

American Council on Alcohol Problems

Resolution in Opposition of Privatized Liquor Sales in North Carolina

Whereas, the 21st 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 state of North Carolina 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 there 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 Centre 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 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, in a 2011 report, *The Task Force of Community Preventive Services* recommended against the further privatization of alcohol sales in settings with current government control of retail sales, based on strong evidence that privatization results in increased per capita alcohol consumption, a well-established proxy for excessive consumption; 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, in recent years North Carolina's Alcoholic Beverage Control system has been scrupulously studied by the Program Evaluation Division of the N.C. Legislature (2008), Governor Perdue's Budget Reform and Accountability Commission (2009), a Joint House and Senate Committee (2010), an intensive internal analysis and appraisal ordered by the Governor (2011), and none of these provided any compelling evidence or recommendation for privatization; and...

Whereas, in 2011 Governor Perdue publicly announced that the "juice is not worth the squeeze" in determining not to proceed with an ABC privatization initiative, and;

Whereas, at the end of a special session in September of 2011, North Carolina's legislative leadership authorized a Legislative Research Commission to study a number of topics and issues, including the state's ABC system; therefore...

Be It Resolved, the American Council on Alcohol Problems determines that the issue of the privatization of liquor sales is a subject that has not only been sufficiently addressed in the Tar Heel state, but also from a national perspective; and therefore...

Be It Further Resolved, the American Council on Alcohol Problems determines that the scientific evidence is overwhelmingly conclusive that any short term gains for the state of North Carolina from privatizing liquor sales 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 by a vast body of research; therefore...

Be It Finally Resolved, the American Council on Alcohol Problems urges the state of North Carolina to keep its current system of liquor sales and remain a Control state.