

## **American Council on Alcohol Problems**

### **Resolution in Opposition of Privatized Liquor Sales in Virginia**

**Whereas**, the 21<sup>st</sup> amendment gave the States the primary authority for determining whether alcohol could legally be sold and, if so, how it would be sold; and...

**Whereas**, each alcohol distribution system is unique, each State typically falls within two general classifications: *Control States* or *License States*; and...

**Whereas**, the Commonwealth of Virginia falls under the classification of one of eighteen Control States in the nation; and...

**Whereas**, Control States as opposed to License States demonstrate a stricter oversight of alcohol sales, creating State monopolies that keep liquor out of the private market place, so that are no economic incentives that are meant to maximize sales, or increase the density of alcohol outlets, or to sell to underage drinkers; and...

**Whereas**, Control state policies are focused not on profit, but the incentives for liquor sales are primarily directed toward moderation and enforcing the law against those who would abuse alcohol; and...

**Whereas**, one study issued in 2008 by the Center for Addiction and Mental Health, *Avoidable Cost of Alcohol Abuse in Canada 2002*, reported that the evidence is quite strong that Control States or monopoly systems on alcohol limit both alcohol consumption and alcohol-related problems and that retaining state monopolies on alcohol sales is the most effective means to avoid alcohol-attributable criminal activities and to reduce policing and court/corrections costs; and...

**Whereas**, in a March 2008 report, *Strategies to Reduce the Harmful Use of Alcohol*, the World Health Organization said that "regulating production and distribution of alcoholic beverages is an effective strategy to reduce harmful use of alcohol and in particular to protect young people and other vulnerable groups;" and...

**Whereas**, Control States collect more revenue because they control the price of liquor through their uniform mark-up process and receive part of the profits that accumulate, which doesn't happen in a private system where the prices are not fixed; and...

**Whereas**, Governor Bob McDonnell is proposing legislation that would fundamentally change Virginia from a Control State to a license state—turning over liquor sales to the private sector in the Commonwealth; and

**Whereas**, Virginia's proposed ABC privatization model, released by Gov. McDonnell's office, calls for the state to auction 1,000 retail liquor licenses to the highest bidding stores and privatizing liquor sales is projected to generate \$229 million annually, also creating \$458 million in a one-time windfall that would be devoted to under-funded state transportation projects; and...

**Whereas**, any short term gains for the state of Virginia from privatizing would be significantly offset by the long-term losses generated by the loss of reliable income, coupled with increases in alcohol-related harm as noted in a recent study by the Marin Institute of California; and...

**Whereas**, the idea of encouraging more sales of a commodity laden with great risks to the public's health so the state can build roads is not a virtuous endeavor for the citizens of Virginia; and...

**Whereas**, a religious coalition of churches from both the theological left and the right, and a number of public health organizations are solidly joined in opposition to the privatization of liquor sales in Virginia; therefore...

**Be It Resolved**, the American Council on Alcohol Problems joins the voices in opposition to privatizing liquor sales in Virginia and urges the Commonwealth to keep its current system and remain a Control State.