

SOCIAL IMPACTS OF LIQUOR PRIVATIZATION

Submitted Testimony of the Commonwealth Foundation for Public Policy Alternatives
PENNSYLVANIA SENATE LAW AND JUSTICE COMMITTEE

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The Commonwealth Foundation would like to thank Chairman McIlhinney, Chairman Ferlo, and the members of the Committee for the opportunity to submit testimony on the social impacts of liquor privatization. We look forward to working more with the Committee as well as the other members of the Senate on this very important issue.

If government control of wine and liquor sales means a safer state, Pennsylvania should be one of the safest in the country. This is not the case. Compared to bordering states and the national average, the commonwealth currently ranks in the middle-of-the-pack or worse in alcohol-related deaths and alcohol-related traffic fatalities.

Data on Social Impact of Alcohol Use

We examined the Center for Disease Control's alcohol-*attributable* deaths statistics, which can be found on the [CDC's Alcohol-Related Disease Impact portal](#) rather than alcohol-*induced* deaths, which is a narrower and less comprehensive look at the statistics.

Here are the facts:

- Pennsylvania ranks higher than five of six bordering states and is near the national average in [alcohol-attributable deaths](#) per 100,000 residents.
- The commonwealth has more [alcohol-related traffic fatalities](#) per 100,000 residents than four of six bordering states and ranks slightly higher than the national average.
- Pennsylvania ranks higher than five of six bordering states in the percentage of traffic fatalities related to alcohol use, at 33 percent—slightly higher than the national average.
- [Mothers Against Drunk Driving](#) ranks Pennsylvania 35th in DUI safety, worse than all bordering states but Delaware. A survey by the U.S. Department of Health and Human Services ranks [Pennsylvania higher than the national average in underage drinking, binge drinking, and underage binge drinking](#).

State	2011 Population	Alcohol Related Deaths		Alcohol Related Traffic Fatalities, 2010					MADD Ranking
		Total Alcohol Related Deaths (Avg. 2001-05)	Per 100,000 Residents	Number	% of total fatalities	Per 100,000 Residents	Hwy Miles	Per 1,000 State Hwy Miles	DUI-related accidents per capita
Pennsylvania	12,742,886	3,249	25.50	433	33	3.40	121,780	3.56	35
Delaware	907,135	222	24.47	36	36	3.97	6,302	5.71	39
Maryland	5,828,289	1,290	22.13	154	31	2.64	31,461	4.89	26
New Jersey	8,821,155	1,791	20.30	153	27	1.73	38,835	3.94	16
New York	19,465,197	3,876	19.91	364	30	1.87	114,546	3.18	24
Ohio	11,544,951	2,911	25.21	341	32	2.95	123,024	2.77	33
West Virginia	1,855,364	576	31.05	88	28	4.74	38,598	2.28	20
United States	311,591,917	80,374	25.79	10,228	31	3.28	4,050,717	2.52	

Sources: Alcohol Related Deaths: http://apps.nccd.cdc.gov/DACH_ARDI/Default/Default.aspx

Alcohol Related Traffic Fatalities: <http://www-nrd.nhtsa.dot.gov/Pubs/811606.pdf>

Highway Miles: <http://www.fhwa.dot.gov/policyinformation/statistics/2009/hm20.cfm>

MADD Rankings: <http://www.madd.org/drunk-driving/state-stats/>

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According to the same survey data, most [underage drinkers in other states aren't going into stores to buy liquor](#). Almost 90% of underage drinkers get their alcohol from someone else. Less than 5% of underage drinkers bought their own alcohol in a store.

	Alcohol Use in past month Age 12-20	Binge Drinking Age 12-20	Binge Drinking Age 12 +
Pennsylvania	29%	19%	24%
Delaware	30%	21%	25%
Maryland	28%	18%	22%
New Jersey	26%	18%	23%
New York	32%	20%	23%
Ohio	29%	21%	26%
West Virginia	24%	16%	19%
United States	27%	18%	23%

Source: U.S. Department of Health and Human Services, Substance Abuse and Mental Health Statistics, <http://www.oas.samhsa.gov/2k8State/AppB.htm>

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Indeed, almost *three-fourths* of the alcohol consumed in Pennsylvania—which includes beer, wine, and spirits consumed at restaurants and bars—**is not sold at PLCB stores**. This clearly shows that underage drinking is not tied to government monopolies over liquor stores.

Using government data, [a website from the Mackinac Center](#) allows users to compare social outcomes for states that control their alcohol sales to states that don't. These statistics show no difference between states with government-run alcohol monopolies and those licensing private retailers.

CDC Report is Red Herring

The Center for Disease Control’s independent study performed by the Guide to Community Preventive Services Task Force is often used as a red herring against privatization. But here are the facts: First, the Task Force does not represent the CDC’s official position. Second, the Task Force reviewed [21 studies, some of which included more than 30-year-old sales data](#). While some of these studies found increased consumption following privatization, others found decreases or no change.

The Community Guide’s own “Research Gaps” paper on the CDC’s Task Force report concludes:

The limited available evidence of effects of privatization on alcohol-related harms (i.e., motor vehicle crashes and cirrhosis) in North American settings **is not consistent** with findings on consumption (i.e., while the increased consumption associated with privatization would be expected to lead to increased motor vehicle crashes and alcohol-related diseases, a tendency toward the opposite has been observed). Further research is needed to resolve these inconsistencies.

Thus, both because most studies do not directly address impacts on excessive consumption and because of inconsistent findings on related harms, **there is insufficient evidence to determine the effects of privatization on excessive alcohol consumption and related harms.**

Many of the arguments against privatization aren’t about social harms—for which the evidence shows no link with government control—but increased consumption following privatization. Consumption would increase dramatically if every adult drinker had one more glass of wine each month, but this does not create a policy problem. And as long as consumption is measured in terms of sales, we expect to see an increase. The Task Force’s synopsis ignores the fact that none of the studies show liquor store privatization has an effect on underage drinking or DUI fatalities.

The former chair of the American Medical Association, Dr. Raymond Scalettar, penned a letter, [“There was little proof in privatization op-ed,”](#) in the Harrisburg *Patriot-News* criticizing the Task Force conclusion for this same reason. He concludes, **“Alcohol consumption habits tend to be culturally driven** and macro-level control policies have little to do with drinking patterns.”

We disagree with the Task Force’s premise that privatization would lead to more motor vehicle crashes and alcohol-related diseases. In addition, the very CDC report commonly used to argue against privatization has been deemed insufficient to make a reasonable determination about the veracity of its claims.

Conflict of Interest

The PLCB spent taxpayer dollars on tone-deaf “dangers of drinking” ads, including one that seemingly [blamed rape victims for their own victimization](#). This very same government entity designs and spends our money on [advertising campaigns to encourage alcohol](#)

[consumption](#). One PLCB Web site says binge drinking leads to impaired decisions and potential rape, the other has a recipe for a [cocktail called “Wake-up Whipped,”](#) featuring PLCB-selected spirits.

The PLCB spends tens of millions of taxpayer dollars every year to market and sell alcohol products. But they promote moderation and alcohol safety via advertising at the same time. There should be no doubt that this inherent conflict of interest prevents the PLCB from effectively protecting and serving the public.

We would like to thank the Committee for the opportunity to submit our testimony for the record. We are happy to follow up with any questions or additional information it may find useful.