



March 2021 Newsletter

Will home delivery of alcoholic drinks increase dangerous drinking trends? Will it really save the restaurants?

By Pamela Erickson

During the Pandemic restaurants and bars were often forced to close. Initially, it was thought this would last a few weeks or a month or so. But many weeks passed and these establishments hemorrhaged money and staff remained unemployed. States responded by allowing take out via home delivery or pick-up. Recognizing that alcohol is a high profit product, many states also temporarily allowed drinks-to-go. There were conditions, such as only one or two drinks in a sealed container along with a meal. According to the Distilled Spirits Council, over 30 states allowed some type of "alcohol to-go".

As the Pandemic has subsided, many are seeing the economic devastation wrought by public health shut-downs and want to help those businesses make up some of the losses by loosening alcohol regulation. But the method they're using will only work if the general public buys more alcohol...and, presumably, drinks it. Such measures include making home delivery of alcohol permanent, extending open hours (until 4 am!) and other "rule relaxations."

It is important to examine how these changes may impact current alcohol problems and whether they are enough to really help restaurants.

Will Changes Continue Trends Toward Heavy Drinking?

Before the Pandemic, there was good news and bad news about excessive drinking. While underage drinking was at historically low levels, drinking among older adults had increased at alarming rates. According to a study done by NIAAA using death certificates, deaths attributed to alcohol more than doubled from 35,914 in 1999 to 72,558 in 2017! Even more concerning were the high rates of female drinking. The study found that while more men than women died of alcohol causes, the increase for women was 85% whereas for men it was 35%.

And, to top it off, there is evidence that drinking among women has continued to increase during the pandemic. According to a study by the Rand

Corporation, "American adults have sharply increased their consumption of alcohol during the shutdown triggered by the coronavirus pandemic, with women increasing their heavy drinking episodes (four or more drinks within a couple of hours) by 41%..." We must be careful that changes to alcohol regulations do not exacerbate these trends.

"Cases of alcoholic liver disease — which includes milder fatty liver and the permanent scarring of cirrhosis, as well as alcoholic hepatitis — are up 30% over the last year at the University of Michigan's health system, says Dr. Jessica Mellinger, a liver specialist there."

"Sharp 'Off the Charts' Rise in Alcoholic Liver Disease Among Young Women", by Yuki Noguchi, NPR Health News, 3/16/2021

Will pick up drinks increase DUI? Impact federal transportation funds?

While most states with alcohol-to-go laws require such drinks to be in sealed containers, some have interpreted that requirement in minimal ways. For example, some plastic lids have been "sealed" with tape that covers the straw hole. How easy would it be to drink on the way home? In order to receive federal transportation funds, a state must enact certain laws and those laws must conform to federal standards. As NHTSA's website states, "A state's open container law must prohibit the possession of any open alcoholic beverage container and the consumption of any alcoholic beverage in the passenger area of any motor vehicle that is located on a public highway or right-of-way." To conform to federal standards, an open container law must meet this requirement: "An open alcoholic beverage container is any bottle, can, or other receptacle that contains any amount of alcoholic beverage, and that is open or has a broken seal, or the contents of which are partially removed." States need to ensure that their requirements for sealing containers is sufficient to conform to federal law or they risk losing federal dollars.

For more information, see www.healthyalcoholmarket.com

Public Action Management, PLC, PO Box 531726, Henderson, NV 89053, (503) 936-0443 pam@pamaction.com

Costs

While home delivery is a convenience, one must recognize that it is an extra service that involves costs and someone has to pay for it. While Americans are too used to "free delivery", there is no such thing. These costs include:

- **Advertising and an order mechanism:** To effect delivery, there must be a way to order. This usually means creating, monitoring and managing a web-based site to ensure that customers get their orders.
- **Transportation:** This is the cost for a driver and vehicle to deliver the product to the customer's home. For restaurants that use a third-party delivery company, the cost can be as high as 30% of the items purchased. This pretty much eliminates any profit. Many restaurants are focusing on pick up as a better option than delivery due to the costs.
- **Regulatory compliance and training:** During the pandemic, home delivery became a major method of buying commodities as well as food and drink. This required alcohol regulators to shift resources to ensure widespread illegality does not occur. Of particular concern is the sale to minors or intoxicated patrons. Many states faced widespread non-compliance by delivery drivers and a need to train delivery staff.

Best Practices for Law Enforcement

The National Liquor Law Enforcement Association recently produced a guidance document which has a list of best practices and recommendations for enforcement of delivery of alcohol to homes. It also includes a description of the potential harms that can come from increased access to alcohol. And, it calls for increased funding for enforcement which is already at low levels.

I would further advise states to consider rule making or legislation that limits the amount of alcohol to be delivered and the time of delivery. Delivery of bottled alcohol as well as alcohol accompanied by food from a restaurant may be limited for health and safety reasons. Also, consideration should be given to avoiding situations where delivery is used to "refuel a party." Late night deliveries in residential or college areas are likely to violate expectations for "quiet hours" when parents and children go to bed.

Better Ways to Save Restaurants

Restaurants that were forced to close all or part of their operation experienced a major drop in revenue,

but costs such as rent and other services continued. Some places had substantial loss in food spoilage. Others attempted to help employees by granting them pay or retaining their health insurance. It is unlikely that selling additional alcohol is going to generate enough money to offset these costs.

Another way to help is to waive license fees or other government assessments. It seems particular unjust for licensees to pay the full cost for a license they were not able to make full use of.

One of the best ways to help is to assist restaurant operators access federal/state/local funds designed to make up losses. There seems to be a lot of money available and some of it is earmarked for very small operators. Proprietors of small businesses rarely have the time or expertise to apply for grant money. Government grants tend to be complicated and require a fair amount of paperwork. **Staff working for business associations and government need to find ways to help if they want to actually save their restaurants.**

Sources:

[NABCA COVID Resources](#) (This web resource is available to the public and gives a state-by-state review of measures impacting alcohol licensees.)

[With COVID Cases Surging, Restaurants Must Keep Delivery Top of Mind | QSR magazine](#), by Ido Levanon, January 2021.

NLLEA, [Best Practice Guidance for Alcohol Sales and Deliveries](#), December 2020.

[Companies busted for illegally shipping liquor to Michigan](#), February 12, 2021.

[Here's what it costs a takeaway every time you order via UberEats, Deliveroo or Just Eat](#), by Rosalind Erskine, Scotsman Food and Drink, February 2021

[Assembly Launches Statewide DUI Experiment](#) Editorial, Free Lance-Star, March 18, 2021

[Alcohol-related deaths increasing in the United States](#), NIAAA

[Alcohol Consumption Rises Sharply During Pandemic Shutdown; Heavy Drinking by Women Rises 41%](#), Rand Corporation

[Virginia Governor Signs Bill Extending Cocktails To-Go Until July 2022](#), Distilled Spirits Council of the United States

[Restaurant Revitalization Fund](#), National Restaurant Association