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Just What is a Healthy Alcohol Marketplace?

Each state should decide this based on their community values, business climate, drinking patterns and social issues. But, here are some potential key elements:

1. Freedom from monopoly or domination by a few large companies. This means that businesses have a fair chance of success whether they are large or small, local or from out-of-state.

2. Fair and ethical business practices. Companies operate in a fair and responsible manner in compliance with regulations. The violation level is low.

3. Responsible advertising and promotions are targeted to adults. Promotion and sales carefully target and reach an adult audience and never portray or encourage over-consumption or dangerous practices.

4. Pricing is high enough to discourage over-consumption, but not so high as to encourage bootlegging. This is a critical balancing act designed to prevent large quantities of cheap alcohol readily available and a marketplace free from unregulated products.

5. A system that ensures safe products. The system must be able to prevent counterfeit or tainted product from entering the system. Any bad product in the system must be quickly removed.

6. An efficient tax collection system. A system that fairly collects all taxes due without adding to the government bureaucracy.

7. A responsive enforcement system that effectively deals with problems. No regulatory system can work without an effective and responsive enforcement system,

This is a starting point for a discussion about our alcohol marketplace. We should be proud that we have a stable and comprehensive system that will not likely experience the kind of "melt-downs" that have occurred lately in our economy. Diligence is needed to ensure our system remains secure, yet is flexible enough to respond to change.

Washington State Seeks to Liberalize Ownership

After months of study by an Interim Committee, the Washington State Legislature is looking at a recommendation to "liberalize" ownership prohibitions between tiers of the three-tiered system. This is a difficult task. There are examples of ownership situations which seem unreasonable to prohibit. For example, a man who has an investment in a winery should be able to marry a woman who owns a restaurant without one of them giving up their business investment. But, extreme care is needed in making such changes. A law change for one reasonable situation will also create new business opportunities for others. And small changes can unleash powerful market forces. Moreover, the businesses best positioned to take advantage of new opportunities are often the large, multi-national corporations that seek to drive others out of the marketplace through lowering prices. By clearly understanding the objectives of a healthy alcohol marketplace, policy makers can ask the tough questions needed to carefully craft flexibility into their statutes.

U.S. Alcohol Marketplace Distribution System Protects us from Tainted Products

In 2006, 26,457 Russians died from bootleg alcohol, according to Russia's News and Information Agency, Novosti. Moreover, that was a 57.5% drop from the previous year! Places like the United Kingdom, China, Pakistan, South Africa, and Nicaragua also have experienced deaths or severe illness with counterfeit or tainted product. Often the product will contain methanol, a form of alcohol unfit for human consumption. Those who drink methanol can develop toxic hepatitis, a liver disorder which can cause blindness or end in death. Our alcohol distribution system tracks every bottle and provides a clear chain of custody from manufacturer to consumer. This system is effective in keeping bad products out. If spoilage occurs, the affected product can be quickly identified and pulled from the system. This protects customers as well as businesses. When the tainted product source cannot be identified, people stop buying all brands of the product. All businesses are adversely affected whether they have the bad product or not.