Hello and welcome to the NAB Co webinar.

Unraveling the mystery of US alcohol regulation before I introduce our speaker Pam Eriksen. I wanted to address a few housekeeping notes. This webinar is one of a series of several planned through 2019. Another webinar addressing the increase in alcohol-related emergency room visits with Dr. Erin White of the National Institute of Health is scheduled for April. There is also one being planned for September with the TTB. Now back to today's webinar. It will be about an hour if you have a question, please type it in the chat window in the lower right corner of the screen at the end of the presentation.
will come back and ask the questions for

Pam to address them the presentation is

being recorded and will be available

through the NAB Cod org website within

seven to ten business days you will find

it under the resources tab I'd now like

to introduce Pam Erickson Pam is a

passionate leader on the alcohol issues

currently she owns public alcohol

management which operates an education

campaign for a healthy alcohol

marketplace from 1996 to 2003 she

directed the Oregon Liquor Control

Commission which included operating

Oregon's distilled spirits business from

2003 to 2007 she worked at Oregon

partnership to direct statewide

leadership and media campaigns to reduce
underage drinking her education campaign

is designed to explain the purpose and objectives of alcohol regulation in simple terms she has developed several reports on deregulation in the United States and the United Kingdom excuse me and the United States and biennially produces a report for policy makers called issue briefs these reports explain how deregulation can lead to increased social problems such as high rates of underage drinking Public Order offenses and alcohol-related diseases recently she launched a series of short reports the latest one is entitled special rules for small breweries pam has also
served as an expert witness in key alcohol regulation cases in Kentucky and California. Her educational materials are available at WWDC allmarket.com and everything is spelled out healthy alcoholmarket.com. Note that everything in the web address is spelled out healthyalcoholmarket.com. All right, Pam, I am going to turn the webinar over to you. Just give me a few seconds to do the screen sharing, and I am going to change presenter so if you can pull up the slide presentation, we should be good to go. Okay, I think we are ready. Okay, so I have I'm going to take controls back for a second because I'm not seeing the presentation. I'm gonna take control back.
okay it's up on my screen okay so I'm
not seeing it on my side I keep seeing
the other document okay so let's see
what we can do here hold on okay Pam I
think we are good to go I can see
everything and so the webinar is now
yours okay thank you so much it's my
pleasure to to produce this webinar for
all of you because I know there's a lot
of confusion about alcohol regulation
and so I'm going to attempt to unravel
the mysteries of this regulation for all
of you this screen just gives my basic
information and like Maggie said my
information is all available on the
healthy alcohol market.com website it's
all free you can download it send it to
whoever you want you don't have to ask
my permission so let's talk about why alcohol regulation is somewhat mysterious to most people and I think I'm kind of a good example before I became the director of the Oregon Liquor Control Commission I didn't really know a lot about alcohol regulation and I have to say that some of the regulations seemed a little silly to me and part of the problem is that a lot of times we think about alcohol regulations as single regulations whereas it's really a part of a system for example closing hours are usually around 2:00 a.m. and that's one of many regulations other regulations don't may not make sense until you look at the
whole system and so I'm going to try to explain to people why we regulate alcohol the way we do what is a control system why is it different from a license system and why do we have something called the three-tiered system a lot of the answers are in our history and so I'm going to trace the history of alcohol use in our country from kind of the beginning and the reason we do this is that if we can't remember our past we are condemned to repeat it that's a very commonly quoted piece of wisdom from George Santayana our history starts with the first wave of immigrants that came to our country the first wave came from Europe which had very had a
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 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
very strong cultural in our early history and part of the problem was that there weren't a lot of safe products to drink the water wasn't really safe it had a lot of sediment in it if not toxins even milk could be unsafe if the cows ate milkweed for example so soapy our early ancestors drank a great deal of alcohol I I like this chart because it really irritates the fact that in Europe where a lot of our immigrants came from has a very high drinking culture this is today and you can see that Europe several countries in Europe are still among the most heavy heavily drinking people's in the world we actually have a little more moderate
drinking climate in the early days

alcohol was an important commodity for

the economy when farmers east of the

Appalachian x'd Avella p--

a surplus of corn they found that they
couldn't really ship the corn to markets

on the East Coast there just weren't the

same the adequate kinds of

transportation systems water there the

roads were pretty dicey so they
discovered that if they took the surplus
corn and turned it into whiskey it was

much easier to transport and there was a
ready market on the East Coast and in

fact it became an issue of allegiance to

the country because prior to the whiskey

being developed people drank rum which

10
was imported now you can drink a product
that was made in your own country and be
more patriotic
another wave of immigrants brought beer
and beer making skills these were they
immigrants from the Germanic countries
Germany Austria and the like and
they predominated in the 1800s and by
1900s really completely dominated the
alcohol market they introduced something
called the saloon system the way it
worked was that beer manufacturers also
owned saloons in virtually every
community in our country I grew up in a
small town called Astoria on the Oregon
coast and my grandmother had some maps
of the town in the late 1800s and I was
shocked at how many saloons were
downtown there there were a lot of them

and the town was not a huge did not have a huge population probably about ten thousand people at that time and so saloons littered are all of our communities and 70% of these saloons were what's called hide houses which meant that the large out-of-state beer manufacturers owned them they they were extremely competitive because there were several different manufacturers that had saloons so you had lots of different saloons competing for the same population they used aggressive sales tactics had gambling prostitution all kinds of public order problems and often times they were located near a
factory and of course workers would come after work and the saloon often would pledge the paycheck so that when the paycheck actually came there wasn't a lot left for the family most of it was but went to the bar bill so that that system produced a lot of problems so without much regulation alcohol was very very high and most most cities and communities did not regulate alcohol there were some localities that licensed saloons but it was really for the purpose of getting a license fee they didn't really have a lot of regulations that that were enforced so eventually serious social problems
existed this is a quote from a historian

Alexis de Tocqueville that spent a lot of time in the 1800's observing American life and how things operated and he was kind of amazed at the temperance movement that began to form because of the serious social problems that existed in America this quote says at last I understood that there 300,000 Americans alarmed by the progress of drunkenness around them had made up their mind to patronize temperance and in those days it was a black and white issue either you allowed alcohol or you didn't there was no thought given to regulation and how you might solve some of these problems through regulation it was really temperance
or not so the start of the temperance movement began because there was very heavy drinking family resources were very strained and women took a lead in the temperance movement this is a picture of Frances Willard who was one of the leaders oftentimes women that were involved in the temperance movement are looked at as kind of cartoon characters overly moralistic and just wanting to kill the party but the real reason women took the lead was that family resources were very strained in those days women weren't part of the workforce they raised the family and they were completely dependent on their husbands income and when the husband
drank up most of the income in the local
saloon that created major problems for
families the temperance movement grew
and grew this is a photograph from the
Library of Congress that shows the 16th
annual convention of the anti-saloon
League the anti-saloon League grew and
grew and took a stand against not only
drinking but the way it was sold it
involved some very competent and clever
lobbying on the part of the league and
they moved the prohibition issue forward
so we get to the 1900s and what we have
is a saloon league that that is fighting
for prohibition and a lot of in a saloon
system that was creating major problems
not only for the family but for public
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
we don't have actual statistics because it was illegal we don't exactly know how much alcohol was consumed but nationally organized crime syndicates developed a supply alcohol so you had the introduction of organized crime in our country also illegal retail establishments called speakeasy sprung up to accommodate drunkards drinkers an enforcement was very very weak it'd be eventually became quite unpopular and finally the 21st amendment was passed that ended prohibition and gave the primary responsibility for regulating alcohol to the states well it turns out the states really didn't know much about how to regulate alcohol since it was
never really regularly regulated in our
country and we just gone through
thirteen years of of prohibition
fortunately a largest study was financed
by john d rockefeller a prominent
entrepreneur of the day called toward
liquor control in this book they authors
Fosdick and Scott surveyed all a lot of
different countries the Canadian
countries other countries in the world
that actually regulated alcohol to
identify what are the important aspects
of regulation for alcohol control they
also interviewed four hundred leaders
from all walks of American life to get
their attitudes and opinions about
alcohol so what they found was that
there was a belief in this country that alcohol could be used moderately and could be a part of civilized living but people believed that the saloon system must never return that system was characterized by very aggressive sales that stimulated consumption and was involved in political corruption a control system was recommended the recommended process for four states in this book so let's talk about the differences between a control and license system in the book toward liquor control they discuss the elements of both a control and license system and they did recommend a control system because the author's felt that it would be more effective in eliminating some of
the adverse aspects of the profit motive it would tamp down a lot of the aggressive sales and operate the liquor business from a control or public safety standpoint though but they recognize that most states would probably adopt a license system in the control system the state takes ownership of the product at some point in the business cycle many states have a privatized retail sector although some states still have state stores where you buy alcohol it limits a lot of the adverse impacts of the profit motive and is able to capture more revenue because it takes a share of the profits and this revenue is needed to combat
social problems which of course still exists today in the license system

private the private sector owns the retail sector and and also the wholesale sector it produces less revenue because it does not share in a lot of the profits like the control system does and it does not as as readily tamp down some of the aggressive sales tactics that increase consumption but both systems have a lot of similarities first of all in both systems everyone who sells alcohol or serves alcohol is licensed and this ensures that the criminal element is not evidenced in alcohol sales and service all licence systems enforce laws to reduce underage drinking
and excessive drinking drunk drunk
driving and other kinds of problems all
states enforce these laws and all states
to one degree or another regulate the
days of hours of sale the location of
premises and those kinds of things
finally all states to one degree or
another have a three-tier system and
require that all alcohol flows through a
three-tier system so today this is what
we have we have shared principles of
both a control and licensing system that
help preacher tale problems and keep an
orderly alcohol market we have
background checks and other requirements
that keep the criminal element out of
the business the three-tiered system
which all states have it's a closed
system of product sale which requires
that alcohol manufacturers sell only to
a licensed wholesaler who only sells to
a licensed retailer there are a couple
of advantages of that system one is that
the wholesaler in most states collects
the excise tax and it's a very efficient
system whereby we have almost a hundred
percent tax collections in other
countries they lose as much as a third
of potential revenue through leaks in
the system a three-tiered system is a
really good system that provides very
strong tax collections it also
helps predict prevent tainted products
from getting into the marketplace the
wholesaler in most states is required to
track every bottle and can wholesalers
are also in retail establishments
looking at what's on the shelf
that provides a very good tracking
system so when there is a recall or a
problem it can be quickly identified and
pulled from that the retail shelf before
there is a problem recently we've had
some recalls of bottles with the problem
of glass falling into the interior of
the bottle those products have been so
quickly removed from the shelf that no
customer has been injured by the recall
in other countries fake alcohol often
gets sold in the marketplace and fake
alcohol sometimes contains methanol
which is a very deadly substance a few
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
a lot of the kind of excessive drinking
and business practices that happened
before prohibition all states limit
availability of alcohol to some degree
before prohibition local communities
were completely saturated with outlets
and there was almost no regulation of
location product hours of sale and that
kind of thing and as we'll see research
has established that those are effective
methods of control let's talk a little
bit more about control systems they
aren't that unusual we're not the only
country that has a control system
whereby the the public owns part of the
business and sells it in a very
controlled manner control systems are
found in other parts of the world Canada
the Scandinavian countries in India and
and so forth they tend to predominate in
northern countries drinking is higher in
northern countries and there are various
reasons for that culture and so forth
but we recently had a study that showed
that cold weather also induces increased
consumption in the U.S. control systems
also predominate in northern country in
northern states and communities there
are now 17 control States and you see
they're kind of clustered in various
parts of the country and we also have
some states where the control system
exists in local governments in Minnesota
Alaska, Maryland in nor South Dakota
local communities have control systems
in their area so what does research say
about control systems and I use a couple
of different very credible sources for
research one is the Centers for Disease
Control which has confirmed that that
control systems are highly effective and
recommends against further privatization
of those systems but another publication
called alcohol no ordinary commodity is
produced by the leading researchers
around the world and they have
identified what they call the strong
strategies and those are that restrict
affordability that restrict availability
accessibility and reduce drink drunk
driving so the and the other thing to
remember about control systems is their
revenue generating capacity control

systems generate 82 to 90 percent more

revenue than licensed systems and given

that alcohol harm is not covered by

alcohol taxes and fees revenue raising

is really important because it offsets

at least part of the cost to the general public

let's talk a little more about the

strong strategies affordability price is

the strongest controller of consumption

as the price goes up consumption goes
down as the price is lowered consumption goes

go up you can kind of count on that

but

jurisdictions do need to essentially

balance the price because if it's way
too high then it induces bootlegging if

it's way too low it increases

consumption so alcohol regulatory

authorities are always looking at where

is the sweet spot that balances these

two aspects of price promotion

promotions in do sales and encourage

consumptions because control systems own

the own the product they have better

control of promotional activities in

Oregon where we owned the distilled

spirits business we did not allow any

advertisement of the product certainly

national companies were free to

advertise their product but as a liquor

retailing system we only advertised

location of of stores and that kind of
thing so you can really curtail a lot of
the issues that will increase
consumption of alcohol products
dangerous products can be curtailed or
kept off the marketplace for example
Washington State used to be a control
system it's the only state that has
privatized
but before privatization it required
that you have a special permit to buy a
high alcohol content product like
Everclear which is almost ninety
percent alcohol so also jurisdictions
kandi lists what might be dangerous
products I remember that in Oregon we
chose not to list a product called
Russian Roulette vodka because we
thought that convey
the wrong message we have plenty of problems with alcohol and violence and death and we don't want messages that acknowledge or encourage that finally I wanted to talk a little bit about location when you own the alcohol business you do really control the location and so you can locate them your stores in appropriate places like not near a school or or you can't you can choose not to have it like they did with a saloon system where you locate a lot of stores near a factory where people will come in buy alcohol after work kind of thing so basically as a kind of summary the the goal of a control system as well as a license
system is to balance business and Public Safety and we have to remember that despite the fact that we assert substantial control over alcohol it still accounts for eighty eight thousand deaths annually that's a lot of that's a lot of harm to our families and so we have to be very careful about selling the product also drunk driving we have made a lot of progress on drunk driving it used to be three times the number of deaths that we we see annually but we're kind of stuck at the ten thousand death level and it's begun to sort of creep up we also have two hundred and ninety thousand injuries each year and some of those are are very very serious and
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
here are some takeaways

first of all history has shaped where we are today we have to kind of extreme examples of experience with alcohol one is no regulation that created eventually very serious problems for our communities and our families and then prohibition which although it reduced consumption and some problems it fostered the development of organized crime and eventually became very unpopular so after the after prohibition the twenty-first amendment granted the states the primary responsibility to regulate alcohol and I think that kind of recognizes that a federal law where one size fits all just doesn't work very
well

that you need to be a lot more flexible

and particularly states and communities

need to have a major say in how alcohol

is regulated because when you have

alcohol problems they are really at the

local level and getting the federal

government to intervene in localities is

is difficult and probably not very

workable certain principles do transcend

all states license everyone that sells

alcohol and all states aim to reduce

illegal and excessive drinking all

states also use a three-tiered system

which collects maximum revenue for us

and protects us against tainted products

so it is a really good system and worth
retaining regulatory systems do vary to
the extent of private how much
privatization controls license states
allow the private sector to operate the
retail retailing of alcohol in control
states the the public owns part of the
alcohol business usually the wholesale
system and in some cases the retail
system but it allows the public to enjoy
part of the profits of the sale of
alcohol and use that money to offset
some of the harms can it also in a
control system we also are able to great
make greater use of the strong
strategies that is to control prices
promotions products and places for
maximal harm reduction
license systems are usually a little
less effective in controlling alcohol problems and they produce less revenue to offset the harms of alcohol alcohol men misuse so I want to thank you so much for listening today and I want to go through a few resources that I would recommend for you there are there are actually a lot of works on on alcohol history but there's one that recently came out by Bill Rohr abajo is a professor at the university of washington that specializes in alcohol history he wrote a little 100 page book on the history of prohibition it's an easy read rather than slogging through a regular history text so I would recommend that also Okrand recently
produced a book on the rise and fall of prohibition for alcohol regulation toward liquor control is now available in a second print in a reprinted version from the center for alcohol policy it's written in language that people used right after prohibition and so it is a little difficult to read but if you can at least skim it you will be amazed at how closely both our license and control system follow the recommendations in this book also there's a book by Carol Jurkowitz and Murphy painter on why we control alcohol the way we do I want to recommend a some research resources for you I mentioned the CDC and the community
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
with one another so he has developed a scale of strong alcohol policies and then tested every state based on the scale and he has found that the stronger the scale the the more likely are able to control problems like underage drinking excessive drinking and DUI so that's a very good resource also Raymond Zullo has looked at the impact of control systems and has documented the fact that control systems raise substantial revenue so this is my contact information it I have a website where I publish all my materials and I just within the last week issued a new short report on college drinking we've made a lot of progress on underage
drinking but
mostly that progress is for younger kids
for older underaged kids and college
students we've reduced it a little bit
but we still are stuck at very high
levels of not only consumption but
excessive and binge drinking and that
leads to all kinds of problems so now
I'm willing to accept any kind of
questions that people in the audience
might have all right Pam thank you so
much now there there are a few questions
that I have for you and the first one is
from Michael when you referenced
European immigrants are you including
our founding fathers they too were
European immigrants who drank heavily
from many of the reasons you've
described yes I am including them as as
you as I noted in one of the early
slides George Washington refused to
supply alcohol and he lost the election
and the next time he ran he supplied
alcohol the founding fathers were were
drinkers in some of them drank fairly
heavily so I I would include them in in
in that okay the next question I have is
from Skyler do you think that the
federal prohibition on cannabis has been
in Jurists to the implementation of a
three-tiered system being applied to
cannabis well I know that some states
have tried to put together a
three-tiered system I think Washington
State felt it was fairly important but I
don't know that any of the states have a three-tiered system that's exactly like the alcohol system you know it's a mishmash out there I'm not an expert on cannabis regulation but I do kind of follow the details and every state does it a little differently and you know I think that a three-tiered system is certainly a safeguard and I know that states are intent on tracking the product from seed to sale sometimes that successful other times it's not I think that people are really struggling with cannabis regulation okay the next question is from Karen and the clarification is when you said revenue is higher under the control systems
versus licensing do you mean revenue for
the state
I imagine that businesses make less
revenue under the control model well
that may be the case I I don't I haven't
seen data from the business side when
this you know when the state is the
owner of a business the the owner takes
part of the profit leaving less profit
for the the retailers that it hires I
think that all in all everybody makes a
pretty good living from alcohol but it
it's probably true that the public when
the public sector takes part of the
profit that license states gives to its
business owners I think that's probably
true

46
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
and achieve a reduction in alcohol harm if they could garner the political will to do so so I think that's an important consideration okay now you may have answered this already but this question is sounds a little similar do you have any confirmation if prices actually are less in license dates from control States and if so how much less well you know prices are impacted by a large number of factors let me let me take Washington State for example Washington State before they privatized had the highest spirits prices in the nation Oregon was number two when they privatized they the the promoters of prioritization really thought that meant
that prices would be lower because they've generally thought that government was inefficient and you know prices would just be lower through efficiencies but that didn't happen at all one of the things that Washington State ballot measure writers and they were most as I understand lawyers hired by the Costco corporation they had to they decided that they wanted to promise the state would not lose revenue but the only way to do that was to add fees which normally would be called taxes and as a result after privatization Washington still had the highest prices for spirits and on average the prices
were two dollars a bottle higher than
they were before privatization and that
was due to the fact that they added fees
to ensure that that government entities
retained the same amount of revenue
which they did so you know there's
just so many factors there are some
license states that assert very tight
control over alcohol and so their prices
might be a little higher there are some
control states that are very good at
merchandising and selling and they may
use prices to to induce sales it's a
very very complex set of factors that
generally relate to the overall
price but on the whole I believe that
prices in control states are higher and
they do that in order to capture as much
revenue as possible to offset the cost of harm okay

so just two more this one is from Denise

what are your recommendations for community organizations that are trying to keep alcohol state controlled

well I think I think this is kind of a first step it's as you probably realized by now both license and and control systems are pretty complicated they involve a whole system of regulation but the basic difference between a control and a license system is that that control systems generate more revenue because they own part of the of the marketplace and they they also can make greater use of can strategize that are
better at controlling alcohol harm any

state that looks at privatization one of

the first obstacles is how do we replace

the revenue that we're going to lose by

privatizing because there's almost no

way to privatize without losing revenue

unless you put measures in place to

increase taxes and capture the same

amount of revenue like the state of

Washington did which means you're going

to drive up prices so I think it's

important for public officials to

understand the advantages and value of a

control system I think North Carolina is

facing that that issue today and North

Carolina has a very good record on

levels of consumption and and other
kinds of measures like that and I know
that community members are looking are
looking to publicize that information
and also they're looking at how on earth
are we going to replace the revenue
that's lost because a substantial
portion of the revenue goes to local
governments and they would be basically
out of that revenue so I think
collection's can be very very effective
and it's really important to change the
conversation from just being a
conversation about jobs and and local
businesses but also to include the
public health and safety issues of
alcohol control okay all right and the
final question actually is well whether
this sub presentation is being recorded
and yes it is and it will be available
so Pam want to thank you very much for
your time and for sharing your valuable
knowledge with us and thank you all for
joining napkin on this webinar if anyone
has questions that we did not address or
if you think of something afterwards
feel free to email me you can also
please visit the namco website WNW ABCA
org for various resources including
white papers previous webinars and other
materials we would like to get your
feedback about the session and will soon
be sending you a quick survey to
complete also let me know of suggestions
for future NAB Co webinars it is our
goals to give you the education tools
that you need to perform your function effectively so wishing everyone a great day thank you and have a good and goodbye thank you bye bye bye