

0:00:08.700,0:00:15.039
hello and welcome to the NAB Co webinar

0:00:12.660,0:00:18.130
unraveling the mystery of us alcohol

0:00:15.039,0:00:21.010
regulation before I introduce our

0:00:18.130,0:00:24.249
speaker Pam Eriksen I wanted to address

0:00:21.010,0:00:26.439
a few housekeeping notes this webinar is

0:00:24.249,0:00:30.369
one of a series of several planned

0:00:26.439,0:00:32.100
through 2019 another webinar addressing

0:00:30.369,0:00:34.630
the increase in alcohol-related

0:00:32.100,0:00:36.910
emergency room visits with dr. Erin

0:00:34.630,0:00:39.970
white of the National Institute of

0:00:36.910,0:00:42.100
Health is scheduled for April there is

0:00:39.970,0:00:45.310
also one being planned for September

0:00:42.100,0:00:48.250
with the TTB now back to today's webinar

0:00:45.310,0:00:50.230
it will be about an hour if you have a

0:00:48.250,0:00:52.090
question please type it in the chat

0:00:50.230,0:00:54.670
window in the lower right corner of the

0:00:52.090,0:00:57.070
screen at the end of the presentation I

0:00:54.670,0:01:00.850

will come back and ask the questions for

0:00:57.070,0:01:02.260

Pam to address them the presentation is

0:01:00.850,0:01:05.079

being recorded and will be available

0:01:02.260,0:01:07.810

through the NAB Cod org website within

0:01:05.079,0:01:11.860

seven to ten business days you will find

0:01:07.810,0:01:15.040

it under the resources tab I'd now like

0:01:11.860,0:01:17.470

to introduce Pam Erickson Pam is a

0:01:15.040,0:01:20.080

passionate leader on the alcohol issues

0:01:17.470,0:01:22.780

currently she owns public alcohol

0:01:20.080,0:01:25.000

management which operates an education

0:01:22.780,0:01:29.500

campaign for a healthy alcohol

0:01:25.000,0:01:31.030

marketplace from 1996 to 2003 she

0:01:29.500,0:01:33.880

directed the Oregon Liquor Control

0:01:31.030,0:01:36.790

Commission which included operating

0:01:33.880,0:01:40.600

Oregon's distilled spirits business from

0:01:36.790,0:01:42.520

2003 to 2007 she worked at Oregon

0:01:40.600,0:01:45.549

partnership to direct statewide

0:01:42.520,0:01:48.490

leadership and media campaigns to reduce

0:01:45.549,0:01:50.560
underage drinking her education campaign

0:01:48.490,0:01:52.780
is designed to explain the purpose and

0:01:50.560,0:01:56.380
objectives of alcohol regulation in

0:01:52.780,0:01:59.229
simple terms she has developed several

0:01:56.380,0:02:00.970
reports on deregulation in the United

0:01:59.229,0:02:03.760
States and the United Kingdom excuse me

0:02:00.970,0:02:06.040
and the United States and biennially

0:02:03.760,0:02:08.890
produces a report for policy makers

0:02:06.040,0:02:11.620
called issue briefs these reports

0:02:08.890,0:02:14.230
explain how deregulation can lead to

0:02:11.620,0:02:16.900
increased social problems such as high

0:02:14.230,0:02:20.500
rates of underage drinking Public Order

0:02:16.900,0:02:22.810
offenses and alcohol-related diseases

0:02:20.500,0:02:25.450
recently she launched a series of short

0:02:22.810,0:02:27.610
reports the latest one is entitled

0:02:25.450,0:02:30.790
special rules for small breweries

0:02:27.610,0:02:33.040
wineries and distilleries pam has also

0:02:30.790,0:02:36.010
served as an expert witness in key

0:02:33.040,0:02:39.190
alcohol regulation cases in Kentucky and

0:02:36.010,0:02:46.330
California her educational materials are

0:02:39.190,0:02:48.420
available at WWDC all market.com and

0:02:46.330,0:02:53.350
everything is spelled out healthy

0:02:48.420,0:02:55.770
alcohol market.com note that everything

0:02:53.350,0:03:00.310
in the web address is spelled out

0:02:55.770,0:03:03.610
healthy alcohol market.com all right Pam

0:03:00.310,0:03:07.240
I am going to turn the webinar over to

0:03:03.610,0:03:18.970
you just give me a few seconds to do the

0:03:07.240,0:03:27.670
screen sharing and I am going to change

0:03:18.970,0:03:30.519
presenter so if you can pull up the

0:03:27.670,0:03:41.110
slide presentation we should be good to

0:03:30.519,0:03:46.690
go okay I think we are ready okay so I

0:03:41.110,0:03:48.610
have I'm going to take controls back for

0:03:46.690,0:03:53.670
a second because I'm not seeing the

0:03:48.610,0:03:53.670
presentation I'm gonna take control back

0:03:59.270,0:04:20.190

okay it's up on my screen okay so I'm

0:04:15.570,0:04:26.840
not seeing it on my side I keep seeing

0:04:20.190,0:04:32.460
the other document okay so let's see

0:04:26.840,0:04:34.470
what we can do here hold on okay Pam I

0:04:32.460,0:04:36.330
think we are good to go I can see

0:04:34.470,0:04:40.860
everything and so the webinar is now

0:04:36.330,0:04:44.370
yours okay thank you so much it's my

0:04:40.860,0:04:47.760
pleasure to to produce this webinar for

0:04:44.370,0:04:51.410
all of you because I know there's a lot

0:04:47.760,0:04:55.640
of confusion about alcohol regulation

0:04:51.410,0:04:59.730
and so I'm going to attempt to unravel

0:04:55.640,0:05:05.729
the mysteries of this regulation for all

0:04:59.730,0:05:09.180
of you this screen just gives my basic

0:05:05.729,0:05:12.210
information and like Maggie said my

0:05:09.180,0:05:15.570
information is all available on the

0:05:12.210,0:05:18.780
healthy alcohol market.com website it's

0:05:15.570,0:05:21.150
all free you can download it send it to

0:05:18.780,0:05:27.570
whoever you want you don't have to ask

0:05:21.150,0:05:31.260
my permission so let's talk about why

0:05:27.570,0:05:34.680
alcohol regulation is somewhat

0:05:31.260,0:05:36.900
mysterious to most people and I think

0:05:34.680,0:05:39.990
I'm kind of a good example before I

0:05:36.900,0:05:41.940
became the director of the Oregon Liquor

0:05:39.990,0:05:45.210
Control Commission I didn't really know

0:05:41.940,0:05:47.220
a lot about alcohol regulation and I

0:05:45.210,0:05:51.240
have to say that some of the regulations

0:05:47.220,0:05:54.330
seemed a little silly to me and part of

0:05:51.240,0:05:57.770
the problem is that a lot of times we

0:05:54.330,0:05:59.850
think about alcohol regulations as

0:05:57.770,0:06:03.169
single regulations

0:05:59.850,0:06:06.690
whereas it's really a part of a system

0:06:03.169,0:06:11.849
for example closing hours are usually

0:06:06.690,0:06:16.379
around 2:00 a.m. and that's one of many

0:06:11.849,0:06:19.679
many regulations other regulations don't

0:06:16.379,0:06:23.029
may not make sense until you look at the

0:06:19.679,0:06:26.699
whole system and so I'm going to try to

0:06:23.029,0:06:30.270
explain to people why we regulate

0:06:26.699,0:06:32.159
alcohol the way we do what is a control

0:06:30.270,0:06:34.439
system why is it different from a

0:06:32.159,0:06:36.330
license system and why do we have

0:06:34.439,0:06:41.129
something called the three-tiered system

0:06:36.330,0:06:45.209
a lot of the answers are in our history

0:06:41.129,0:06:50.339
and so I'm going to trace the history of

0:06:45.209,0:06:55.379
alcohol use in our country from kind of

0:06:50.339,0:06:58.439
from the beginning and the reason we do

0:06:55.379,0:07:02.099
this is that if we can't remember our

0:06:58.439,0:07:06.839
past we are condemned to repeat it

0:07:02.099,0:07:14.369
that's a very commonly quoted piece of

0:07:06.839,0:07:17.519
wisdom from George Santayana our history

0:07:14.369,0:07:21.329
starts with the first wave of immigrants

0:07:17.519,0:07:25.229
that came to our country the first wave

0:07:21.329,0:07:29.159
came from Europe which had very had a

0:07:25.229,0:07:30.869

culture of very heavy drinking and so

0:07:29.159,0:07:33.689
these immigrants brought their culture

0:07:30.869,0:07:35.029
of heavy drinking plus some of their

0:07:33.689,0:07:38.539
products

0:07:35.029,0:07:43.019
alcohol consumption was very very high

0:07:38.539,0:07:46.099
probably about twice as much as it as it

0:07:43.019,0:07:49.979
is today according to historians and

0:07:46.099,0:07:53.189
people had habits like if you were a

0:07:49.979,0:07:56.759
worker often times you had breaks at

0:07:53.189,0:07:58.050
11:00 a.m. and 4:00 p.m. for the purpose

0:07:56.759,0:08:02.729
of drinking alcohol

0:07:58.050,0:08:06.659
and it was usually hard liquor alcohol

0:08:02.729,0:08:09.360
was often a an issue at elections in

0:08:06.659,0:08:11.369
that and as a candidate you had to

0:08:09.360,0:08:15.300
provide alcohol in order to get elected

0:08:11.369,0:08:18.149
even George Washington realized this

0:08:15.300,0:08:22.610
when he refused to provide alcohol and

0:08:18.149,0:08:25.810
he lost the election so alcohol had a

0:08:22.610,0:08:28.450
very strong cultural

0:08:25.810,0:08:31.030
in our early history and part of the

0:08:28.450,0:08:34.120
problem was that there weren't a lot of

0:08:31.030,0:08:36.969
safe products to drink the water wasn't

0:08:34.120,0:08:40.990
really safe it had a lot of sediment in

0:08:36.969,0:08:44.620
it if not toxins even milk could be

0:08:40.990,0:08:49.270
unsafe if the cows ate milkweed for

0:08:44.620,0:08:55.900
example so soapy our early ancestors

0:08:49.270,0:08:59.550
drank a great deal of alcohol I I like

0:08:55.900,0:09:03.790
this chart because it really irritates

0:08:59.550,0:09:08.530
the fact that in Europe where a lot of

0:09:03.790,0:09:13.480
our immigrants came from has a very high

0:09:08.530,0:09:16.630
drinking culture this is today and you

0:09:13.480,0:09:19.900
can see that Europe several countries in

0:09:16.630,0:09:23.680
Europe are still among the most heavy

0:09:19.900,0:09:27.310
heavily drinking people's in the world

0:09:23.680,0:09:34.180
we actually have a little more moderate

0:09:27.310,0:09:38.320
drinking climate in the early days

0:09:34.180,0:09:42.880
alcohol was an important commodity for

0:09:38.320,0:09:44.650
the economy when farmers east of the

0:09:42.880,0:09:47.860
Appalachian x'd Avella p--

0:09:44.650,0:09:52.030
a surplus of corn they found that they

0:09:47.860,0:09:55.630
couldn't really ship the corn to markets

0:09:52.030,0:09:58.120
on the East Coast there just weren't the

0:09:55.630,0:10:02.470
same the adequate kinds of

0:09:58.120,0:10:05.560
transportation systems water there the

0:10:02.470,0:10:08.200
roads were pretty dicey so they

0:10:05.560,0:10:11.170
discovered that if they took the surplus

0:10:08.200,0:10:14.650
corn and turned it into whiskey it was

0:10:11.170,0:10:18.280
much easier to transport and there was a

0:10:14.650,0:10:22.750
ready market on the East Coast and in

0:10:18.280,0:10:28.150
fact it became an issue of allegiance to

0:10:22.750,0:10:31.000
the country because prior to the whiskey

0:10:28.150,0:10:35.620
being developed people drank rum which

0:10:31.000,0:10:38.200

was imported now you can drink a product

0:10:35.620,0:10:41.280
that was made in your own country and be

0:10:38.200,0:10:41.280
more patriotic

0:10:41.519,0:10:51.300
another wave of immigrants brought beer

0:10:46.690,0:10:54.370
and beer making skills these were they

0:10:51.300,0:10:58.589
immigrants from the Germanic countries

0:10:54.370,0:11:04.350
Germany Austria and and the like and

0:10:58.589,0:11:08.560
they predominated in the 1800s and by

0:11:04.350,0:11:11.800
1900s really completely dominated the

0:11:08.560,0:11:16.690
alcohol market they introduced something

0:11:11.800,0:11:20.890
called the saloon system the way it

0:11:16.690,0:11:24.970
worked was that beer manufacturers also

0:11:20.890,0:11:29.230
owned saloons in virtually every

0:11:24.970,0:11:32.740
community in our country I grew up in a

0:11:29.230,0:11:36.550
small town called Astoria on the Oregon

0:11:32.740,0:11:40.930
coast and my grandmother had some maps

0:11:36.550,0:11:43.390
of the town in the late 1800s and I was

0:11:40.930,0:11:47.320
shocked at how many saloons were

0:11:43.390,0:11:52.120
downtown there there were a lot of them

0:11:47.320,0:11:54.339
and the town was not a huge did not have

0:11:52.120,0:11:58.000
a huge population probably about ten

0:11:54.339,0:12:01.959
thousand people at that time and so

0:11:58.000,0:12:07.149
saloons littered are all of our

0:12:01.959,0:12:10.269
communities and 70% of these saloons

0:12:07.149,0:12:13.390
were what's called hide houses which

0:12:10.269,0:12:17.820
meant that the large out-of-state beer

0:12:13.390,0:12:21.220
manufacturers owned them they they were

0:12:17.820,0:12:25.690
extremely competitive because there were

0:12:21.220,0:12:28.990
several different manufacturers that had

0:12:25.690,0:12:31.990
saloons so you had lots of different

0:12:28.990,0:12:35.380
saloons competing for the same

0:12:31.990,0:12:40.620
population they used aggressive sales

0:12:35.380,0:12:44.350
tax tactics had gambling prostitution

0:12:40.620,0:12:47.320
all kinds of public order problems and

0:12:44.350,0:12:51.040
often times they were located near a

0:12:47.320,0:12:52.930
factory and of course workers would come

0:12:51.040,0:12:57.519
after work

0:12:52.930,0:13:02.649
and the saloon often would pledge the

0:12:57.519,0:13:05.920
the paycheck so that when the paycheck

0:13:02.649,0:13:09.279
actually came there wasn't a lot left

0:13:05.920,0:13:10.769
for the family most of it was but went

0:13:09.279,0:13:14.679
to the bar bill

0:13:10.769,0:13:27.839
so that that system produced a lot of

0:13:14.679,0:13:35.980
problems so without much regulation

0:13:27.839,0:13:39.279
alcohol was very very high and most most

0:13:35.980,0:13:42.990
cities and communities did not regulate

0:13:39.279,0:13:47.499
alcohol there were some localities that

0:13:42.990,0:13:49.509
licensed saloons but it was really for

0:13:47.499,0:13:51.429
the purpose of getting a license fee

0:13:49.509,0:13:55.689
they didn't really have a lot of

0:13:51.429,0:14:00.959
regulations that that were enforced

0:13:55.689,0:14:07.389
so eventually serious social problems

0:14:00.959,0:14:10.749

existed this is a quote from a historian

0:14:07.389,0:14:14.980

Alexis de Tocqueville that spent a lot

0:14:10.749,0:14:18.990

of time in the 1800's observing American

0:14:14.980,0:14:23.800

life and how things operated and he was

0:14:18.990,0:14:27.009

kind of amazed at the the temperance

0:14:23.800,0:14:32.620

movement that began to form because of

0:14:27.009,0:14:36.339

the serious social problems that existed

0:14:32.620,0:14:39.339

in America this quote says at last I

0:14:36.339,0:14:41.920

understood that there 300,000 Americans

0:14:39.339,0:14:45.149

alarmed by the progress of drunkenness

0:14:41.920,0:14:48.370

around them had made up their mind to

0:14:45.149,0:14:52.029

patronize temperance and in those days

0:14:48.370,0:14:56.259

it was a black and white issue either

0:14:52.029,0:14:59.649

you allowed alcohol or you didn't there

0:14:56.259,0:15:02.290

was no thought given to regulation and

0:14:59.649,0:15:05.319

how you might solve some of these

0:15:02.290,0:15:06.660

problems through regulation it was

0:15:05.319,0:15:12.420

really temperance

0:15:06.660,0:15:16.740
or not so the start of the temperance

0:15:12.420,0:15:20.220
movement began because there was very

0:15:16.740,0:15:24.899
heavy drinking family resources were

0:15:20.220,0:15:27.240
were very strained and women took a lead

0:15:24.899,0:15:30.449
in the temperance movement this is a

0:15:27.240,0:15:34.139
picture of Frances Willard who was one

0:15:30.449,0:15:36.060
of the leaders oftentimes women that

0:15:34.139,0:15:38.970
were involved in the temperance movement

0:15:36.060,0:15:42.600
are looked at as kind of cartoon

0:15:38.970,0:15:47.490
characters overly moralistic and just

0:15:42.600,0:15:50.759
wanting to kill the party but the real

0:15:47.490,0:15:54.269
reason women took the lead was that

0:15:50.759,0:15:57.329
family resources were very strained in

0:15:54.269,0:16:00.060
those days women weren't part of the

0:15:57.329,0:16:02.910
workforce they raised the family and

0:16:00.060,0:16:05.990
they were completely dependent on their

0:16:02.910,0:16:09.240
husbands income and when the husband

0:16:05.990,0:16:13.050
drank up most of the income in the local

0:16:09.240,0:16:18.240
saloon that created major problems for

0:16:13.050,0:16:22.399
families the temperance movement grew

0:16:18.240,0:16:26.970
and grew this is a photograph from the

0:16:22.399,0:16:29.459
Library of Congress that shows the 16th

0:16:26.970,0:16:32.939
annual convention of the anti-saloon

0:16:29.459,0:16:37.230
League the anti-saloon League grew and

0:16:32.939,0:16:42.029
grew and took a stand against not only

0:16:37.230,0:16:46.439
drinking but the way it was sold it

0:16:42.029,0:16:50.329
involved some very competent and clever

0:16:46.439,0:16:55.550
lobbying on the part of the league and

0:16:50.329,0:17:00.209
they moved the prohibition issue forward

0:16:55.550,0:17:05.939
so we get to the 1900s and what we have

0:17:00.209,0:17:12.809
is a saloon league that that is fighting

0:17:05.939,0:17:15.839
for prohibition and a lot of in a saloon

0:17:12.809,0:17:19.559
system that was creating major problems

0:17:15.839,0:17:20.580
not only for the family but for public

0:17:19.559,0:17:22.920

order

0:17:20.580,0:17:27.870
there was a lot of drunkenness public

0:17:22.920,0:17:31.890
urination problems around saloons then

0:17:27.870,0:17:36.360
World War two came along and there was

0:17:31.890,0:17:41.600
kind of an anti-german sentiment and the

0:17:36.360,0:17:47.160
u.s. entered the world war in 1917 and

0:17:41.600,0:17:52.860
by 1919 the 18th amendment was passed

0:17:47.160,0:17:55.940
and ratified assuring in a period of 13

0:17:52.860,0:17:55.940
years of prohibition

0:17:56.780,0:18:03.450
now prohibition wasn't a complete

0:17:59.550,0:18:06.500
failure it did solve some problems but

0:18:03.450,0:18:10.170
it also fostered other problems

0:18:06.500,0:18:13.890
it really did quell the public order

0:18:10.170,0:18:18.120
issues because alcohol sales went

0:18:13.890,0:18:21.330
underground there weren't the same level

0:18:18.120,0:18:23.550
of public order problems it also did

0:18:21.330,0:18:27.570
reduce consumption at least in the early

0:18:23.550,0:18:32.040
years although it it crept up we believe

0:18:27.570,0:18:35.820
we don't have actual statistics because

0:18:32.040,0:18:41.010
it was illegal we don't exactly know how

0:18:35.820,0:18:43.800
much alcohol was consumed but nationally

0:18:41.010,0:18:46.290
organized crime syndicates developed a

0:18:43.800,0:18:48.810
supply alcohol so you had the

0:18:46.290,0:18:51.890
introduction of organized crime in our

0:18:48.810,0:18:54.390
country also illegal retail

0:18:51.890,0:18:58.010
establishments called speakeasy sprung

0:18:54.390,0:19:02.760
up to accommodate drunkards drinkers an

0:18:58.010,0:19:06.260
enforcement was very very weak it'd be

0:19:02.760,0:19:09.920
eventually became quite unpopular and

0:19:06.260,0:19:14.610
finally the 21st amendment was passed

0:19:09.920,0:19:17.340
that ended prohibition and gave the

0:19:14.610,0:19:23.100
primary responsibility for regulating

0:19:17.340,0:19:25.190
alcohol to the states well it turns out

0:19:23.100,0:19:30.120
the states really didn't know much about

0:19:25.190,0:19:32.760
how to regulate alcohol since it was

0:19:30.120,0:19:34.400
never really regularly regulated in our

0:19:32.760,0:19:37.900
country and we just gone through

0:19:34.400,0:19:42.230
thirteen years of of prohibition

0:19:37.900,0:19:45.410
fortunately a largest study was financed

0:19:42.230,0:19:48.260
by john d rockefeller a prominent

0:19:45.410,0:19:54.250
entrepreneur of the day called toward

0:19:48.260,0:19:59.420
liquor control in this book they authors

0:19:54.250,0:20:02.660
Fosdick and Scott surveyed all a lot of

0:19:59.420,0:20:04.940
different countries the Canadian

0:20:02.660,0:20:08.500
countries other countries in the world

0:20:04.940,0:20:11.720
that actually regulated alcohol to

0:20:08.500,0:20:16.100
identify what are the important aspects

0:20:11.720,0:20:18.950
of regulation for alcohol control they

0:20:16.100,0:20:22.280
also interviewed four hundred leaders

0:20:18.950,0:20:24.770
from all walks of American life to get

0:20:22.280,0:20:32.650
their attitudes and opinions about

0:20:24.770,0:20:38.620
alcohol so what they found was that

0:20:32.650,0:20:41.809

there was a belief in this country that

0:20:38.620,0:20:46.400
alcohol could be used moderately and

0:20:41.809,0:20:49.730
could be a part of civilized living but

0:20:46.400,0:20:57.140
people believed that the saloon system

0:20:49.730,0:20:59.750
must never return that system was

0:20:57.140,0:21:03.559
characterized by very aggressive sales

0:20:59.750,0:21:06.760
that stimulated consumption and was

0:21:03.559,0:21:10.820
involved in political corruption a

0:21:06.760,0:21:16.340
control system was recommended the the

0:21:10.820,0:21:23.179
recommended process for four states in

0:21:16.340,0:21:26.059
this book so let's talk about the

0:21:23.179,0:21:29.150
differences between a control and

0:21:26.059,0:21:32.750
license system in the book toward liquor

0:21:29.150,0:21:35.890
control they discuss the elements of

0:21:32.750,0:21:38.840
both a control and license system and

0:21:35.890,0:21:41.900
they did recommend a control system

0:21:38.840,0:21:46.010
because the author's felt that it would

0:21:41.900,0:21:48.290
be more effective in eliminating some of

0:21:46.010,0:21:53.060
the adverse aspects

0:21:48.290,0:21:56.650
of the profit motive it would tamp down

0:21:53.060,0:22:01.190
a lot of the aggressive sales and

0:21:56.650,0:22:05.920
operate the liquor business from a a

0:22:01.190,0:22:09.710
control or public safety standpoint

0:22:05.920,0:22:13.370
though but they recognize that most

0:22:09.710,0:22:18.800
states would probably adopt a license

0:22:13.370,0:22:22.190
system in the control system the state

0:22:18.800,0:22:25.970
takes ownership of the product at some

0:22:22.190,0:22:30.830
point in the business cycle many states

0:22:25.970,0:22:33.770
have a privatized retail sector although

0:22:30.830,0:22:38.810
some states still have state stores

0:22:33.770,0:22:41.240
where you buy alcohol it limits a lot of

0:22:38.810,0:22:45.470
the adverse impacts of the profit motive

0:22:41.240,0:22:48.560
and is able to capture more revenue

0:22:45.470,0:22:52.400
because it takes a share of the profits

0:22:48.560,0:22:55.280
and this revenue is needed to combat

0:22:52.400,0:22:58.840
social problems which of course still

0:22:55.280,0:23:02.120
exists today in the license system

0:22:58.840,0:23:06.260
private the private sector owns the

0:23:02.120,0:23:14.230
retail sector and and also the wholesale

0:23:06.260,0:23:17.810
sector it produces less revenue because

0:23:14.230,0:23:21.970
it does not share in a lot of the

0:23:17.810,0:23:27.860
profits like the control system does and

0:23:21.970,0:23:32.320
it does not as as readily tamp down some

0:23:27.860,0:23:38.030
of the aggressive sales tactics that

0:23:32.320,0:23:42.230
increase consumption but both systems

0:23:38.030,0:23:46.700
have a lot of similarities first of all

0:23:42.230,0:23:50.630
in both systems everyone who sells

0:23:46.700,0:23:55.250
alcohol or serves alcohol is licensed

0:23:50.630,0:24:00.860
and this ensures that the criminal

0:23:55.250,0:24:06.529
element is not evidenced in alcohol

0:24:00.860,0:24:09.049
sales and service all licence systems

0:24:06.529,0:24:13.669
enforce laws to reduce underage drinking

0:24:09.049,0:24:16.760

and excessive drinking drunk drunk

0:24:13.669,0:24:20.539
driving and other kinds of problems all

0:24:16.760,0:24:23.600
states enforce these laws and all states

0:24:20.539,0:24:26.330
to one degree or another regulate the

0:24:23.600,0:24:30.820
days of hours of sale the location of

0:24:26.330,0:24:35.000
premises and those kinds of things

0:24:30.820,0:24:38.120
finally all states to one degree or

0:24:35.000,0:24:41.899
another have a three-tier system and

0:24:38.120,0:24:48.529
require that all alcohol flows through a

0:24:41.899,0:24:53.419
three-tier system so today this is what

0:24:48.529,0:24:57.740
we have we have shared principles of

0:24:53.419,0:25:01.519
both a control and licensing system that

0:24:57.740,0:25:04.730
help preacher tale problems and keep an

0:25:01.519,0:25:07.639
orderly alcohol market we have

0:25:04.730,0:25:10.250
background checks and other requirements

0:25:07.639,0:25:13.100
that keep the criminal element out of

0:25:10.250,0:25:17.570
the business the three-tiered system

0:25:13.100,0:25:20.960
which all states have it's a closed

0:25:17.570,0:25:26.510
system of product sale which requires

0:25:20.960,0:25:32.480
that alcohol manufacturers sell only to

0:25:26.510,0:25:35.480
a licensed wholesaler who only sells to

0:25:32.480,0:25:40.269
a licensed retailer there are a couple

0:25:35.480,0:25:44.179
of advantages of that system one is that

0:25:40.269,0:25:48.679
the wholesaler in most states collects

0:25:44.179,0:25:52.760
the excise tax and it's a very efficient

0:25:48.679,0:25:56.149
system whereby we have almost a hundred

0:25:52.760,0:25:59.659
percent tax collections in other

0:25:56.149,0:26:02.450
countries they lose as much as a third

0:25:59.659,0:26:06.169
of potential revenue through leaks in

0:26:02.450,0:26:11.090
the system a three-tiered system is a

0:26:06.169,0:26:14.900
really good system that provides very

0:26:11.090,0:26:18.440
strong tax collections it also

0:26:14.900,0:26:22.220
helps predict prevent tainted products

0:26:18.440,0:26:26.330
from getting into the marketplace the

0:26:22.220,0:26:30.320
wholesaler in most states is required to

0:26:26.330,0:26:33.170
track every bottle and can wholesalers

0:26:30.320,0:26:35.860
are also in retail establishments

0:26:33.170,0:26:40.070
looking at what's on the shelf

0:26:35.860,0:26:42.740
that provides a very good tracking

0:26:40.070,0:26:47.000
system so when there is a recall or a

0:26:42.740,0:26:49.850
problem it can be quickly identified and

0:26:47.000,0:26:52.400
pulled from that the retail shelf before

0:26:49.850,0:26:58.010
there is a problem recently we've had

0:26:52.400,0:27:01.760
some recalls of bottles with the problem

0:26:58.010,0:27:06.260
of glass falling into the interior of

0:27:01.760,0:27:09.710
the bottle those products have been so

0:27:06.260,0:27:13.760
quickly removed from the shelf that no

0:27:09.710,0:27:18.320
customer has been injured by the recall

0:27:13.760,0:27:22.660
in other countries fake alcohol often

0:27:18.320,0:27:27.350
gets sold in the marketplace and fake

0:27:22.660,0:27:31.550
alcohol sometimes contains methanol

0:27:27.350,0:27:35.510
which is a very deadly substance a few

0:27:31.550,0:27:39.680

years ago over 30 people died because in

0:27:35.510,0:27:43.370
the Czech Republic a fake-out vodka was

0:27:39.680,0:27:45.860
sold and many people drank it bought it

0:27:43.370,0:27:48.620
it was very cheap they bought it they

0:27:45.860,0:27:54.010
drank it and over 30 people died and

0:27:48.620,0:27:57.020
then they had to to prohibit the sale of

0:27:54.010,0:28:00.800
hard liquor for a period of time until

0:27:57.020,0:28:03.110
they were able to identify all of those

0:28:00.800,0:28:07.100
fake products and pull them from the

0:28:03.110,0:28:10.310
marketplace so not only were human

0:28:07.100,0:28:13.130
beings harmed but businesses were harmed

0:28:10.310,0:28:17.200
because they had to stop selling all of

0:28:13.130,0:28:21.080
their products for a period of time so

0:28:17.200,0:28:25.970
the three-tiered system is really a good

0:28:21.080,0:28:28.840
system that protects the public we all

0:28:25.970,0:28:31.550
all states have info

0:28:28.840,0:28:33.560
activities that prevent sales to minors

0:28:31.550,0:28:36.950
and curtails

0:28:33.560,0:28:39.380
a lot of the kind of excessive drinking

0:28:36.950,0:28:44.230
and business practices that happened

0:28:39.380,0:28:47.500
before prohibition all states limit

0:28:44.230,0:28:51.140
availability of alcohol to some degree

0:28:47.500,0:28:53.570
before prohibition local communities

0:28:51.140,0:28:56.410
were completely saturated with outlets

0:28:53.570,0:28:59.930
and there was almost no regulation of

0:28:56.410,0:29:03.710
location product hours of sale and that

0:28:59.930,0:29:06.560
kind of thing and as we'll see research

0:29:03.710,0:29:10.460
has established that those are effective

0:29:06.560,0:29:14.600
methods of control let's talk a little

0:29:10.460,0:29:17.240
bit more about control systems they

0:29:14.600,0:29:20.050
aren't that unusual we're not the only

0:29:17.240,0:29:24.410
country that has a control system

0:29:20.050,0:29:27.110
whereby the the public owns part of the

0:29:24.410,0:29:30.800
business and sells it in a very

0:29:27.110,0:29:33.130
controlled manner control systems are

0:29:30.800,0:29:38.480
found in other parts of the world Canada

0:29:33.130,0:29:44.170
the Scandinavian countries in India and

0:29:38.480,0:29:48.560
and so forth they tend to predominate in

0:29:44.170,0:29:52.490
northern countries drinking is higher in

0:29:48.560,0:29:55.730
northern countries and there are various

0:29:52.490,0:29:58.730
reasons for that culture and so forth

0:29:55.730,0:30:04.250
but we recently had a study that showed

0:29:58.730,0:30:10.550
that cold weather also induces increased

0:30:04.250,0:30:14.300
consumption in the u.s. control systems

0:30:10.550,0:30:17.930
also predominate in northern country in

0:30:14.300,0:30:21.800
northern states and communities there

0:30:17.930,0:30:23.690
are now 17 control States and you see

0:30:21.800,0:30:26.690
they're kind of clustered in various

0:30:23.690,0:30:30.290
parts of the country and we also have

0:30:26.690,0:30:35.110
some states where the control system

0:30:30.290,0:30:41.740
exists in local governments in Minnesota

0:30:35.110,0:30:45.740
Alaska Maryland in nor South Dakota

0:30:41.740,0:30:53.300

local communities have control systems

0:30:45.740,0:30:59.060
in their area so what does research say

0:30:53.300,0:31:02.750
about control systems and I use a couple

0:30:59.060,0:31:05.600
of different very credible sources for

0:31:02.750,0:31:10.400
research one is the Centers for Disease

0:31:05.600,0:31:13.390
Control which has confirmed that that

0:31:10.400,0:31:16.460
control systems are highly effective and

0:31:13.390,0:31:21.680
recommends against further privatization

0:31:16.460,0:31:26.110
of those systems but another publication

0:31:21.680,0:31:29.360
called alcohol no ordinary commodity is

0:31:26.110,0:31:31.580
produced by the leading researchers

0:31:29.360,0:31:33.800
around the world and they have

0:31:31.580,0:31:37.790
identified what they call the strong

0:31:33.800,0:31:43.240
strategies and those are that restrict

0:31:37.790,0:31:46.340
affordability that restrict availability

0:31:43.240,0:31:53.090
accessibility and reduce drink drunk

0:31:46.340,0:31:56.120
driving so the and the other thing to

0:31:53.090,0:31:59.300
remember about control systems is their

0:31:56.120,0:32:02.840
revenue generating capacity control

0:31:59.300,0:32:07.220
systems generate 82 to 90 percent more

0:32:02.840,0:32:11.950
revenue than licensed systems and given

0:32:07.220,0:32:16.340
that alcohol harm is not covered by

0:32:11.950,0:32:19.190
alcohol taxes and fees revenue raising

0:32:16.340,0:32:22.550
is really important because it offsets

0:32:19.190,0:32:25.120
at least part of the cost to the general

0:32:22.550,0:32:25.120
public

0:32:25.630,0:32:33.980
let's talk a little more about the

0:32:28.340,0:32:37.640
strong strategies affordability price is

0:32:33.980,0:32:41.930
the strongest controller of consumption

0:32:37.640,0:32:45.800
as the price goes up consumption goes

0:32:41.930,0:32:51.250
down as the price is lowered consumption

0:32:45.800,0:32:51.250
goes up you can kind of count on that

0:32:51.430,0:32:57.090
but

0:32:52.880,0:33:01.020
jurisdictions do need to essentially

0:32:57.090,0:33:05.370
balance the price because if it's way

0:33:01.020,0:33:08.520
too high then it induces bootlegging if

0:33:05.370,0:33:12.179
it's way too low it increases

0:33:08.520,0:33:15.330
consumption so alcohol regulatory

0:33:12.179,0:33:20.400
authorities are always looking at where

0:33:15.330,0:33:25.100
is the sweet spot that balances these

0:33:20.400,0:33:27.929
two aspects of price promotion

0:33:25.100,0:33:32.429
promotions in do sales and encourage

0:33:27.929,0:33:36.210
consumptions because control systems own

0:33:32.429,0:33:39.440
the own the product they have better

0:33:36.210,0:33:42.720
control of promotional activities in

0:33:39.440,0:33:47.000
Oregon where we owned the distilled

0:33:42.720,0:33:50.460
spirits business we did not allow any

0:33:47.000,0:33:52.500
advertisement of the product certainly

0:33:50.460,0:33:55.429
national companies were free to

0:33:52.500,0:33:58.970
advertise their product but as a liquor

0:33:55.429,0:34:03.510
retailing system we only advertised

0:33:58.970,0:34:07.710
location of of stores and that kind of

0:34:03.510,0:34:10.710

thing so you can really curtail a lot of

0:34:07.710,0:34:16.339
the issues that will increase

0:34:10.710,0:34:19.320
consumption of alcohol products

0:34:16.339,0:34:23.419
dangerous products can be curtailed or

0:34:19.320,0:34:25.800
kept off the marketplace for example

0:34:23.419,0:34:28.770
Washington State used to be a control

0:34:25.800,0:34:30.030
system it's the only state that has

0:34:28.770,0:34:35.159
privatized

0:34:30.030,0:34:39.480
but before privatization it required

0:34:35.159,0:34:41.909
that you have a special permit to buy a

0:34:39.480,0:34:46.409
high alcohol content product like

0:34:41.909,0:34:52.409
Everclear which is almost almost ninety

0:34:46.409,0:34:56.099
percent alcohol so also jurisdictions

0:34:52.409,0:34:59.190
kandi lists what might be dangerous

0:34:56.099,0:35:02.250
products I remember that in Oregon we

0:34:59.190,0:35:04.950
chose not to list a product called

0:35:02.250,0:35:06.040
Russian Roulette vodka because we

0:35:04.950,0:35:08.620
thought that convey

0:35:06.040,0:35:13.080
the wrong message we have plenty of

0:35:08.620,0:35:17.700
problems with alcohol and violence and

0:35:13.080,0:35:29.890
death and we don't want messages that

0:35:17.700,0:35:31.900
acknowledge or encourage that finally I

0:35:29.890,0:35:36.190
wanted to talk a little bit about

0:35:31.900,0:35:38.320
location when you own the alcohol

0:35:36.190,0:35:42.550
business you do really control the

0:35:38.320,0:35:47.040
location and so you can locate them your

0:35:42.550,0:35:53.230
your stores in appropriate places like

0:35:47.040,0:35:56.620
not near a school or or you can't you

0:35:53.230,0:35:58.960
can choose not to have it like they did

0:35:56.620,0:36:02.260
with a saloon system where you locate a

0:35:58.960,0:36:06.040
lot of stores near a factory where

0:36:02.260,0:36:12.880
people will come in buy alcohol after

0:36:06.040,0:36:18.130
work kind of thing so basically as a

0:36:12.880,0:36:20.740
kind of summary the the goal of a

0:36:18.130,0:36:23.740
control system as well as a license

0:36:20.740,0:36:26.830
system is to balance business and Public

0:36:23.740,0:36:30.510
Safety and we have to remember that

0:36:26.830,0:36:33.880
despite the fact that we assert

0:36:30.510,0:36:37.390
substantial control over alcohol it

0:36:33.880,0:36:42.250
still accounts for eighty eight thousand

0:36:37.390,0:36:46.960
deaths annually that's a lot of that's a

0:36:42.250,0:36:49.570
lot of harm to our families and so we

0:36:46.960,0:36:53.260
have to be very careful about selling

0:36:49.570,0:36:55.540
the product also drunk driving we have

0:36:53.260,0:36:58.720
made a lot of progress on drunk driving

0:36:55.540,0:37:02.920
it used to be three times the number of

0:36:58.720,0:37:05.770
deaths that we we see annually but we're

0:37:02.920,0:37:09.360
kind of stuck at the ten thousand death

0:37:05.770,0:37:12.820
level and it's begun to sort of creep up

0:37:09.360,0:37:16.300
we also have two hundred and ninety

0:37:12.820,0:37:19.730
thousand injuries each year and some of

0:37:16.300,0:37:25.880
those are are very very serious and

0:37:19.730,0:37:29.329

create enormous health bills alcohol

0:37:25.880,0:37:32.030
harm costs everybody it is estimated

0:37:29.329,0:37:36.829
that it costs two hundred and forty nine

0:37:32.030,0:37:40.630
billion annually and as I understand

0:37:36.829,0:37:45.859
only about forty percent of that cost is

0:37:40.630,0:37:48.950
paid for by taxes and fees on alcohol

0:37:45.859,0:37:52.790
businesses so it doesn't come close to

0:37:48.950,0:37:56.000
covering the total cost but alcohol

0:37:52.790,0:37:58.069
businesses are also important for our

0:37:56.000,0:38:00.940
economy

0:37:58.069,0:38:04.010
however Public Health and Safety are

0:38:00.940,0:38:07.910
primary and we need to always remember

0:38:04.010,0:38:12.140
that and many times you can go to your

0:38:07.910,0:38:17.170
statutes and realize that your first

0:38:12.140,0:38:20.869
duty is for Public Health and Safety but

0:38:17.170,0:38:25.670
secondarily businesses need to be

0:38:20.869,0:38:32.299
well-run and people as it creates a lot

0:38:25.670,0:38:34.960
of jobs in profits for the community so

0:38:32.299,0:38:39.380
here are some takeaways

0:38:34.960,0:38:46.369
first of all history has shaped where we

0:38:39.380,0:38:50.750
are today we have to kind of extreme

0:38:46.369,0:38:54.770
examples of experience with alcohol one

0:38:50.750,0:38:57.290
is no regulation that created eventually

0:38:54.770,0:39:00.079
very serious problems for our

0:38:57.290,0:39:03.920
communities and our families and then

0:39:00.079,0:39:06.579
prohibition which although it reduced

0:39:03.920,0:39:09.349
consumption and some problems it

0:39:06.579,0:39:11.510
fostered the development of organized

0:39:09.349,0:39:15.530
crime and eventually became very

0:39:11.510,0:39:18.290
unpopular so after the after prohibition

0:39:15.530,0:39:21.020
the twenty-first amendment granted the

0:39:18.290,0:39:24.530
states the primary responsibility to

0:39:21.020,0:39:28.190
regulate alcohol and I think that kind

0:39:24.530,0:39:31.760
of recognizes that a federal law where

0:39:28.190,0:39:33.110
one size fits all just doesn't work very

0:39:31.760,0:39:35.810
well

0:39:33.110,0:39:39.010
that you need to be a lot more flexible

0:39:35.810,0:39:44.270
and particularly states and communities

0:39:39.010,0:39:46.850
need to have a major say in how alcohol

0:39:44.270,0:39:50.180
is regulated because when you have

0:39:46.850,0:39:53.150
alcohol problems they are really at the

0:39:50.180,0:39:55.760
local level and getting the federal

0:39:53.150,0:39:59.030
government to intervene in localities is

0:39:55.760,0:40:04.810
is difficult and probably not very

0:39:59.030,0:40:09.950
workable certain principles do transcend

0:40:04.810,0:40:13.520
all states license everyone that sells

0:40:09.950,0:40:16.070
alcohol and all states aim to reduce

0:40:13.520,0:40:19.840
illegal and excessive drinking all

0:40:16.070,0:40:24.650
states also use a three-tiered system

0:40:19.840,0:40:30.490
which collects maximum revenue for us

0:40:24.650,0:40:35.630
and protects us against tainted products

0:40:30.490,0:40:41.900
so it is a really good system and worth

0:40:35.630,0:40:46.010

retaining regulatory systems do vary to

0:40:41.900,0:40:50.090
the extent of private how much

0:40:46.010,0:40:54.500
privatization controls license states

0:40:50.090,0:40:59.180
allow the private sector to operate the

0:40:54.500,0:41:03.830
retail retailing of alcohol in control

0:40:59.180,0:41:08.980
states the the public owns part of the

0:41:03.830,0:41:12.470
alcohol business usually the wholesale

0:41:08.980,0:41:17.120
system and in some cases the retail

0:41:12.470,0:41:20.060
system but it allows the public to enjoy

0:41:17.120,0:41:22.910
part of the profits of the sale of

0:41:20.060,0:41:30.800
alcohol and use that money to offset

0:41:22.910,0:41:34.310
some of the harms can it also in a

0:41:30.800,0:41:36.680
control system we also are able to great

0:41:34.310,0:41:40.690
make greater use of the strong

0:41:36.680,0:41:44.770
strategies that is to control prices

0:41:40.690,0:41:48.580
promotions products and places for

0:41:44.770,0:41:48.580
maximal harm reduction

0:41:48.910,0:41:56.150
license systems are usually a little

0:41:52.339,0:42:00.619
less effective in controlling alcohol

0:41:56.150,0:42:04.940
problems and they produce less revenue

0:42:00.619,0:42:09.260
to offset the harms of alcohol alcohol

0:42:04.940,0:42:13.280
men misuse so I want to thank you so

0:42:09.260,0:42:17.030
much for listening today and I want to

0:42:13.280,0:42:22.640
go through a few resources that I would

0:42:17.030,0:42:26.329
recommend for you there are there are

0:42:22.640,0:42:28.970
actually a lot of works on on alcohol

0:42:26.329,0:42:33.670
history but there's one that recently

0:42:28.970,0:42:35.960
came out by Bill Rohr abajo is a

0:42:33.670,0:42:38.839
professor at the university of

0:42:35.960,0:42:44.329
washington that specializes in alcohol

0:42:38.839,0:42:47.480
history he wrote a little 100 page book

0:42:44.329,0:42:50.960
on the history of prohibition it's an

0:42:47.480,0:42:54.049
easy read rather than slogging through a

0:42:50.960,0:43:00.680
regular history text so I would

0:42:54.049,0:43:04.549
recommend that also Okrand recently

0:43:00.680,0:43:09.339
produced a book on the rise and fall of

0:43:04.549,0:43:12.589
prohibition for alcohol regulation

0:43:09.339,0:43:16.010
toward liquor control is now available

0:43:12.589,0:43:19.549
in a second print in a reprinted version

0:43:16.010,0:43:22.460
from the center for alcohol policy it's

0:43:19.549,0:43:25.309
written in language that people used

0:43:22.460,0:43:28.819
right after prohibition and so it is a

0:43:25.309,0:43:32.599
little difficult to read but if you can

0:43:28.819,0:43:37.880
at least skim it you will be amazed at

0:43:32.599,0:43:40.579
how closely both our license and control

0:43:37.880,0:43:44.450
system follow the recommendations in

0:43:40.579,0:43:47.720
this book also there's a book by Carol

0:43:44.450,0:43:51.799
Jurkowitz and Murphy painter on why we

0:43:47.720,0:43:55.400
control alcohol the way we do I want to

0:43:51.799,0:43:56.029
recommend a some research resources for

0:43:55.400,0:43:59.299
you

0:43:56.029,0:44:00.530
I mentioned the CDC and the community

0:43:59.299,0:44:04.700

prevention services

0:44:00.530,0:44:07.250
task force they review evidence-based

0:44:04.700,0:44:10.240
findings they look at very credible

0:44:07.250,0:44:13.010
research sources and make

0:44:10.240,0:44:16.100
recommendations on various alcohol

0:44:13.010,0:44:20.810
policies that they have deemed effective

0:44:16.100,0:44:25.300
based on credible research alcohol no

0:44:20.810,0:44:30.440
ordinary commodity has a very helpful

0:44:25.300,0:44:34.100
matrix in the book that shows not only

0:44:30.440,0:44:37.280
the effectiveness based on research but

0:44:34.100,0:44:43.790
also the cost of implementing these kind

0:44:37.280,0:44:47.780
of policies I mentioned dr. Namie in

0:44:43.790,0:44:51.110
this in the set of references because he

0:44:47.780,0:44:54.590
and his colleagues have started looking

0:44:51.110,0:44:57.850
at alcohol systems research has

0:44:54.590,0:45:01.850
typically been one regulation at a time

0:44:57.850,0:45:05.660
but what we really have are regulatory

0:45:01.850,0:45:09.880
systems where regulations work in tandem

0:45:05.660,0:45:14.480
with one another so he has developed a

0:45:09.880,0:45:17.720
scale of strong alcohol policies and

0:45:14.480,0:45:21.920
then tested every state based on the

0:45:17.720,0:45:25.220
scale and he has found that the stronger

0:45:21.920,0:45:28.310
the scale the the more likely are able

0:45:25.220,0:45:33.200
to control problems like underage

0:45:28.310,0:45:37.490
drinking excessive drinking and DUI so

0:45:33.200,0:45:41.420
that's a very good resource also Raymond

0:45:37.490,0:45:44.270
Zullo has looked at the impact of

0:45:41.420,0:45:48.760
control systems and has documented the

0:45:44.270,0:45:53.990
fact that control systems raise

0:45:48.760,0:45:58.250
substantial revenue so this is my

0:45:53.990,0:46:01.190
contact information it I have a website

0:45:58.250,0:46:06.200
where I publish all my materials and I

0:46:01.190,0:46:09.530
just within the last week issued a new

0:46:06.200,0:46:11.720
short report on college drinking we've

0:46:09.530,0:46:14.150
made a lot of progress on underage

0:46:11.720,0:46:17.140
drinking but

0:46:14.150,0:46:22.220
mostly that progress is for younger kids

0:46:17.140,0:46:25.250
for older underaged kids and college

0:46:22.220,0:46:28.520
students we've reduced it a little bit

0:46:25.250,0:46:32.710
but we still are stuck at very high

0:46:28.520,0:46:37.400
levels of not only consumption but

0:46:32.710,0:46:40.940
excessive and binge drinking and that

0:46:37.400,0:46:44.359
leads to all kinds of problems so now

0:46:40.940,0:46:46.640
I'm I'm willing to accept any kind of

0:46:44.359,0:46:53.299
questions that people in the audience

0:46:46.640,0:46:56.599
might have all right Pam thank you so

0:46:53.299,0:46:58.730
much now there there are a few questions

0:46:56.599,0:47:00.859
that I have for you and the first one is

0:46:58.730,0:47:03.230
from Michael when you referenced

0:47:00.859,0:47:05.390
European immigrants are you including

0:47:03.230,0:47:07.279
our founding fathers they too were

0:47:05.390,0:47:09.230
European immigrants who drank heavily

0:47:07.279,0:47:14.569

from many of the reasons you've

0:47:09.230,0:47:17.420
described yes I am including them as as

0:47:14.569,0:47:21.380
you as I noted in one of the early

0:47:17.420,0:47:25.369
slides George Washington refused to

0:47:21.380,0:47:27.770
supply alcohol and he lost the election

0:47:25.369,0:47:31.490
and the next time he ran he supplied

0:47:27.770,0:47:34.789
alcohol the founding fathers were were

0:47:31.490,0:47:39.559
drinkers in some of them drank fairly

0:47:34.789,0:47:45.700
heavily so I I would include them in in

0:47:39.559,0:47:49.640
in that okay the next question I have is

0:47:45.700,0:47:53.119
from Skyler do you think that the

0:47:49.640,0:47:56.240
federal prohibition on cannabis has been

0:47:53.119,0:47:58.760
in Jurists to the implementation of a

0:47:56.240,0:48:05.119
three-tiered system being applied to

0:47:58.760,0:48:08.029
cannabis well I know that some states

0:48:05.119,0:48:10.549
have tried to put together a

0:48:08.029,0:48:14.930
three-tiered system I think Washington

0:48:10.549,0:48:18.799
State felt it was fairly important but I

0:48:14.930,0:48:21.410
don't know that any of the states have a

0:48:18.799,0:48:27.630
three-tiered system that's exactly like

0:48:21.410,0:48:30.450
the alcohol system you know it it's

0:48:27.630,0:48:33.510
a mishmash out there I'm not an expert

0:48:30.450,0:48:36.690
on on cannabis regulation but I do kind

0:48:33.510,0:48:41.700
of follow the details and every state

0:48:36.690,0:48:43.890
does it a little differently and you

0:48:41.700,0:48:48.060
know I I think that a three-tiered

0:48:43.890,0:48:52.800
system is certainly a safeguard and I

0:48:48.060,0:48:56.610
know that states are intent on tracking

0:48:52.800,0:48:59.970
the product from seed to sale sometimes

0:48:56.610,0:49:03.480
that successful other times it's not I

0:48:59.970,0:49:09.630
think that people are really struggling

0:49:03.480,0:49:11.910
with cannabis regulation okay

0:49:09.630,0:49:14.100
the next question is from Karen and the

0:49:11.910,0:49:16.110
clarification is when you said revenue

0:49:14.100,0:49:19.350
is higher under the control systems

0:49:16.110,0:49:19.980
versus licensing do you mean revenue for

0:49:19.350,0:49:22.710
the state

0:49:19.980,0:49:27.650
I imagine that businesses make less

0:49:22.710,0:49:32.610
revenue under the control model well

0:49:27.650,0:49:37.620
that may be the case I I don't I haven't

0:49:32.610,0:49:39.720
seen data from the business side when

0:49:37.620,0:49:44.970
this you know when the state is the

0:49:39.720,0:49:48.690
owner of a business the the owner takes

0:49:44.970,0:49:53.760
part of the profit leaving less profit

0:49:48.690,0:49:56.850
for the the retailers that it hires I

0:49:53.760,0:50:00.450
think that all in all everybody makes a

0:49:56.850,0:50:05.820
pretty good living from alcohol but it

0:50:00.450,0:50:08.550
it's probably true that the public when

0:50:05.820,0:50:14.460
the public sector takes part of the

0:50:08.550,0:50:17.370
profit that license states gives to its

0:50:14.460,0:50:19.970
business owners I think that's probably

0:50:17.370,0:50:19.970
true

0:50:20.210,0:50:26.540

okay and this question is from Jennifer

0:50:23.730,0:50:29.070
do you have references for statistics

0:50:26.540,0:50:31.880
comparing control States to license

0:50:29.070,0:50:34.590
states regarding issues such as DUI and

0:50:31.880,0:50:38.880
accident rates and illnesses associated

0:50:34.590,0:50:41.200
with alcohol use well you know I would

0:50:38.880,0:50:45.310
recommend the studies by

0:50:41.200,0:50:47.670
Tim Namie he he looked at a little a

0:50:45.310,0:50:52.450
little differently

0:50:47.670,0:50:55.390
he developed a policy scale of policies

0:50:52.450,0:50:58.900
that are effective and one of those

0:50:55.390,0:51:02.470
policies is a control state but the

0:50:58.900,0:51:06.220
stronger the alcohol policies which

0:51:02.470,0:51:10.410
means the more you have the strong

0:51:06.220,0:51:14.950
policies and use those policies they the

0:51:10.410,0:51:17.620
fewer problems that you have and he made

0:51:14.950,0:51:21.310
a statement in one of his articles that

0:51:17.620,0:51:26.020
states could strengthen their policies

0:51:21.310,0:51:30.490
and achieve a reduction in alcohol harm

0:51:26.020,0:51:35.140
if they could garner the political will

0:51:30.490,0:51:40.330
to do so so I think that's an important

0:51:35.140,0:51:42.010
consideration okay now you may have

0:51:40.330,0:51:44.440
answered this already but this question

0:51:42.010,0:51:47.620
is sounds a little similar do you have

0:51:44.440,0:51:50.080
any confirmation if prices actually are

0:51:47.620,0:51:55.090
less in license dates from control

0:51:50.080,0:52:00.910
States and if so how much less well you

0:51:55.090,0:52:07.270
know prices are impacted by a large

0:52:00.910,0:52:09.990
number of factors let me let me take

0:52:07.270,0:52:13.420
Washington State for example

0:52:09.990,0:52:17.410
Washington State before they privatized

0:52:13.420,0:52:23.170
had the highest spirits prices in the

0:52:17.410,0:52:28.570
nation Oregon was number two when they

0:52:23.170,0:52:31.950
privatized they the the promoters of

0:52:28.570,0:52:35.770
prioritization really thought that meant

0:52:31.950,0:52:38.700
that prices would be lower because

0:52:35.770,0:52:42.040
they've generally thought that

0:52:38.700,0:52:44.020
government was inefficient and you know

0:52:42.040,0:52:46.120
prices would just be lower through

0:52:44.020,0:52:50.470
efficiencies but that didn't happen at

0:52:46.120,0:52:54.400
all one of the things that Washington

0:52:50.470,0:52:55.390
State ballot measure writers and they

0:52:54.400,0:52:57.819
were most

0:52:55.390,0:53:04.410
as I understand lawyers hired by the

0:52:57.819,0:53:07.900
Costco corporation they had to they

0:53:04.410,0:53:10.660
decided that they wanted to promise the

0:53:07.900,0:53:15.210
state would not lose revenue but the

0:53:10.660,0:53:18.719
only way to do that was to add fees

0:53:15.210,0:53:23.489
which normally would be called taxes and

0:53:18.719,0:53:25.930
as a result after privatization

0:53:23.489,0:53:30.160
Washington still had the highest prices

0:53:25.930,0:53:33.369
for spirits and on average the prices

0:53:30.160,0:53:36.099

were two dollars a bottle higher than

0:53:33.369,0:53:40.469
they were before privatization and that

0:53:36.099,0:53:45.279
was due to the fact that they added fees

0:53:40.469,0:53:47.019
to ensure that that government entities

0:53:45.279,0:53:51.700
retained the same amount of revenue

0:53:47.019,0:53:55.650
which which they did so you know there's

0:53:51.700,0:54:00.249
just so many factors there are some

0:53:55.650,0:54:03.940
license states that assert very tight

0:54:00.249,0:54:06.849
control over alcohol and so their prices

0:54:03.940,0:54:12.599
might be a little higher there are some

0:54:06.849,0:54:15.670
control states that are very good at

0:54:12.599,0:54:22.690
merchandising and selling and they may

0:54:15.670,0:54:28.170
use prices to to induce sales it's a

0:54:22.690,0:54:33.880
very very complex set of factors that

0:54:28.170,0:54:37.029
that generally relate to the overall

0:54:33.880,0:54:41.670
price but on the whole I believe that

0:54:37.029,0:54:45.579
prices in control states are higher and

0:54:41.670,0:54:48.849
they do that in order to capture as much

0:54:45.579,0:54:54.910
revenue as possible to offset the cost

0:54:48.849,0:54:59.710
of harm okay

0:54:54.910,0:55:02.559
so just two more this one is from Denise

0:54:59.710,0:55:05.380
what are your recommendations for

0:55:02.559,0:55:09.310
community organizations that are trying

0:55:05.380,0:55:12.530
to keep alcohol state controlled

0:55:09.310,0:55:17.630
well I think I think this is kind of a

0:55:12.530,0:55:21.080
first step it's as you probably realized

0:55:17.630,0:55:23.960
by now both license and and control

0:55:21.080,0:55:28.400
systems are pretty complicated they

0:55:23.960,0:55:31.580
involve a whole system of regulation but

0:55:28.400,0:55:36.700
the basic difference between a control

0:55:31.580,0:55:39.650
and a license system is that that

0:55:36.700,0:55:43.610
control systems generate more revenue

0:55:39.650,0:55:50.750
because they own part of the of the

0:55:43.610,0:55:54.860
marketplace and they they also can make

0:55:50.750,0:55:58.910
greater use of can strategize that are

0:55:54.860,0:56:02.570
better at controlling alcohol harm any

0:55:58.910,0:56:05.930
state that looks at privatization one of

0:56:02.570,0:56:09.380
the first obstacles is how do we replace

0:56:05.930,0:56:12.710
the revenue that we're going to lose by

0:56:09.380,0:56:16.760
privatizing because there's almost no

0:56:12.710,0:56:20.270
way to privatize without losing revenue

0:56:16.760,0:56:24.500
unless you put measures in place to

0:56:20.270,0:56:26.570
increase taxes and capture the same

0:56:24.500,0:56:30.200
amount of revenue like the state of

0:56:26.570,0:56:35.450
Washington did which means you're going

0:56:30.200,0:56:40.070
to drive up prices so I think it's

0:56:35.450,0:56:45.170
important for public officials to

0:56:40.070,0:56:49.780
understand the advantages and value of a

0:56:45.170,0:56:54.470
control system I think North Carolina is

0:56:49.780,0:56:57.070
facing that that issue today and North

0:56:54.470,0:57:01.700
Carolina has a very good record on

0:56:57.070,0:57:05.240
levels of consumption and and other

0:57:01.700,0:57:09.230

kinds of measures like that and I know

0:57:05.240,0:57:11.720
that community members are looking are

0:57:09.230,0:57:16.640
looking to publicize that information

0:57:11.720,0:57:19.610
and also they're looking at how on earth

0:57:16.640,0:57:23.000
are we going to replace the revenue

0:57:19.610,0:57:26.210
that's lost because a substantial

0:57:23.000,0:57:30.260
portion of the revenue goes to local

0:57:26.210,0:57:34.370
governments and they would be basically

0:57:30.260,0:57:37.960
out of that revenue so I think

0:57:34.370,0:57:44.690
coalition's can be very very effective

0:57:37.960,0:57:48.670
and it's really important to change the

0:57:44.690,0:57:53.300
conversation from just being a

0:57:48.670,0:57:57.560
conversation about jobs and and local

0:57:53.300,0:58:01.370
businesses but also to include the

0:57:57.560,0:58:09.080
public health and safety issues of

0:58:01.370,0:58:11.120
alcohol control okay all right and the

0:58:09.080,0:58:12.740
final question actually is well whether

0:58:11.120,0:58:16.210
this sub presentation is being recorded

0:58:12.740,0:58:20.810
and yes it is and it will be available

0:58:16.210,0:58:23.150
so Pam want to thank you very much for

0:58:20.810,0:58:26.270
your time and for sharing your valuable

0:58:23.150,0:58:28.730
knowledge with us and thank you all for

0:58:26.270,0:58:31.430
joining napkin on this webinar if anyone

0:58:28.730,0:58:33.080
has questions that we did not address or

0:58:31.430,0:58:36.230
if you think of something afterwards

0:58:33.080,0:58:41.870
feel free to email me you can also

0:58:36.230,0:58:45.170
please visit the namco website WWN ABCA

0:58:41.870,0:58:47.300
org for various resources including

0:58:45.170,0:58:49.790
white papers previous webinars and other

0:58:47.300,0:58:51.740
materials we would like to get your

0:58:49.790,0:58:53.300
feedback about the session and will soon

0:58:51.740,0:58:56.540
be sending you a quick survey to

0:58:53.300,0:58:58.760
complete also let me know of suggestions

0:58:56.540,0:59:01.340
for future NAB Co webinars it is our

0:58:58.760,0:59:03.230
goals to give you the education tools

0:59:01.340,0:59:04.010
that you need to perform your function

0:59:03.230,0:59:07.130
effectively

0:59:04.010,0:59:10.190
so wishing everyone a great day thank

0:59:07.130,0:59:13.570
you and have a good and goodbye thank

0:59:10.190,0:59:13.570
you bye bye bye