



NEWSLETTER

December 2008

Campaign Continues to Fight Deregulation

This campaign is designed to stop efforts to deregulate the sale and marketing of alcohol. The education program consists of presentations and written materials that explain how regulations achieve public policy objectives. The campaign is operating in Oregon and Washington; and, at the national level, through presentations at national meetings and conventions.

Oregon Debates Financial Assistance Rule—Rejects Free T-shirts, Caps, Posters for Customers

Free t-shirts, caps and posters for customers with alcohol advertising may seem harmless, but a recent study says otherwise. Because these items often get into the hands of kids, they can encourage youth to drink. A study by the Rand Corporation of over 1,700 sixth graders in South Dakota found that 19% of these children owned alcohol branded t-shirts, caps or posters...and these same kids were **TWICE** as likely to be drinking or intend to drink than others. After consulting with a rule advisory committee, the Oregon Liquor Control Commission staff revised their proposed rule to omit these give-away products. While retailers need reasonable methods to advertise and introduce new products, care is needed so the messages reach an adult audience with no overexposure to youth. And, such give-aways must not constitute actual “financial assistance.” For example, a few days’ supply of branded napkins and coasters wouldn’t create a financial tie between a wholesaler and a retailer, but a year’s worth of napkins and coasters might.

Washington’s Joint Select Committee on Beer and Wine Regulation to Issue Recommendations

Since June of 2008, this Interim Committee has been reviewing Washington’s Beer and Wine Regulations. Although Costco requested that the Committee allow retailers to sell alcohol in a “free market” like they sell tires and mayonnaise, the Committee has not entertained any radical proposals. Recommendations are expected sometime in December.

Louisiana Court Upholds Regulations with a Strong, Clear Explanation of Why They Exist

The Louisiana Court of Appeals rejected a challenge to six marketplace regulations. The Court’s opinion included a lengthy and thorough review of the history and rationale for the three-tiered system and its specific regulations. The Court noted that requiring independence of each tier is designed to prevent vertical integration. History shows such integration often results in powerful companies that combine manufacture, distribution and retail. These enterprises tend to suppress competition. When no one tier controls another, individual firms “do not grow so powerful in practice that they can out-muscle regulators.”

Why Should Law Enforcement Care about Alcohol Business Regulation?

What do they have to do with public safety issues such as drunk driving and underage drinking? Actually, they have a lot to do with public safety problems. Our alcohol regulatory system has checks and balances that keep our marketplace from experiencing the problems that exist in Great Britain today. Great Britain jumped on the deregulation bandwagon and is now reeling with alcohol problems. Law enforcement is overwhelmed by binge drinking in pubs that operate 24 hours a day. And, the intoxication rate of 15-16 year olds is over twice that in the U.S. There are no price controls and large grocery chains are in a price war—often selling alcohol below cost.

Do you want more information about the campaign or the information sources cited in this newsletter?

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