Alcohol Industry Trends: Drivers and Vehicles of Regulatory Change

Steve Schmidt, Sr. VP of Public Policy and Communications
As required by the Alcohol Policy 18 Conference, I/we have signed a disclosure statement and note the following conflict(s) of interest:

12/1994-12/2006 - Bureau Director of Alcohol Education and Prevention Services, Pennsylvania Liquor Control Board

12/2006-Present - Sr. VP, Public Policy and Communications, National Alcohol Beverage Control Association
- Established in 1938
- Represent "Control Systems"
- Jurisdictions with direct role in sale cycle (wholesale and/or retail)
- Not the industry or an advocate
- Science informs policy
- Every state is different
Alcohol Industry: Traditional View

Producers

Wholesalers

Retailers
Alcohol Industry: Traditional View

Producers
- Flying Dog Brewery
- Prage Distillery
- Silverback Distillery
- Summit

Wholesalers
- Drizly
- Break Thru
- WHC Shipt
- A Distributors
- ATAN

Retailers
- Costco Wholesale
- Total Wine & More
- H & Co Hair Salon
- Walmart
Drivers of Change

Drivers changing the marketplace include economic concerns for small, local producers, emerging technologies, and the convenience and one-stop-shop business model consumers demand.
Vehicles for Change

Task Forces

News Media

Court Challenges

Government Priorities
Massachusetts task force challenges alcohol laws

"Our office has just begun reviewing this report and will identify next steps that can be done internally, in addition to developing long term legislative priorities that will promote public safety, help our Massachusetts businesses, and enhance the smooth operations of the Alcohol Beverages Control Commission."

— Deborah Goldberg
Massachusetts Treasurer

"Despite the impressive growth and performance of our craft brewing industry, we simply cannot ignore the fact that our laws and regulatory framework have stood in the way of their limitless potential."

— Peter Franchot
Maryland Comptroller
Federal Court Dismisses Antitrust Challenge To Connecticut's Liquor Pricing Law

Federal Judge Upholds Overhaul of Oklahoma Liquor Laws
Cauthron ruled that the state can legally regulate liquor differently than wine and beer. The judge noted in her 13-page ruling that 23 states regulate wine and beer differently from spirits.

Are Terrible State Alcohol Laws on the Way Out?
A South Carolina Supreme Court decision rejects rules based on economic protectionism.

Flying Dog Brewery Wins First Amendment Battle, Uses Proceeds to Promote Free Speech
The brewery will use damages from its case against the Michigan Liquor Control Commission to launch a 1st Amendment Society.

Elizabeth Nolan Brown | May 13, 2016 1:10 pm

Lawsuits Take Aim at Interstate Shipping

Liquor store owners take half-mile fight to court
Pennsylvania’s awful alcohol laws turn rational citizens into criminals

Do we still need the three-tier system for alcohol?

Beverage Alcohol's Three Tier System Eats Its Own

Beer Glut: The Overregulation of Alcohol in Michigan

Alabama's ABC is little more than a Prohibition hangover

Virginia has (yet another) opportunity to fix its backwards booze laws

Connecticut's Liquor Pricing Scheme Is a Bad Law That Just Won't Die
Connecticut is the only state which essentially allows a cartel to set minimum prices for booze.
Closing Thoughts

Science must be represented

Regulators and public health need one another

Well-regulated systems should benefit all citizens, not just consumers
Thank You.

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