Alcohol Regulatory Systems: Integrating Support for Public Health and Safety

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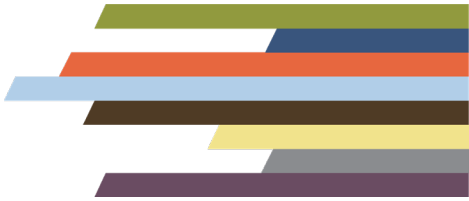

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Executive Summary
Alcohol Regulatory Systems: Integrating Support for Public Health and Safety

Purpose. Alcohol consumption remains a significant and preventable cause of public health harm. This report reviews alcohol regulatory systems and how specific elements of these regulations are – or can be – designed and implemented to support public health and safety.

Methods. We used multiple approaches for this report:

- Synthesized the evidence base for effective regulatory system policies that protect public health, including peer-reviewed literature, other reports, and foundational historical resources that discuss design of alcohol regulatory systems and regulatory authority.
- Summarized current regulatory system policies or approaches that support public health and safety by reviewing current regulations.
- Consulted with national experts and conducted key informant interviews to identify examples of strong regulatory designs in states and specific resources or guidance on implementation.

Results. Identifying and implementing effective health and safety-supporting alcohol regulations would be best supported by building foundational prevention capacity within a regulatory system, including:

- Maintaining a "control" system
- Strengthening infrastructure within the agency (e.g., health and safety-focused staff)
- Including representation from health and safety stakeholders in developing and reviewing regulation or policy
- Providing ongoing leadership and staff education regarding public health and safety best practices
- Making commitments to specific health and safety goals and measures
- Adopting practices and procedures that incorporate health and safety considerations in decision-making (e.g., use of "health impact assessment" tools)
- Dedicating resources for health and safety-supporting activities
- Assuring health and safety stakeholder involvement

One specific recommended action is to **establish a dedicated position within the alcohol regulatory agency** to provide policy analysis and education from a public health and prevention perspective**.** This internal capacity helps to assure prioritization and integration of prevention in ways that are meaningful and sustainable within the agency's operations. The person would also serve as a liaison to other stakeholders, providing education and assistance.

Alcohol consumption is embedded in our culture and economy. The alcohol industry has a powerful voice advocating for less restrictive regulations. However, the tremendous public health burden that alcohol already places on society will be increased by deregulation. It is critical that health and safety impacts be considered and balanced against economic interests for responsible decision-making. Public Health systems should strive to support regulatory agencies with this common goal.

Policy self-assessment: Alcohol Regulatory System Design for Protecting Public Health and Safety

Using a public health and safety lens for review of alcohol regulations, the following worksheet may help entities to identify where current regulations and policies are strong, and where more effective and specific prevention-supporting approaches may be needed.

Regulatory Domain Policy Issue	Prevention-focused approach	Description of state's current approach	Score for current approach 1=currently strong 2=consider improvement 3=not enough information
Price/Taxation			
Tax rates and tax collections	Maintain tax rates at a level that reduces harms. Maintain systems that ensure taxes are collected.		
Unit price regulation	Maintain minimum pricing; eliminate policies that provide discount pricing and other practices that reduce cost (e.g., happy hours)		
Placement/Access			
Minors' access to alcohol outlets	Assure entry to bars, taverns and other locations is limited to those 21 and older with identification (ID)		
Days/hours of sale	Maintain current days/hours of sale or further limit days/hours of sale		
Density and location of alcohol outlets	Limit alcohol outlet density, create or strengthen buffer zones surrounding youth-frequented areas, use local ordinances for further limits		

Regulatory Domain Policy Issue	Prevention-focused approach	Description of state's current approach	Score for current approach 1=currently strong 2=consider improvement 3=not enough information
In-store access to alcohol	Require off-premises outlets selling alcohol to have a separate access point and check-out stands, restrict in-store placement		
Minimum age for employees selling, stocking, and serving alcohol	Increase minimum ages of sellers, stockers, and servers, and/or require direct supervision by employees 21 or older	.	
Direct shipping of alcohol to consumers	Prohibit direct shipping to customers, or maintain stringent requirements for purchase and delivery, including monitoring product movement and tax payments.		
Home delivery by retailers and 3rd party businesses	Prohibit home delivery or maintain stringent requirements for delivery.		
Curbside delivery	Prohibit or limit to factory-sealed bottles and cans. Include requirements for training of delivery persons, time and place restrictions, ID checking and signature, etc.		
Alcohol drinks/cocktails-to-go	If allowed, in closed, sealed container. Ensure enforcement capacity		
Retailer and employee education	Require mandatory training for all sellers and servers of alcohol (on- or off-premises) that includes prevention and public health components		
Promotions/Advertising			
Billboards, signs, and product placement	Limit advertising and product placement, including types of signs (window signs, sandwich boards, pennants, inflatables, etc.)		

Regulatory Domain Policy Issue	Prevention-focused approach	Description of state's current approach	Score for current approach 1=currently strong 2=consider improvement 3=not enough information
Promotional items, events, tastings, giveaways	Prohibit or restrict promotional items, events and/or giveaways		
Mandatory warning signs	Require posting of health-related warnings and minimum ages of purchase at licensed locations		
Products/Potency			
Youth-appealing products	Restrict or prohibit products such as "alcopops", powdered alcohol, flavored spirits, and products in easy-to-conceal packaging		
High-potency products	Prohibit or restrict sale of high-potency products, including locations, days, hours of sale (E.g., alcohol impact area designations)		
Public Health and Safety			
Underage purchase and use (less than age 21)	Limit exceptions to underage use		
Compliance checks of alcohol retailers	Monitor compliance with minor purchase laws		
Sales to minors laws; over-service	Enforce and improve strength of penalties; enact dram shop liability laws		

Purpose

Alcohol is recognized as a leading cause of preventable death and harm in the United States. Harms result from both long-term use, such as chronic heavy drinking, and short-term alcohol misuse such as binge drinking (4+ drinks for women, 5+ drinks for men). The Centers for Disease Control and Prevention (CDC) estimates that more than 95,000 people die each year in the United States – 261 per day – because of excessive alcohol use.[1]

- Health harms to the person who is drinking include deaths and illness from alcoholic liver disease, cancers including breast cancer, hypertension, contribution to poisonings (for example, interactions with painkillers), unintentional injuries, and suicide.
- Harms to other people from someone who is drinking include injuries, such as alcohol-related motor vehicle crashes, as well as subsequent social and emotional harms to families of people who misuse alcohol.
- Costs to society related to these harms include lost workplace productivity, health care expenditures, and costs to the criminal justice system, valued at an estimated $249 billion in 2010.[2]

Regulatory approaches can help to prevent these alcohol-related harms. This report reviews alcohol regulatory systems and how specific elements of these regulations are – or can be – designed and implemented to support public health and safety. The content may be used by public health and prevention professionals to plan approaches that promote the health and safety of and in partnership with local communities.

Notably, this report does not discuss implementation of policies or activities that are outside the purview of state regulatory agencies (including other state agencies and local law enforcement).

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[1] Esser, M. B., Sherk, A., Liu, Y., Naimi, T. S., Stockwell, T., Stahre, M., … Brewer, R. D. (2020). Deaths and Years of Potential Life Lost From Excessive Alcohol Use — United States, 2011–2015. MMWR. Morbidity and Mortality Weekly Report, 69(39), 1428–1433. https://doi.org/10.15585/mmwr.mm6939a6

[2] Sacks JJ, Gonzales KR, Bouchery EE, Tomedi LE, Brewer RD. 2010 National and State Costs of Excessive Alcohol Consumption. Am J Prev Med. 2015 Nov;49(5):e73-e79. doi: 10.1016/j.amepre.2015.05.031. Epub 2015 Oct 1. PMID: 26477807.https://pubmed.ncbi.nlm.nih.gov/26477807/

Methods

This report relies primarily on the following broad resources. Citations specific to particular points are also included throughout the report as footnotes.

Reports

- *2018 Report to Congress on the Prevention and Reduction of Underage Drinking.*[3] Substance Abuse and Mental Health Services Administration (SAMHSA). Accessible at https://www.stopalcoholabuse.gov/townhallmeetings/stateprofiles/fullmap.aspx
- *Alcohol Policy Information System (APIS).* National Institutes of Health, National Institute on Alcohol Abuse and Alcoholism (NIAAA). Provides federal and state policy summaries for specific topics. Accessible at: https://alcoholpolicy.niaaa.nih.gov/

Interviews with experts

- *Washington State Liquor and Cannabis Board (WSLCB).* We conducted key informant interviews with Rick Garza, WSLCB executive director, and Jane Rushford, current chair of the governor-appointed Board, to get detailed information about integrating prevention and public safety goals into the WSLCB's work, including both prior to and after privatization.
- *Washington Association for Substance Abuse and Violence Prevention (WASAVP).* We also conducted a key informant interview with Seth Dawson, a longtime lobbyist for alcohol prevention issues, to get information about his experience about the process of advocating for alcohol prevention regulations (e.g., what information is available, perceived as credible, and how public health and regulatory agencies have partnered to address any proposals relevant to prevention).

Background literature

- *Toward Liquor Control.* Fosdick RB, Scott AL, Rockefeller JD. Reprinted by Alexandria, VA: Center for Alcohol Policy; 2011.

This book was originally published in 1933, commissioned by John D. Rockefeller to guide state regulatory design after the repeal of US Prohibition. Rockefeller was a teetotaler who preferred Prohibition but recognized it as a failure. He saw a need to provide guidance that would be based on research and sound opinions and experience. The content contributed to original design of state alcohol regulatory systems, and much of the content is still relevant to current policy considerations.

- *Alcohol: No ordinary commodity - research and public policy.* Second Edition. Babor T, Caetano R, Casswell S, Edwards G, Giesbrecht N, Graham K, et al. Oxford: Oxford University Press; 2010.

This book discusses the regulation of alcohol and how emerging evidence informs the design of regulatory policy options for promoting health and safety.

[3] This report is based on an annual "STOP Act Survey" of all states.

- Preventing Alcohol-related Problems: Evidence and Community-Based Initiatives. Giesbrecht N, Bosma LM, editors. APHA Press; 2017.

Chapter 10 "Alcohol Retail Systems: Private Versus Government Control" (authored by William Kerr and Sarah Beth Barnett) discusses the history of control and privatized retailing systems, and provides a high-level summary of how government-controlled and privatized (or "license") systems evolved in the U.S. and other countries, and how privatization may affect prevention-related factors. Specific information about Washington State's privatization is provided.

- The Community Guide to Preventive Services Task Force, Task Force *Findings for preventing excessive alcohol consumption.* https://www.thecommunityguide.org/topic/excessive-alcohol-consumption.

This formal systematic review sponsored by the Centers for Disease Control and Prevention (CDC) provides a summary of research and evidence for the effectiveness of policies and interventions to prevent harms from excessive alcohol consumption among adults, and any alcohol consumption among youth.

Historical context of alcohol regulation

To understand alcohol control systems and their original design related to public health, it is helpful to take a brief look at the development of alcohol policy in the United States.[4]

In the early 20th century, social ills, such as alcoholism and violence, and political corruption tied to "saloons" led to a widespread "temperance movement" toward federal restrictions on alcohol sales and consumption. The result was the passage of the 18th Amendment in 1920, commonly called "Prohibition," which made the production, transport, and sale of intoxicating liquors illegal; however, it did not outlaw the actual consumption of alcohol. The law was an attempt to regulate behavior that a significant segment of the population was not willing to support: abstinence from alcohol. In response, "bootlegging" (smuggling of alcoholic beverages) and the introduction of the "speakeasy" (places that illegally sold alcoholic beverages) emerged. Well-developed, organized crime operations evolved to support them.

Although consumption of alcohol was reduced during Prohibition, laws were difficult to enforce, and public support for the law declined. The adoption of the 21st Amendment in 1933 repealed Prohibition and gave explicit rights to the states to regulate and tax alcohol within their boundaries in accordance with the will of their people. Many states still had Prohibition or other laws which went back into effect at this time; it was then up to the states to determine how they would proceed.

Prior to and after Prohibition, states have struggled with various regulatory schemes. Some states continued with Prohibition for a time, and some areas of the country are still considered "dry." Mississippi was the last state to repeal its statewide Prohibition in 1966. State approaches to alcohol regulation vary widely to this day.

[4] For more detail on history see Fosdick et al., 2011 Toward Liquor Control and Kerr and Barnett (2017) Preventing Alcohol-Related Problems: Evidence and Community-Based Initiatives, Chapter 10. Alcohol Retail Systems: Private Versus Government Control.

Regulatory authority

This section describes the different areas of authority to design and implement alcohol regulations at the federal, state and local level.[5] We also note that the alcohol industry (including producers, distributors and retailers) often plays a role in regulatory design and decision-making, including as members of regulatory boards.

Federal authority

The 21st Amendment, giving states jurisdiction over the importation, distribution, sale, and possession of "intoxicating liquors," is the primary federal law governing alcohol policy in the United States. States have the authority to determine their own regulatory structure and the laws and regulations that define their policies and procedures. However, when other federal regulations intersect with alcohol policy, such as the Commerce Clause of the Constitution, federal law will take precedent.

The Federal Alcohol Administration Act, originally passed in 1936, provides some additional regulations regarding interstate and foreign commerce, revenue protection, and postal codes enforcement related to the alcohol beverage industry. The Act provides for consumer protection and the preclusion of unfair trade practices, including requiring permits for producers, importers, and wholesalers, requiring label approval, and regulating marketing and promotion.

Congress may also tax alcoholic beverages and may use financial incentives to influence state policies. In 1984 Congress passed the Federal Uniform Drinking Age Act, setting the minimum legal drinking age at 21. This act allows the federal government to withhold ten percent of federal funding for highways from states that do not prohibit those under age 21 from buying or publicly possessing any alcoholic beverage. All states currently abide by this law, although states have varying standards and exceptions.

State authority

States determine and implement licensing and regulatory oversight of alcohol distribution and sales, including various options for wholesale and retail distribution. The next section of this report describes variations in state authority in greater detail.

State regulatory systems are often generally classified as either **control systems** or **private licensing systems**. Control states are those in which the state is a market participant, maintaining control over the wholesaling and/or retailing of one or more categories of alcoholic beverages (e.g., beer, wine, hard liquor). There are currently 17 "control states" and one county in Maryland that is also a control jurisdiction.

States using the licensing system have given all privileges to sell alcohol, across all beverage categories, to private entities. Often this is also referred to as a "privatized system." Continuation of the license is dependent upon complying with local, state, and federal regulations. In some privatized states, specific regulations may be stricter than in some control states. For instance, until recently, Colorado, a license state, only allowed low alcohol by volume (ABV) beer to be

[5] Primary sources for section: Alcohol Policy Information System (APIS) About Alcohol Policy https://alcoholpolicy.niaaa.nih.gov/about-alcohol-policy

sold in grocery stores. All other alcohol products were sold in stand-alone stores, thereby limiting access.

States which are currently defined as "control states" can vary widely in the extent of control maintained over alcohol distribution and sales, and specifically for the types of products sold. For example, Iowa retains control of spirits at the wholesale level and allows private businesses to sell spirits at the retail level. Utah, on the other hand, maintains responsibility for distribution and the retail sales of beer over 5 percent alcohol by volume (5% ABV), as well as all wine and spirits.

Three-tier system

An important component of the regulatory system has been the three-tier structure (i.e., "three-tier system"). Manufacturers (or producers), wholesalers, and retailers make up the three tiers, and no tier can exercise undue influence over the other, as was common during the "saloon" days. Both control and privatized states can use such a design; in control states the state itself may act as the second tier and distribute to retailers. This design strengthens regulations by applying a built-in system of checks and balances, with each tier responsible for following applicable laws and regulations. This structure helps to ensure tax collection, lawful trade practices, and safe handling of products, protecting public health and safety. Some states have allowed specific exceptions, such as allowing small breweries or brewpubs to act as their own distributors.

Local authority

States individually determine how much regulatory authority they grant to local jurisdictions regarding alcohol policy. Local jurisdictions cannot supersede state law unless specifically granted that authority.

The amount of authority granted to local jurisdictions varies somewhat among the states. Some jurisdictions have more say in the licensing process, including whether to be a "dry" jurisdiction (prohibiting alcohol sales). For example, Oregon does not allow for local bans on alcohol sales, but Alaska does.

Local regulatory authority usually falls in the areas of business licensing requirements, building codes, health codes, zoning, and enforcement.

Industry influence[6]

Although the industry does not have regulatory authority, there often are significant attempts to influence alcohol regulatory systems motivated by economic interests. For example, industry stakeholders may advocate for extending days and hours of alcohol sales because, from their perspective, this would result in benefits.

Some license states, by nature, may be more at risk for industry influence than control states. Pressure to increase tax revenues, expand industry practices to support economic growth, and deregulate often gets greater attention at the legislative level than the potential impact on public

[6] For more discussion on this topic, see Alcohol: No ordinary commodity - research and public policy. Second Edition. Babor T, Caetano R, Casswell S, Edwards G, Giesbrecht N, Graham K, et al. Oxford: Oxford University Press; 2010.

health and safety that these changes may bring. Control states are not immune from these pressures. In control states, industry members may take up their causes at the legislative level, especially when they are not satisfied with the responses from the regulatory agency or when a change in law is required for them to achieve their goals.

Anticipating such pressures, it is critical for the protection of public health and safety to understand the broader implications of policy decisions and be equipped to provide evidence of their relevance and anticipated impacts. This information may be important in consideration of policy changes proposed by the regulatory agency or by legislators. Consistent methods are needed to evaluate potential policy changes for overall public health impact as well as business or economic outcomes.

Considering health in design of alcohol regulatory systems

Proponents of eliminating or drastically reducing many alcohol regulations argue that alcohol should be treated like any other commodity.[7] The industry that includes the manufacture, distribution, and sales of alcoholic products creates and sustains jobs and provides revenue, both through profits and taxation. Peripheral businesses also profit from this industry, such as the hospitality industries, tourism, and advertising. Alcohol consumption and the industries which support and benefit from it have become an economic driver.

However, alcohol is not an ordinary product. Alcohol is a toxic substance that can have short- and long-term health effects, ranging from immediate impairment to chronic disease to fatal alcohol poisoning.

The problems associated with alcohol consumption translate to substantial economic costs. The Centers for Disease Control and Prevention (CDC) estimated the cost of excessive alcohol use in the United States[8] at $249 billion in 2010, an average of $2.05 per drink. About 77% of these costs were due to binge drinking, and 2 of every 5 dollars in costs were paid by federal, state, and local governments (i.e. tax dollars).

Most of the costs in this estimate are from losses in workplace productivity (72% of total), health care expenses for problems caused by excessive drinking (11% of total), law enforcement and other criminal justice expenses (10%), and losses from motor vehicle crashes related to excessive alcohol use (5%). The overall costs are likely underestimated because information is often underreported or not available, and it does not include other less tangible costs such as pain and suffering.

In a landmark scientific review of the evidence for alcohol policy contributions to protecting public health, *Alcohol: No Ordinary Commodity,* major public health implications of alcohol are summarized:

- the dangers in alcohol are multiple and varied in kind and degree
- some but not all are dose-related
- they may result directly from the effect of alcohol or through interaction with other factors
- intoxication is often an important mediator of harm

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[7] Information in this section adapted from Alcohol: No ordinary commodity - research and public policy. Second Edition. Babor T, Caetano R, Casswell S, Edwards G, Giesbrecht N, Graham K, et al. Oxford: Oxford University Press; 2010.

[8] https://www.cdc.gov/alcohol/data-stats.htm (last accessed 6/30/19)

- dependence can significantly exacerbate the hazards and cause protracted exposure to danger

Given this significant burden to the public, alcohol regulations – unlike regulations for the sale and distribution of other products – must be designed specifically to minimize harm to the greatest extent possible.

Regulating beverage categories differently

Different products have different levels of ethanol or pure alcohol, reported as "alcohol by volume" or ABV. Typically,[9]

- Beer contains between 4-7% ABV, although malt liquor, craft beer, and ciders can contain upwards of 8-10%
- Wine contains 11-13% ABV, although some wine types can range between 5-18% ABV, including 17-21% ABV for fortified wines
- Distilled spirits, or "hard liquor", contains about 40% ABV (80-proof) but can range from 28-32% ABV for fruit liqueurs to 55-60% ABV for cask-strength whisky

One "serving" contains 14.0 grams of pure alcohol (0.6 ounces), which is typically 12 ounces of beer, or one bottle, at 5% ABV; 8 ounces of malt liquor at 7% ABV; 5 ounces of wine at 12% ABV; or 1.5 ounces of hard liquor – "one shot" – at 40% ABV.[10]

Early in development of regulatory systems,[11] the amount of alcohol in a product contributed to the determination of how it would be regulated. Beer (or malt beverages) and wine, with a lower alcohol content, were seen as less harmful to individual and public health. Therefore, these products generally have been subject to fewer restrictions and lower taxes. Distilled spirits ("hard liquor"), with a higher alcohol content, have been subject to greater regulation of their distribution, especially in those states designated as control states.

Of late, assertions are being made[12] to state legislators and regulators for parity in how the different categories of beverages should be treated. Those holding licenses for retail sales of beer, wine, and distilled spirits, as well as small producers like craft breweries, wineries, and distilleries, want to see an even playing field regarding privileges and requirements. Yet the potency of these products varies widely, with distilled spirits being much more potent, and therefore with the potential for greater harm. For this reason, the potency of products should continue to be a factor in policy considerations.

Capacity for public health and safety in alcohol regulation

Although state alcohol regulatory agencies may include health and safety within their mission, specific capacity (e.g., resources, skills, tools) and commitments are required to actively work

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[9] American Addiction Centers, 2020. https://www.alcohol.org/statistics-information/abv/

[10] Centers for Disease Control and Prevention https://www.cdc.gov/alcohol/faqs.htm January 2020.

[11] For more detail on history of early alcohol regulatory systems see Fosdick et al., 2011 Toward Liquor Control and Kerr and Barnett (2017) Preventing Alcohol-Related Problems: Evidence and Community-Based Initiatives, Chapter 10. Alcohol Retail Systems: Private Versus Government Control.

[12] Personal communication, Seth Dawson, Washington Association for Substance Abuse and Violence Prevention (WASAVP), prevention lobbyist. July 11, 2019.

toward that mission. The National Alcohol Beverage Control Association (NABCA) provides some centralized capacity for policy surveillance related to health and safety,[13] serving as a valuable resource that can be accessed by alcohol regulatory agencies, but within-state capacity is critical for influencing day-to-day decisions and practices. Further, such capacity may be a critical first step toward action in improving any regulatory elements.

The remainder of this section discusses elements of regulatory agency capacity for public health and safety. These recommendations are largely based on information provided by expert key informants interviewed as noted in the methods section of this report.

Identifying and implementing effective alcohol regulations that support public health and safety would be best achieved by supporting or building foundational prevention capacity within the regulatory agency. This could include:

- Maintaining a "control" system, if already in place
- Strengthening infrastructure within the agency to include health and safety-focused staff
- Appointing representatives from health and safety stakeholders as members of commissions and advisory board or committees
- Providing ongoing leadership and staff education in public health and safety research and best practices
- Making commitments to specific health and safety goals and measures, including in strategic plans
- Adopting practices and procedures that incorporate health and safety considerations in decision-making (e.g., use of "health impact assessment" tools)
- Dedicating resources for activities that support public health and safety, such as compliance checks
- Assuring health and safety stakeholder involvement in policymaking

"Control" Status

A "state-controlled" structure gives the alcohol regulatory agency greater authority (especially in contrast to "private" structures) for establishing and modifying regulations, including those that may support health and safety. The Appendix of this report includes a supplemental table that contrasts how control and privatized state structures can influence the implementation of health and safety-related regulations.

Further, the Community Guide to Preventive Services Task Force also recommends against privatization – or the removal of government control of alcohol sales - based on evidence of public health harms. The Appendix of this report includes a "case study" that summarizes health and safety-related outcomes that were observed following transition from "control" to "privatized" liquor regulatory systems in Washington State.

Infrastructure

Having staff who are specifically charged with supporting health and safety within the regulatory agency assures continued attention to these matters. This internal capacity helps to prioritize and

[13] NABCA "Public Health and Other Resources" https://www.nabca.org/public-health-other-resources

integrate prevention in ways that are meaningful and sustainable within the agency's operations. This capacity can be supported by fees and/or taxes on alcohol products.

Staff should have expertise in public health policy and placement within the organizational structure such that there are opportunities to meaningfully engage in and influence decision-making and activities. As an example, the Washington State Liquor and Cannabis Board (WSLCB) has maintained a full-time Public Health Education Liaison position for more than ten years.[14] In late 2020, the Oregon Liquor Control Commission (OLCC) created a Public Health and Consumer Protection Policy Analyst position.

At the WSLCB, this position is responsible for coordinating with other agencies working in public health and safety, supporting community-based efforts, and educating the regulatory and public health fields about their shared priorities. The OLCC position serves as the regulatory agency's policy expert on alcohol, as well as cannabis and vapor product public health and consumer protection issues.

Adequate enforcement capacity is also important to protect public health and safety. In addition to providing licensees with education and training, there must be adequate enforcement to provide for regular monitoring for compliance. Funding for enforcement can be also be covered by fees and taxes.

Board membership

A number of state alcohol regulatory agencies are guided at a strategic level by a governor-appointed board. Length of appointments and dedicated representation may vary. Assuring that knowledge of and commitment to public health and safety will be included is an important and necessary consideration in structuring the membership of a policy board. A real commitment to public health and safety will require that advisory boards and committees, whether a part of the structure of the agency or used in an ad hoc capacity, also are designed in this way.

Leadership education

Maintaining awareness about the prevalence of health and safety outcomes and existing or new research about best practices to address them can help inform leadership decision-making. The WSLCB executive management team and Board receive multiple briefings about the findings from every statewide youth behavior survey (e.g., trends in youth alcohol use, attitudes, awareness; prevalence for different groups and disparities), and also about findings from especially relevant research (e.g., presentations about findings from alcohol and cannabis research being conducted to study the effects of privatization and legalization in Washington and Oregon). Based on their experience, building knowledge and awareness among agency leadership takes time and must be an ongoing commitment as Board and agency leadership staff change.

Extending education about health and safety to include all staff may also be valuable (e.g., "lunch and learn" sessions, information in agency staff newsletters, training opportunities for staff, email updates, etc.).

[14] See position posting at https://www.governmentjobs.com/careers/washington/jobs/2326947/public-health-education-liaison-wms-band-2

Formal commitment to health and safety measures

Incorporating health and safety priorities into the agency's strategic plan, and identifying measurable objectives that include those within the purview of the agency, and also those that can be addressed by the agency in collaboration with other statewide efforts (such as the prevalence of youth alcohol use), assures that they will remain a priority and that resources will be provided.

Practices and procedures for including health and safety in decision-making

A health impact assessment (HIA) can be incorporated in decision-making, to assure that health and safety are considered in any potential policy change.[15] These can vary in scale and scope, as appropriate to the decision at hand. There are many models for doing such an assessment. Having staff charged with assuring the tools are used, educated leadership who are aware of the need and benefit, and formal agency commitments to health provide motivation for taking time to incorporate an HIA in routine processes.

Resources for enforcement and education

Alcohol regulatory agencies may provide direct funding for health and safety-related activities or provide funding to other entities. This might include:

- Small community grants for prevention, health, or safety-related activities in alignment with the agency's goals
- Resources for other state agencies working in prevention, health, and safety, such as funding and/or participation in the implementation of a state's school-based youth behavior survey, which includes measures of youth alcohol and cannabis use, among other priorities
- Implementation of or partnering to implement public education campaigns about health and safety issues related to alcohol and cannabis use

Stakeholder involvement

If advisory boards or committees are part of the regulatory agency structure (either temporarily or permanently), they need to include a balance of stakeholders. It is incumbent on the agency to ensure that all stakeholders are invited and encouraged to participate in developing policies and rules when needed, and their perspectives are given appropriate weight.

Too often, public health and prevention stakeholders are at a severe disadvantage when it comes to being heard. For example, Washington State was mandated by the legislature to establish a task force to examine alcohol regulatory policies in 2006; although the group included prevention and enforcement representatives, they were outnumbered by industry representatives, making it more difficult to advance public health and safety priorities.[16]

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[15] American Public Health Association. Health Impact Assessment: A Tool to Benefit Health in all Policies. https://www.apha.org/-/media/files/pdf/factsheets/hiabenefithlth.ashx?la=en&hash=6B2146E596718055C7C33F2B17354CD6D115463E

[16] Washington State Liquor Control Board. Beer and Wine Three-Tier System Review: Task Force Report. November 21, 2006. Available at http://leg.wa.gov/JointCommittees/Archive/SCBW/Documents/6-10-2008_LCB.pdf (last accessed July 1, 2019) See Task Force Member names and designations within the introductory letter in first section of report.

One vulnerable – but sometimes forgotten - stakeholder group is people in treatment and recovery from substance use disorders. Often those in recovery find that they need to avoid environments where alcohol is being sold, served, and/or consumed. This becomes increasingly difficult when new policies expand the availability of alcohol to additional locations, such as beauty salons, spas, boutiques, galleries, community fairs/festivals, farmers markets, movie theatres, etc.

Engaging some stakeholder groups may in fact require extra effort on the part of the agency. Some states have discouraged or prevented public health agencies from weighing in on proposed legislation and/or rulemaking, meaning that those relationships must be built (or rebuilt). Community groups often do not have the financial or human resources to participate equal to organized industry groups, or the means to counter well-paid lobbyists whose intent may be at odds with sound public health policy; thus, effective engagement of communities may need thoughtful approaches. Rather than placing the burden for involvement on the stakeholder group, the regulatory agency can expand their outreach and create more accessible channels for communication.

Evidence-based regulations for public health and safety

A wealth of research exists that analyzes the various components of alcohol policy and the impact on public health and safety. The Community Preventive Services Task Force (CPSTF), an independent, non-federal panel of public health and prevention experts established by the U.S. Department of Health and Human Services, has developed guidance on the prevention of excessive alcohol consumption and related harms. Approaches outlined in "The Community Guide to Preventive Services" that are intended to help communities protect public health relative to alcohol include those that:[17]

- Reduce excessive alcohol use, including binge drinking and underage drinking.
- Reduce the risk of chronic conditions such as liver disease, high blood pressure, heart disease, and cancer.
- Reduce violent crime, motor vehicle injuries, and alcohol-exposed pregnancies.
- Reduce youth access to alcohol.
- The CPSTF bases its findings and recommendations on systematic reviews of the scientific literature. With oversight from the CPSTF, scientists and subject matter experts from the Centers for Disease Control and Prevention conduct these reviews in collaboration with a wide range of government, academic, policy, and practice-based partners. Based on the strength of the evidence, the CPSTF assigns each intervention to one of the categories below.
- Recommended: There is strong or sufficient evidence that the intervention strategy is effective. This finding is based on the number of studies, how well the studies were designed and carried out, and the consistency and strength of the results.
- **Insufficient Evidence**: There is not enough evidence to determine whether the intervention strategy is effective. This does not mean the intervention does not work. There is not enough research available or the results are too inconsistent to make a firm conclusion about the effectiveness of the intervention strategy.

[17] The Community Guide to Preventive Services Task Force, Task Force Findings for preventing excessive alcohol consumption: https://www.thecommunityguide.org/topic/excessive-alcohol-consumption (last accessed 6/30/19).

- **Recommended Against**: There is strong or sufficient evidence that the intervention strategy is **harmful** or **not effective**.

Table: Summary of Community Preventive Services Task Force (CPSTF) recommendations for reducing public health harms from alcohol[18]

Intervention	CPSTF Finding
Interventions Directed to the General Population	
Increasing alcohol taxes	Recommended
Regulation of alcohol outlet density	Recommended
Dram shop liability	Recommended
Maintaining limits on days of sale	Recommended
Maintaining limits on hours of sale	Recommended
Over-service law enforcement initiatives	Insufficient evidence
Responsible beverage service training	Insufficient evidence
Privatization of retail alcohol sales	Recommended Against
Interventions Directed to Underage Drinkers	
Enhanced enforcement of laws prohibiting sales to minors	Recommended

Advertising and promotion restrictions are not included in this table, as they were not reviewed by the CPSTF, but other reviews of evidence support their effectiveness. Two systematic reviews of evidence, including a combined total of 25 studies, found strong associations between alcohol marketing exposure and both adolescent and young adult drinking behaviors, including a dose-response effect between per capita alcohol advertising spending and consumption.[19] A recent comprehensive review summarized these findings: "…longitudinal scientific studies provide strong evidence that the amount of exposure to alcohol advertising influences whether young people start drinking or, if they already drink, how much they drink."[20]

[18] https://www.thecommunityguide.org/content/task-force-findings-excessive-alcohol-consumption (last accessed 6/30/19).

[19] Esser MB, Jernigan DH. Policy Approaches for Regulating Alcohol Marketing in a Global Context: A Public Health Perspective. Ssrn. 2018. doi:10.1146/annurev-publhealth-040617-014711

[20] Center on Alcohol Marketing and Youth (CAMY), Johns Hopkins Bloomberg School of Public Health State Laws to Reduce the Impact of Alcohol Marketing on Youth: Current status and model policies (2012)

Maintaining a minimum legal drinking age is also not included in the CPSTF review. Research clearly shows the negative impact drinking can have on brain development.[21] Additional studies illustrate the decrease in harms to young people after the legal drinking age was changed to 21 nationally in the U.S. in 1984.[22]

Comprehensive regulations for preventing harm

The effect of any individual policy may be significant, but combinations of policies intended to protect health and safety are better. A 2014 study[23] looked at the relationship between the U.S. alcohol policy environment and its relationship to adult binge drinking. The focus was on binge drinking because "Of outcomes related to excessive drinking, binge drinking accounts for approximately half of alcohol-attributable deaths, two thirds of years of potential life lost, and three fourths of economic costs." Using a rigorous analysis of 29 alcohol policies in all 50 states and Washington, D.C., they assigned an Alcohol Policy Score (APS) for each state and Washington, D.C. This analysis included not only whether the policy was in place, but the extent to which it was applied and enforced.

The study found a significant inverse association between binge drinking and the APS. The higher the APS, the lower the binge drinking levels. In other words, the stronger the set of policies, the fewer public health harms. This study underscores the importance of implementing a comprehensive strategy that includes a variety of policies that support public health and safety. Individual policies alone did not have the same effect.

Public support for strong policies

Public opinion polls also suggest that there is support for alcohol regulation, and that protecting community health and safety is more important to people than increasing convenience of alcohol purchases.[24] A recent national poll indicated that 89% of adults think it is very important to keep the American alcohol industry regulated.[25]

A public health and safety lens applied to alcohol regulation

As effective interventions for reducing excessive alcohol consumption and other related harms are considered, they can inform the design and decisions related to alcohol regulatory policies.

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http://www.camy.org/_docs/research-to-practice/promotion/legal-resources/state-ad-laws/CAMY_State_Alcohol_Ads_Report_2012.pdf

[21] Squeglia, L. Jacobus, J, and Tapert, S., The effect of alcohol use on human adolescent brain structures and systems, 2015. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4321715/

[22] Centers for Disease Control Fact Sheet: "Age 21 Minimum Legal Drinking Age." https://www.cdc.gov/alcohol/fact-sheets/minimum-legal-drinking-age.htm

[23] Naimi TS, Blanchette J, Nelson TF, et al. A New Scale of the U.S. Alcohol Policy Environment and Its Relationship to Binge Drinking. Am J Prev Med. 2014;46(1):10-16. doi:10.1016/j.amepre.2013.07.015

[24] Erickson, Pamela S., "Public Supports Strong Alcohol Policies, A Short Report." Vol. 2, Issue 1, April 2016. http://healthyalcoholmarket.com/pdf/Public_support_for_alcohol_regulation.pdf

[25] Center for Alcohol Policy. 2017. National Survey: Public's Concern Over Alcohol Misuse Remains High. https://www.centerforalcoholpolicy.org/2017/09/11/national-survey-publics-concern-over-alcohol-misuse-remains-high/

For instance, increasing alcohol taxes is an effective strategy because it increases prices. The evidence base shows that higher prices result in lower consumption, especially among youth. Therefore, from a regulatory design perspective, we can also look at other strategies that affect price such as maintaining a pricing structure or prohibiting two-for-one pricing and other discounts that would reduce overall prices.

Likewise, alcohol outlet density regulation can occur in a variety of ways. Limiting the number of retail outlets that sell spirits is one strategy often used in control states where off-premises sales are limited to a set number of state-controlled stores. However, changes in law that allow sales in movie theatres, hair salons, and farmers markets, to name a few, can increase accessibility and therefore may undermine effectiveness of this strategy.

Finally, with privatization of retail alcohol sales found not to be effective in reducing excessive alcohol consumption or to even be harmful, it is important to look at how privatization may negatively affect the ability to implement other effective strategies. In contrast, we can also look at how maintaining state control of retail alcohol sales can support or enhance these strategies. The Appendix of this report includes supplemental information on how control vs. privatized state structures can influence health and safety-related regulations, as well as a case study on relevant outcomes associated with the transition from "control" to "privatized" liquor systems in Washington State.

The remainder of this section provides more detail about options for regulatory policies and specific strategies or activities that can have an impact on excessive consumption, prevent youth use of alcohol, and promote public health and safety. The strategies are grouped under the following domains:

- **Price / Taxation.** Increasing the unit price of alcohol is effective in reducing excessive alcohol consumption, adolescent drinking, alcohol-impaired driving, and other alcohol-related harms.
- **Placement / Access.** Restricting retail availability limits consumers' access to alcohol, thereby reducing use and the harms associated with use.
- **Promotions / Advertising.** Limiting the reach and content of advertising and promotions can reduce normalization of excessive or risky alcohol use for both youth and adults, and specific appeal of products to youth.
- **Products / Potency.** Limiting availability of specific products (including flavors, packaging, delivery mechanism, alcohol level) may prevent excessive or risky consumption behaviors that are associated with those products. Restrictions on packaging and labeling can reduce attractiveness to minors.
- **Compliance / Enforcement.** As the likelihood of enforcement (detection and penalties) increases, so does compliance.

When available, examples from other states are provided to demonstrate implementation approaches that strengthen public health and safety protections. We also provide links to resources that may assist with planning the implementation of specific activities (these are not exhaustive lists, but rather select examples).

Regulatory Domain: Prices /Taxation

What it is. Tax rates and policies that affect the price that consumers pay for alcohol, such as bans on 2-for-1 specials and special happy hour pricing, can influence overall consumption rates.

Why it matters. Increasing the unit price of alcohol is effective in reducing excessive alcohol consumption.

Policy Issue: Tax rates and tax collection

Excise taxes affect the price of alcohol and are intended to reduce alcohol-related harms and/or raise revenue. Higher taxes on products with higher alcohol content can also shift use to products with lower alcohol content, thereby reducing potential harm. For this to work, regulatory systems must ensure efficient and appropriate tax collection. The 3-tier system provides for this. When the distributor tier is eliminated (e.g., sales at tasting rooms, direct to consumer shipping, etc.) other mechanisms must be in place to ensure taxes are collected.

Strategy: Maintain tax rates at a level that reduces alcohol-related harms

- **Example of strong implementation:** Maryland increased its sales tax on spirits in 2011, and binge drinking by Maryland adults decreased by 17 percent between 2011 and 2016, a much greater rate than the 6 percent reduction nationally. Among Maryland high school students, there was a reduction in youth 30-day use, binge drinking, and riding in a vehicle operated by a driver who had been drinking. Research also documented a decrease in alcohol-positive drivers and in sexually transmitted infections. Policies relative to prevention could be strengthened by increasing the tax rates for beer and wine.
- **Resources for implementation:**
    - ChangeLab Solutions. Alcohol Taxes FAQ. http://alcohol-psr.changelabsolutions.org/alcohol-psr-faqs/alcohol-taxes-faq/
    - Porter KP, Frattaroli S, Pannu H. *Public Health Policy in Maryland: Lessons from Recent Alcohol and Cigarette Tax Policies.* Abell Foundation. February 2018. https://www.abell.org/sites/default/files/files/Abell%20Public%20Health%20Report%20022718.pdf.
    - Centers for Disease Control and Prevention (CDC). "Pricing Strategies for Alcohol Products" https://www.cdc.gov/policy/hst/hi5/alcoholpricing/index.html.
    - Johns Hopkins Bloomberg School of Public Health Center on Alcohol Marketing and Youth (CAMY). "Consumer Costs and Job Impacts from State Alcohol Tax Increases" http://www.camy.org/research-to-practice/price/alcohol-tax-tool/

Policy Issue: Unit price, minimum price, discount pricing

Strategies that increase overall cost and prohibit selling products below a minimum cost, such as cost of acquisition, can discourage excessive consumption.

Strategy: Maintain minimum pricing for alcohol and eliminate policies that provide discount pricing and other practices that reduce the cost of alcohol (e.g., providing free beverages, increasing volume without increasing price, the ability to purchase multiple servings at one time, etc.).

- **Examples of strong implementation:** Although currently being challenged in court, Connecticut has minimum pricing. Internationally, Scotland's introduction of minimum unit pricing has not negatively affected sales, according to wholesalers. Massachusetts chose not to repeal a ban on happy hour, citing that it would be bad for both business and public safety; however, according to news reports, restaurant owners support the ban.[26]
- **Resources for implementation:**
  - Meier PS, Holmes J, Angus C, Ally AK, Meng Y, Brennan A. "Estimated Effects of Different Alcohol Taxation and Price Policies on Health Inequalities: A Mathematical Modelling Study." PLOS Medicine. 2016. https://journals.plos.org/plosmedicine/article?id=10.1371/journal.pmed.1001963.
  - Purshouse RC, Meier PS, Brennan A, Taylor KB, Rafia R. "Estimated effect of alcohol pricing policies on health and health economic outcomes in England: an epidemiological model." Lancet. 2010;375(9723):1355-1364. https://www.thelancet.com/journals/lancet/article/PIIS0140-6736(10)60058-X/fulltext.

Regulatory Domain: Placement / Access (includes density)

What it is. Placement refers to both the placement of retail outlets in a community and the placement of product in stores. Outlet density refers to the number of physical locations per specified area or per population in which alcoholic beverages are sold. Access refers to those characteristics, in addition to density, that increase the ability for persons to purchase or otherwise access alcoholic beverages.

Why it matters. Restricting retail availability through a variety of means limits consumers' access to alcohol, thereby reducing use and the harms associated with use.

Policy Issue: Minors access to alcohol outlets

Limiting access to those 21 and over prevents the handing off or sharing of drinks and purchasing for those under legal age, and it reinforces minimum age laws.

Strategy: Entry to bars, taverns, and other similar locations is limited to those 21 and over. ID is required.

- **Examples of strong implementation:** Several states, including Washington and Utah, prohibit those under 21 from entering taverns and/or bars.
- **Resources for implementation:**

[26] For more information, see https://www.mass.gov/files/documents/2017/10/02/204cmr4.pdf.

- *Reducing Underage Drinking: A Collective Responsibility*, Bonnie and O'Connell, Eds. National Academies Press: 2004. https://www.ncbi.nlm.nih.gov/books/NBK37593/.

Policy Issue: Days and hours of sale

Limits on days and hours of sale reduces times when alcohol can be purchased, thereby impacting consumption.

Strategy: Maintain current days/hours of sale or increase limits on days/hours of sale.

- **Examples of strong implementation:** Days and hours of sale vary widely by location. Package stores in Utah and Mississippi, for example, still ban Sunday sales, although several states have removed their bans on Sunday sales, with West Virginia doing so as recently as March of 2019. Requests for expansion of hours of sale for both on and off premises locations are increasing. In recent years, the city of Seattle petitioned the WA State Liquor and Cannabis Board to extend on-premises alcohol sales from an ending time of 2 a.m. to 4 a.m. in the downtown area. This request was denied. California has also been entertaining a 4 a.m. bar hour extension.
- **Resources for implementation:**
  - Hahn RA, Kuzara JL, Elder R, et al. Effectiveness of policies restricting hours of alcohol sales in preventing excessive alcohol consumption and related harms. *Am J Prev Med*. 2010;39(6):590-604. https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3712516/

Policy Issue: Density and location of retail outlets

The density of retail outlets in a given area is tied to the amount of excessive alcohol consumption and alcohol-related harms in that area. Many studies have found a positive correlation between alcohol outlet density and youth consumption.

Strategy: Limit alcohol outlet density through caps on total number of licenses and/or a density limit. Create buffer zones surrounding youth-frequented properties such as schools and playgrounds. Use local ordinances to provide additional limitations and oversight by including additional buffer zones, license and/or density limits, deemed approval ordinances, and restricting conditional use permits for alcohol outlets.[27]

- **Examples of strong implementation:** Prior to the passage of a privatization initiative in 2011, Washington State limited retail liquor stores to 328 statewide. In addition, no licensee can be located within 500 feet of a school or church. Another effective strategy is to allow for local zoning options. Baltimore zoning does not allow liquor stores in residential neighborhoods.
- **Resources for implementation:**

[27] For more information on deemed approval and conditional use permits, see ChangeLab Solutions, "Local Authority to Regulate Density of Alcohol Outlets FAQ."

- Cushing J, Miller C, Riibe D, et al. *STRATEGIZER 55 Regulating Alcohol Outlet Density: An Action Guide*. http://www.camy.org/_docs/resources/reports/alcohol-availability/strategizer-55-regulating-alcohol-outlet-density.pdf
- ChangeLab Solutions. Local authority to regulate the density of alcohol outlets FAQ. 2019.
- http://alcohol-psr.changelabsolutions.org/alcohol-psr-faqs/local-authority-to-regulate-the-density-of-alcohol-outlets-faq/

Policy Issue: In-store access to alcohol

Whether off-premises sales take place in stand-alone stores or are incorporated into other retail outlets such as grocery stores impacts accessibility, especially for youth.

Strategy: Require off-premises outlets that sell alcohol to have separate access points and check-out stands. Limit access to those 21 and over.

- **Examples of strong implementation:** According to a 2016 report, Minnesota grocers who have a liquor license must have a separate entrance and abide by legally mandated hours. Also, a grocer may have only one liquor license in a city, a law that helps minimize density.
- **Resources for implementation:**
  - NABCA. *Grocery Stores and Convenience Stores as Alcohol Outlets.* 2016. https://www.nabca.org/assets/Docs/Research/White%20Papers/GroceryStoresPaper.pdf

Policy Issue: Minimum age for employees selling, stocking, and serving alcohol

The minimum age of sellers can have an impact on access as younger sellers and servers may be at higher risk of both making errors when determining to whom alcohol can be sold and served and of being pressured by peers to make illegal sales. Ability to stock alcohol without supervision provides an opportunity for diversion of product.

Strategy: Increase minimum age of sellers, stockers, and servers and/or require direct supervision by an employee 21 years of age or older.

- **Examples of strong implementation:** In Colorado, employees of retail liquor stores and liquor-licensed drug stores must be at least 21 years of age to sell malt, wine, or spirits. For on-premises retailers, alcohol may be handled, dispensed, or sold by anyone who is at least 18 years of age and under the on-premises supervision of a person who is at least 21 years of age, except in taverns, where the seller must be at least 21 years of age.
- **Resources for implementation:**
  - "Minimum ages for off-sale servers" and "Minimum ages for on-sale servers", in 1. HHS. *REPORT TO CONGRESS ON THE PREVENTION AND REDUCTION OF UNDERAGE DRINKING*.; 2018. https://www.stopalcoholabuse.gov/about-iccpud/data/national-reports/report-to-congress/default.aspx

Policy Issue: Home Delivery - Direct shipping of alcohol from producer to consumer

At least 45 states allow shipping of one or more categories of beverage alcohol from the producer directly to consumers. State laws vary in how they regulate the direct shipment of alcohol, specifically around age verification, labeling, permitting/licensing, reporting, training, age of delivery driver, and whether they allow out of state businesses to ship into a state. Tax evasion is a concern with direct shipping, as well as access for underage persons.

Strategy: Prohibit direct shipping to customers, or, if allowed, maintain stringent requirements for purchase and delivery. Limit amount permitted to be shipped. Limit shipping to personal residences (i.e., prohibit delivery to hotels, residence halls, etc.). Include strict reporting requirements, provisions for monitoring compliance, and strict penalties for tax evasion.

- **Examples of strong implementation:** Utah and Mississippi are examples of two states that do not allow direct shipment to consumers. Virginia has the following restrictions regarding direct shipping:
  - The common carrier (deliverer) must verify the age of recipients.
  - The producer/manufacturer must obtain a state license or permit.
  - The common carrier must be approved by the state agency.
  - The producer/manufacturer must record/report the purchaser's name.
  - The common carrier must record/report the recipient's name.
  - The label must state "Package contains alcohol" and "Recipient must be 21 years old."
  - The common carrier must provide monthly reports to the state alcohol regulatory authority to track unlicensed producers from shipping into the state
  - The state sends cease and desist letters to unlicensed shippers
- **Resources for implementation:**
  - National Liquor Law Enforcement Association (NLLEA) – trainings for alcohol law enforcement on how to enforce direct shipping laws
  - Williams RS, Ribisl KM. Internet Alcohol Sales to Minors. *Arch Pediatr Adolesc Med*. 2012;166(9):808. doi:10.1001/archpediatrics.2012.265 https://jamanetwork.com/journals/jamapediatrics/fullarticle/1149402.
  - "Retailer Interstate Shipments of Alcohol" and "Direct Sales/Shipments from Producers to Consumers", in 1. HHS. *REPORT TO CONGRESS ON THE PREVENTION AND REDUCTION OF UNDERAGE DRINKING*.; 2013. www.samhsa.gov. https://www.nabca.org/sites/default/files/assets/files/Report-to-Congress-on-Prevention-Reduction-Underage-Drinking.pdf Accessed July 2, 2019.

Policy Issue: Home delivery – Retail and 3rd party delivery to consumers

Delivery of alcohol to consumers may take place with an employee making the delivery or the delivery being conducted by a third-party delivery driver, such as InstaCart, UberEats, etc. Compliance checks of retail home delivery in many cases have shown significant violations.

Strategy: Retail delivery directly to consumers provide more opportunities for youth access as well as expanding access in general. Regardless of who delivers, if allowed, regulations should include strict age verification requirements, signature of person receiving the item(s), limits on amount of alcohol to be transported, clear definitions of liability for sale to underage and intoxicated persons, detailed record-keeping, and provisions for monitoring compliance.

- **Examples of strong implementation:** North Carolina provides a delivery service permit for businesses not currently holding an Alcohol Beverage Control permit. The conditions for this permit include required training, age restrictions, packaging requirements, limitations on hours, etc. These types of requirements are important for all home delivery services.
- **Resources for implementation:**
  - North Carolina permit requirements: https://portal.abc.nc.gov/Web%20Documents/Sections/Permits/Retail/Delivery%20Service%20Permit/Delivery%20Service%20only.pdf

Policy Issue: Curbside delivery

Curbside delivery may be provided by either on-premises (e.g., restaurants) or off-premises (e.g. grocery stores) businesses. Curbside delivery generally refers to alcoholic beverages in original containers, such as cans and bottles, but may also refer to items such as growlers and kegs. Curbside delivery by on-premises businesses has generally been allowed as a temporary response to the COVID-19 pandemic.

Strategy: Delivery of alcoholic beverages directly to consumers via a curbside pick-up makes more difficult the usual precautions taken to prevent sales to minors and sales to intoxicated persons. Products should be limited to factory-sealed bottles and cans, and regulations should include minimum age and training requirements for delivery persons, restrictions on time and place, signature of person receiving the item(s), detailed recordkeeping, and provisions for regular compliance checks with penalties for noncompliance.

- **Examples of strong implementation and resources:** Strong regulations for curbside delivery are similar to those for home delivery with the difference being location. See previous section for home delivery.

Policy Issue: Alcohol drinks/cocktails-to-go

An increasing number of states are allowing alcohol drinks and cocktails-to-go on a temporary basis as a way to provide economic relief for alcohol outlets, particularly those with on-premises operations, such as restaurants and bars that have experienced hardship due to the COVID-19 pandemic. This loosening of regulations presents public health and safety concerns. Additionally, there are implications for federal highway funds for states that may violate open container laws. Oregon and Iowa have made the allowance for cocktails-to-go permanent.

Strategy: If allowed, alcohol drinks and cocktails-to-go must be in closed, sealed containers. Information regarding consumption laws must be provided to the consumer. Funding for enforcement capacity, including compliance checks, must be included. Attempts to make these regulations permanent must be addressed by public health and prevention professionals and advocates.

- **Examples of strong implementation:** Iowa included Public Health in crafting rules for cocktails-to-go. These include requirements for filling containers, sealing containers, labeling, and record-keeping. Other restrictions are included, as well as a clarification that sealed containers are not to be considered open containers. Washington State is only allowing cocktails-to-go until the county in which the business is located enters Phase 4 of Washington's Safe Start plan (COVID response reopening phases). Among other requirements, cocktails-to-go may only be part of a bona fide complete meal ordered with the cocktail order, and the container must be stored in the trunk or, if there is no trunk, out of reach of the driver. A notice regarding this must be provided.
- **Resources for implementation:**
  - Iowa regulations: file:///C:/Users/mbseg/AppData/Local/Microsoft/Windows/INetCache/Content.Outlook/8PWIOWHY/final_rule_-_mixed_drinks_and_cocktails_to-go.pdf
  - Washington State requirements: https://content.govdelivery.com/bulletins/gd/WALCB-28a1611?wgt_ref=WALCB_WIDGET_1

NOTE: Changes to regulations for home delivery, curbside delivery, and cocktails-to-go are have occurred rapidly in response to the COVID-19 pandemic. Many regulations have been instituted as temporary; however, efforts are being made to convert many of these to permanent status.

Policy Issue: Retailer and employee education

Mandatory retailer training helps to ensure retailers are familiar with state laws and regulations and understand the importance of compliance. The training is a critical component in preventing sales to underage youth and intoxicated persons. The training should be backed up by sound policies and enforcement.

Strategy: Require mandatory training for all sellers of alcohol, whether on-premises or off-premises, that includes prevention and public health components. Establish a Responsible Vendor Program that includes training requirements, accountability, and monitoring by the regulatory agency. Include a fee to cover the monitoring of the program by enforcement personnel. Officers would be required to randomly check the store policies and training records of employees to ensure that requirements are being followed. The Responsible Vendor designation would be time limited and require renewal.

- **Examples of strong implementation:** The State of Vermont statutes require that all who sell or serve alcohol or tobacco must attend training and be certified by the Division of Liquor Control. Accountability and regular compliance checks are important in maintaining the effectiveness of this requirement.
- **Resources for implementation:**
  - "Responsible Beverage Service", in 1. HHS. *REPORT TO CONGRESS ON THE PREVENTION AND REDUCTION OF UNDERAGE DRINKING*.; 2013. www.samhsa.gov. https://www.nabca.org/sites/default/files/assets/files/Report-to-Congress-on-Prevention-Reduction-Underage-Drinking.pdf Accessed July 2, 2019.
  - "Best Practices in Responsible Alcoholic Beverage Sales and Service Training with Model Ordinance, Commentary, and Resources," Center for the Study of Law and Enforcement Policy, Pacific Institute for Research and Evaluation (PIRE). Ventura County Behavioral Health Department. 2007. http://www.venturacountylimits.org/resource_documents/VC_Policy03_RBS_2010_web.pdf.
  - "Responsible Beverage Service Training". University of Minnesota Alcohol Epidemiology Program. Research articles by request, 2001-2018. http://www.aep.umn.edu/publications/responsible-beverage-service-training-2/

Regulatory Domain: Promotions / Advertising

What it is. Alcohol retailers use a variety of methods to attract customers and increase sales. These include signage (on- and off-premises), print advertising, discounts, promotional items, special events, tastings, etc.

Why it matters. Promotions and advertising impact both youth use and levels of consumption. The National Academy of Sciences, the National Association of Attorneys General Youth Access to Alcohol Committee, the American Medical Association, the World Health Organization Global Strategy to Reduce Harmful Use of Alcohol, the American Public Health Association, and the American Academy of Pediatrics have all urged a reduction in alcohol advertising.

Policy Issue: Billboards, signs, product placement

Restrictions on number, size, type, and location of signs reduces exposure to youth. Restricting product placement to specified, limited locations within grocery and other retail stores that sell alcohol will also reduce youth exposure.

Strategy: Place limits on advertising and restrict product placement. Restrictions may include limit on number and size of signs on outside of premises, prohibition on signs on sidewalks and in parking lots (including sandwich boards, pennants, and inflatables), and signs within a specified distance of schools, playgrounds, etc. Allow local jurisdictions to further restrict advertising which they would enforce. Restrict product placement within stores to prevent alcohol from being displayed throughout a store, especially on endcaps near exits.

- **Examples of strong implementation:** After hearing from youth, the WA State Liquor Board limited off-premises retail outlets to not more than four outdoor or outward-facing signs. The signs can be no larger than 1600 square inches. California law requires that no more than 33% of window space can be covered with signs, and they must be placed so that law enforcement can have an unobstructed view of the interior, including the cash register. New York bans ads on city property. Baltimore restricts alcohol signs via zoning regulations. Several states prohibit advertising within a specified distance from youth-oriented locations (e.g., schools, churches, and playgrounds).
- **Resources for implementation:**
  - Center on Alcohol Marketing and Youth (CAMY), Johns Hopkins Bloomberg School of Public Health. 2012. "State Laws to Reduce the Impact of Alcohol Marketing on Youth: Current Status and Model Policies." http://www.camy.org/_docs/research-to-practice/promotion/legal-resources/state-ad-laws/CAMY_State_Alcohol_Ads_Report_2012.pdf
  - Center on Alcohol Marketing and Youth (CAMY), Johns Hopkins Bloomberg School of Public Health. 2012. "Plugged In 24/7: Alcohol Advertising & Youth in the Digital Age," brochurehttp://www.camy.org/_archive2015/research/Summary_Brochures/CAMY_DigitalMedia2.pdf.

Policy Issue: Promotional items, events, giveaways

Promotional items, events, and giveaways are used to attract customers and increase sales.

Strategy: Prohibit or restrict promotional items, events, and/or giveaways. If providing promotional items to retailers is allowed, restrict retailers' use, and do not allow to be given to customers.

- **Examples of strong implementation:** Sixteen states prohibit giveaways as rewards for purchasing the producer's or distributor's products, and Washington State restricts the distribution of promotional materials at commercial or civic events, though in a limited manner.
- **Resources for implementation:**
  - Center on Alcohol Marketing and Youth (CAMY), Johns Hopkins Bloomberg School of Public Health. 2012. "State Laws to Reduce the Impact of Alcohol Marketing on Youth: Current Status and Model

Policies." http://www.camy.org/_docs/research-to-practice/promotion/legal-resources/state-ad-laws/CAMY_State_Alcohol_Ads_Report_2012.pdf

Policy Issue: Mandatory warning signs

Warning signs and label information can counter promotional efforts. The federal Alcohol and Tobacco Tax and Trade Bureau (TTB) has alcohol label requirements that all manufacturers must follow. These are:

- GOVERNMENT WARNING: (1) According to the Surgeon General, women should not drink alcoholic beverages during pregnancy because of the risk of birth defects.
- (2) Consumption of alcoholic beverages impairs your ability to drive a car or operate machinery and may cause health problems.

Currently the TTB is reviewing label requirements. The Consumer Federation of America is leading the way in advocating for an alcohol and cancer warning label. Signs posted at retail locations generally are the purview of state regulators.

Strategy: Require postings of health-related warnings and minimum age of purchase at all licensed locations. Strengthen TTB regulations by requiring cancer warnings on signs as well as signs about laws and penalties. States can supplement the information that is required by the TTB on labels by requiring similar and/or additional information at point of purchase locations and in on-premises facilities.

- **Examples of strong implementation:** Depending on the type of license, California requires signs about laws and penalties, cancer and pregnancy warnings, restriction of premises to those 21 and over, etc.
- **Resources for implementation:**
  - California Alcoholic Beverage Control (ABC). *Signage Requirements and Ideas for Retail Licensees.* https://www.abc.ca.gov/education/merchant-education/on-sale-licensee-informational-guide/signage-requirements-and-ideas-for-retail-licensees/

Regulatory Domain: Products / Potency

What it is. Alcohol is available in a wide variety of flavors, composition, and potency.

Why it is important. Increasingly, products have come on the market that are appealing to a wider array of consumers. For example, sweet, flavored alcohol products have appealed to younger drinkers, especially females. Inexpensive, high ABV products are sought after by chronic public inebriates, and they have also found a market niche near college campuses.

Policy Issue: Youth-appealing products

Products that are especially appealing to youth include alcopops and flavored spirits. Products that are easy to conceal, such as pocket shots and powdered alcohol, are also appealing to youth.

Strategy: Restrict or prohibit products that are especially appealing to youth, such as alcopops, powdered alcohol, flavored spirits, and products in easy-to-conceal packaging. To strengthen policies, survey current inventory of products to determine which products may be considered especially appealing to youth. Work with regulators to develop policies that would limit these products.

- **Examples of strong implementation:** Washington and Maryland are two states that banned powdered alcohol. Prior to privatization, Washington State refused to stock products that were especially appealing to youth, including certain flavors of spirits and some small, single-serve items, such as Pocket Shots.
- **Resources for implementation:**
  - Alcohol Justice: The Industry Watchdog. "Stop Alcopops" https://alcoholjustice.org/campaigns-2/stop-alcopops

Policy Issue: High-potency products

Individuals whose intent is to become intoxicated quickly and those with substance use disorder tend to gravitate toward high potency products, especially lower cost items.

Strategy: Restrict high-potency products. Implement an Alcohol Impact Area program which would allow jurisdictions to request this designation and create an education campaign for communities.

- **Examples of strong implementation:** Maryland banned grain alcohol legislatively. Washington State provides an option for jurisdictions to request an Alcohol Impact Area designation. With this designation, sales of certain products (primarily malt beverages) are banned within the zone, and hours of sale can be restricted.
- **Resources for implementation:**
  - Washington State Liquor and Cannabis Board. *Alcohol Impact Areas.* https://lcb.wa.gov/licensing/alcohol-impact-areas

Regulatory Domain: Public Health and Safety

What it is. This includes monitoring compliance with existing regulations and policies, taking actions to attain compliance when necessary (e.g., citations), and applying penalties for non-compliance. Here we focus on enforcement of laws and regulations related to individual retailers that fall within the purview of alcohol regulatory agencies.

Why it matters. Strong enforcement is associated with better compliance with regulations and policies. Quality of enforcement can vary widely, especially across local law enforcement agencies.[28]

[28] Erickson DJ, Rutledge PC, Lenk KM, Nelson TF, Jones-Webb R, Toomey TL. Patterns of Alcohol Policy Enforcement Activities among Local Law Enforcement Agencies: A Latent Class Analysis. Int J Alcohol Drug Res. 2015;4(2):103-111. doi:10.7895/ijadr.v4i2.204

Policy Issue: Underage purchase and use (less than age 21)

All states have minimum age of purchase as 21, primarily due to federal incentives. States vary in exceptions to possession and use, such as allowing parents/guardians to provide to their underage youth under certain conditions. Penalties discourage underage youth use.

Strategy: Strictly limit exceptions to underage use. If a parent or guardian is allowed to make alcohol available to their underage youth, require that consumption must occur in the presence of the parent or guardian and only in the home of the parent or guardian. (This is to prevent unsupervised consumption, such as underage youth in another part of the residence having a party with parents on the premises but not supervising.) Prohibit or limit exceptions to the law for underage students enrolled in and/or taking viticulture classes.

- **Example of strong implementation:** Some states, such as Idaho and Utah, have no exceptions to underage consumption. Others allow parents/guardians to provide to their underage child only in certain locations, and the alcohol must be consumed in their presence.
- **Resources for implementation:**
  - "21 Minimum Legal Drinking Age," Centers for Disease Control and Prevention (CDC) https://www.cdc.gov/alcohol/fact-sheets/minimum-legal-drinking-age.htm.
  - "Talk. They Hear You." Substance Abuse and Mental Health Services Administration (SAMHSA) https://www.samhsa.gov/underage-drinking

Policy Issue: Compliance checks of alcohol retailers

Underage operatives are used to monitor compliance with underage purchase laws. To be effective, compliance checks need to be done regularly and with protocols to ensure minimum standards are met and reduce legal challenges when violations occur.

Strategy: Monitoring compliance with minor purchase laws. Provide standards and expectations for regular compliance checks and require local law enforcement to report compliance check efforts and results to the regulatory agency and to the public through news outlets and websites.

- **Example of strong implementation:** Iowa has expanded alcohol compliance checks through a data-driven collaborative initiative with the state health department and local enforcement agencies. The state health department used health survey data to identify counties with the highest youth alcohol consumption rates, and the Iowa ABD partnered with local law enforcement in those jurisdictions to conduct the operations.
- **Resources for implementation:**
  - Wagenaar AC. 2000. *Compliance Check Manual.* Alcohol Epidemiology Program, University of Minnesota. https://www.prev.org/Safer-Toolkit/Toolkit%20attachments/Compliance%20checks/10%20Compliance%20Check%20Manual.pdf
  - University of Minnesota Alcohol Epidemiology Program. *Reducing Underage Access to Alcohol*. Summary of detailed policies. http://www.aep.umn.edu/aep-tools/underage-access/

Policy Issue: Sales to minors laws; over-service

Administrative and legal penalties for alcohol sales to minors and intoxicated persons is an important component to ensure the strength of laws and rules.

Strategy: Monitor and improve strength of penalties; and enact dram shop liability laws. Set parameters on frequency of offenses which trigger greater penalties for the license holder, e.g., the second offense within one year would result in suspension of license for set period of time. Note: A distinction should be made between when and what kind of citations and penalties should be assessed against the employee, and what should be assessed against the against the licensee. For example, training opportunities for the employee, distinguishing between an "honest mistake" and intentional sale, etc.

- **Examples of strong implementation:** While a few states may issue warning letters for first offenses if there are no aggravating circumstances, the majority of states impose fines or suspensions. Minimum fines for a first offense range from $50 to $2,000, with most states in the $250 to $1,000 range. Fines are typically in lieu of suspensions for first offenses, with some states allowing licensees to choose between the two sanctions. Three states (California, Florida, and New Mexico) have adopted the IOM recommendation that licenses should be revoked after three offenses of selling to a minor, and an additional eight states have guidelines that state that licenses are to be revoked for a fourth offense. As an example, Illinois can impose a 1-day license suspension for a first offense or fine the licensee $500, while a second offense within 1 year increases the penalty to a $1,000–$3,500 fine and a 1- to 5-day suspension. Fines increase to as much as $25,000 for subsequent offenses (in Utah), with license suspension days increasing to as many as 180 days for subsequent violations (Idaho). Time periods for defining repeat offenses range from 1 to 4 years. States also vary in the specificity of their guidelines. Many states list a set penalty or a relatively limited range of penalties. For example, Florida lists a $1,000 fine and a 7-day suspension for a first offense, while Arizona's guideline provides for penalties ranging from a $1,000–$2,000 fine to up to a 30-day suspension for first offenses.
- **Resources for implementation:**
  - ChangeLab Solutions. Commercial host (Dram Shop) Liability FAQ. 2019. http://alcohol-psr.changelabsolutions.org/alcohol-psr-faqs/commercial-host-dram-shop-liability-faq/
  - For a review of penalties imposed by states for selling to and serving minors, see Substance Abuse and Mental Health Services Administration (SAMHSA). *State Performance and Best Practices for the Prevention and Reduction of Underage Drinking.* 2018. https://www.stopalcoholabuse.gov/media/ReportToCongress/2018/profile_summaries/9_penalty_guidelines_for_sales_service_to_minors.pdf.
  - Johns Hopkins Bloomberg School of Public Health. *Strategizer 57: Reducing Alcohol-Related Harms Through Commercial Host (Dram Shop) Liability.* http://www.camy.org/research-to-practice/place/commercial-host-liability/

Conclusion

The consumption of alcohol is embedded in our society, our culture, and our economy. The alcohol industry has grown exponentially in recent years, with the expansion of wineries and craft breweries and distilleries, providing an economic boost in many states. The positive impact on the economy in the form of tax revenues and employment is clear; at the same time, we need to acknowledge the costs of alcohol misuse and underage use and the overall effect on our society.

Expansion of alcohol privileges should not come at the expense of public health and safety. Extensive public health research summarized in this report provides strong evidence of need for policies such as limiting access and maintaining high prices for alcohol. While economic factors can be taken into consideration when determining policy, they should not be the overriding factors.

The policies outlined in this document provide a blueprint for state agencies and local communities to reduce the harms associated from alcohol use with health and safety-informed regulatory policies. Research tells us they work best when applied comprehensively and with adequate enforcement.

Many of the policies can be more easily implemented and strengthened in the context of a state-controlled alcohol regulatory structure. Strengthening of alcohol policies, particularly in the face of pressure from business and economic interests, will likely be easiest following increased public health and safety capacity within alcohol regulatory agencies. Public Health systems, which have access to relevant data, skills, and resources available, should strive to support regulatory agencies with their common goal of public health and safety.

Appendix: Alcohol regulatory policies for public health/safety and "control" vs. "privatized" models

Other areas of alcohol availability and promotions and advertising that are less affected by whether or not the state is governed by the control or the license model but nevertheless can affect public health and safety include the following:

- Types and scope of on-premises outlets that provide alcohol (e.g., theatres, spas, boutiques, salons, fairgrounds, sports facilities, etc.)
- Special licenses for specified events, such as special occasions
- Industry-sponsored events

  Public consumption laws

Alcohol Strategy or Policy	Description	Application in Control VS. Privatized Regulatory Systems
Regulatory Domain: Pricing/Taxes Prevention approach: Increasing the unit price of alcohol is effective in reducing excessive alcohol consumption, adolescent drinking, alcohol-impaired driving, and other alcohol-related harms. Typically, prices are higher in control systems than privatized systems.[29]		
Taxation	Excise taxes affect the price of alcohol and are intended to reduce alcohol-related harms and/or raise revenue. Higher taxes on products with higher alcohol content can also shift use to products with lower alcohol content, thereby reducing potential harm.	When liquor sales were privatized in Washington state, excises taxes were increased to make up for revenue lost from overall sales. Industry lobbyists have pushed for lowering excise taxes in order to increase sales, although unsuccessfully to date. In control states, there is less industry pressure to reduce taxes on products sold in state-controlled stores.

[29] See Kerr, W. C., & Barnett, S. B. L. (2017). 10. Alcohol Retailing Systems: Private Versus Government Control. Preventing Alcohol-Related Problems: Evidence and Community-Based Initiatives. https://doi.org/10.2105/9780875532929ch10

Alcohol Strategy or Policy	Description	Application in Control VS. Privatized Regulatory Systems
Unit price, minimum pricing, discount pricing	Strategies that increase overall cost and prohibit selling products below a minimum cost, such as cost of acquisition, can discourage excessive consumption.	In state-controlled retail outlets, state sets all prices. In licensed stores, market dictates price. State may set minimum price and discounts, such as prohibiting sales below cost, but competition will draw prices down.
Regulatory Domain: Placement / Access (Includes Density) **Prevention approach**: Restricting retail availability limits consumers' access to alcohol, thereby reducing use and the harms associated with use. Typically, there is greater availability of alcohol in privatized than control systems.[30]		
Access, especially for those under 21 years of age	No entry to premises by those under age 21, ID checking is required.	Access to only those 21 and over is more easily denied in state-controlled stores that only sell alcohol and related products. Other retailers, such as grocery stores and drug stores, sell alcohol in licensed states and do not restrict access.
Hours and days of sales	Limits on days and/or hours of alcohol sales.	State can set overall maximum limits for any retailer. State control systems often have lower number of hours/days.
Density and location of retail outlets	Number of retail outlets is limited by number and location. Locations may be restricted by proximity to sensitive areas either by the state or by local ordinance.	Control states usually limit the overall number of off-premises outlets based on population. Licensed states have some restrictions on proximity to sensitive locations, such as churches and schools.
Types of off-premises outlets	Off-premises stores limited to stand-alone or alcohol only stores to reduce youth access.	State-controlled stores are usually limited to stand-alone stores or locations with separate entrance. Most license

[30] See Kerr, W. C., & Barnett, S. B. L. (2017). 10. Alcohol Retailing Systems: Private Versus Government Control. Preventing Alcohol-Related Problems: Evidence and Community-Based Initiatives. https://doi.org/10.2105/9780875532929ch10

Alcohol Strategy or Policy	Description	Application in Control VS. Privatized Regulatory Systems
		states have few limitations on types of off-premises outlets where alcohol is sold.
Minimum age of sellers	Restrictions on age of those who can sell alcohol.	When access is limited to those 21 and over, minimum age of sellers will be 21. In other locations, states generally will allow younger employees to sell when supervised by someone over 21.
Direct shipping	Ability to ship alcohol products directly to consumers (e.g., from wineries).	Without strict controls on ordering, shipping and delivery, direct shipping may increase access for minors.
Retailer training	Retailer training may reduce sales to underage youth or intoxicated persons by improving skills and practices for checking ID and addressing minors who attempt to purchase.	Consistency in training for all employees of state-controlled stores. Other locations will be dependent upon store policy and implementation, even when required by law.
Regulatory Domain: Promotions/Advertising **Prevention approach**: Limiting the reach and content of advertising and promotions can reduce normalization of excessive or risky alcohol use for both youth and adults, and specific appeal of products to youth.		
Billboards and signs, product placement	Signage limits, including billboard, signs on premises and/or outward facing windows. Restrictions on product placement within retail stores.	Fewer restrictions at licensed locations due to First Amendment concerns. Product placement is controlled by retailer and seldom limited. E.g. alcohol is often found throughout a grocery store as a marketing ploy.
Promotional items or events, giveaways	Type and location of promotions, giveaways	Promotional items in off-premises outlets can be strictly controlled or prohibited at state-controlled stores, and there is less exposure to those under 21. Fewer restrictions exist for other types of retail outlets.

Alcohol Strategy or Policy	Description	Application in Control VS. Privatized Regulatory Systems
Mandatory warning signs, label approval	The federal Alcohol and Tobacco Tax and Trade Bureau (TTB) must approve product labels. Requirements for labels, such as mandatory warning statements, type size, etc. are specified by the TTB.	State can require certain signs at all retail outlets, such as age limits, pregnancy warnings, etc. Products with labels that may appeal to youth or mimic non-alcoholic products can be more easily denied when the state controls retail sales.
Regulatory Domain: Products and potency Prevention approach: Limiting availability of specific products (including flavors, packaging, delivery mechanism, alcohol level) may prevent excessive or risky consumption behaviors that are associated with those products.		
Product appeal to youth	Restriction on or prohibition of products that appeal to youth, such as alcopops, powdered alcohol, flavored spirits, etc.	State can establish stricter standards when accepting products for retail and refuse to carry certain products that appeal to/target youth. State law can prohibit certain products but states often find it difficult to control the range of products that enter the market in a license system.
High potency products	Prohibition of high potency products or limits on how, where, when they are sold.	High potency product availability is more easily monitored and can be limited in state-controlled retail stores. In license store, the market generally drives the availability of products.

Alcohol Strategy or Policy	Description	Application in Control VS. Privatized Regulatory Systems
Regulatory Domain: Public health and safety enforcement **Prevention approach:** Enforcement activities (monitoring, detection, and penalties) may improve compliance with policies intended to reduce minors' access to alcohol.		
Minimum age of purchase, possession, penalties	All states have minimum age of purchase as 21, primarily due to federal incentives. States vary in exceptions to possession and use, such as allowing parents/guardians to provide to their underage youth under certain conditions. Penalties discourage underage youth use.	Compliance may be more consistent at state-controlled retail stores due to consistent policies, training, and enforcement. In licensed stores, policies and training vary by retailer.
Compliance checks of alcohol retailers	Underage operatives used to check for compliance of minimum age laws.	State retail stores are under greater pressure to avoid sales to minors. Compliance checks at other outlets vary due to funding constraints for state and local enforcement.
Sales to minors laws, dram shop liability	Administrative and legal penalties for individuals and/or retail outlets that sell to minors and intoxicated persons.	Control states provide consistency in training and how sales to minors and/or intoxicated persons are addressed in retail stores. Can result in more consistent enforcement and greater incentives for compliance.

Case Study: Alcohol privatization impacts in Washington State

From the end of Prohibition until recently, Washington State – like Oregon – was one of 18 "control" states. In November 2011, Washington State voters approved Initiative 1183, an initiative that privatized the distribution and sales of spirits (liquor) in the state. This substantially changed the state's alcohol regulatory structure, relaxing or "deregulating" many restrictions, including many of those described in the previous table.

In addition to privatizing the distribution and sales of spirits, the Initiative included the following elements of deregulation:

- Repealed uniform pricing
- Repealed the ban on quantity discounts
- Repealed the ban on central warehousing
- Eliminated the prohibition on spirits advertising

The Initiative was heavily funded by Costco and Safeway ($22 million) and was passed by a margin of 59 percent to 41 percent. Advertising during the campaign promised benefits to consumers (more convenience, better selection, lower prices) and taxpayers (more state revenue, less state expense) and more opportunities for private business. The initiative also promised greater controls to prevent youth access. Because of concerns about youth acquiring spirits at convenience stores, the initiative required that stores licensed to sell spirits must be at least 10,000 square feet in size, with the exception of former state-run and state-contracted stores and in "trade areas" where there are no stores this size.

The initiative increased penalties for sales to minors for spirits retailers, but it also provided a way to avoid the higher penalties. A Responsible Vendor Program would be made available through the Liquor Control Board. A retail licensee could sign up with the Liquor Control Board to participate in a Responsible Vendor Program. The program has specific requirements for policies, protocols and training, and the licensee was to attest that the requirements were met. For those enrolled in the Responsible Vendor program, the penalty for a first offense for sales to minors within a year period would be cut in half. While requirements for the program were specified, the initiative also stated that it would be free, voluntary, and self-monitoring. The Liquor Control Board would not be monitoring the program for compliance.

Research studies since implementation of I-1183 have found the following impacts of privatization in Washington State:

Environment/Behavior changes

- Increase in number of stores selling spirits (328 to over 1600 by 2019).
- Percent of adults drinking hard liquor increased.

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Benefits: Economic

- Increase in state revenues, attributable to both an increase in sales and increases in taxes and fees. The increases in taxes and fees were specified in the initiative and approved by voters to ensure the state did not lose money with privatization.

Costs: Economic, health and safety

- Loss of sales to neighboring states with lower prices.
- Higher average prices for consumers.
- More competition and difficulty staying in business for smaller stores with limited shelf space and less buying power.
- Although the prevalence of population-level alcohol use among youth did not increase (as measured by the state's youth behavior survey), several population-level health impacts on youth were observed in the period immediately following privatization.
    - Increase in alcohol-related traffic crashes involving youth.
    - Increase in alcohol-related emergency department visits among youth.
    - Increase in overall youth dependence treatment for alcohol as the primary substance.
- Significant increase in alcohol treatment readmissions for adults.
- Significant increase in burglary, larceny (specifically shoplifting), and stolen property crimes, a substantial proportion of which are alcohol-related.
    - Anecdotal data indicated a significant increase in theft of alcohol, and a significant increase in youth reporting they got