1:05:05.070,1:05:08.670

about the session and will soon be

1:05:06.690,1:05:11.160

sending you a quick survey to complete

1:05:08.670,1:05:13.079

also let me know of any suggestions that

1:05:11.160,1:05:15.180

you may have for future nabcor webinars

1:05:13.079,1:05:16.530

it is our goal to give you the education

1:05:15.180,1:05:18.900

and the tools that you need to perform

1:05:16.530,1:05:20.220

your function effectively thank you all

1:05:18.900,1:05:22.859

again for participating in the webinar

1:05:20.220,1:05:25.220

we wish you all a great day thank you

1:05:22.859,1:05:25.220

and goodbye