March 29, 2010

The Honorable Hank Johnson
Chairman, Subcommittee on Courts and Competition Policy
United States House Judiciary Committee

Via Electronic Mail

Dear Mr. Chairman:

We are writing to seek your help with the growing threat facing our states from unprecedented legal challenges that seek to eliminate our ability to regulate alcohol. As you know, the ratification of the 21st Amendment rejected a “one size fits all” system for the regulation of alcohol and set forth a framework that provided states with the right to decide the appropriate regulation of alcohol within their borders.

For over a decade, major retailers and other special interests have executed a systematic legal campaign to deregulate alcohol in favor of the very “one size fits all” structure that the 21st Amendment rejected. This deregulation would effectively destroy our states’ ability to control the sale and distribution of intoxicating liquor. Alarmingly, legal challenges have been filed in over half of the states challenging their alcohol laws or regulations designed to encourage temperance, collect taxes and prohibit the sale of alcoholic beverages to minors. We are extremely concerned that alcohol deregulation will make it very difficult for our states to effectively protect the public interest and ensure the safest system of alcohol distribution in the world.

Legal challenges to state alcohol laws are mostly taking two forms, positive commerce clause challenges filed primarily under the Sherman anti-trust act, and dormant commerce clause cases. All too often the judges hearing these cases have misinterpreted federal law and the intention of Congress regarding the states’ right to regulate.

Perhaps most disturbingly, a recent decision by a single trial judge has created a perilous atmosphere for states. This misguided judicial ruling forced the citizens of Washington State to pay COSTCO Corporation nearly $1,500,000 in legal fees, despite prevailing on seven of the nine counts that were challenged in the case. With states around the country experiencing massive budget shortfalls, we fear this precedent will have a chilling effect on states’ ability and willingness to defend their alcohol laws.

Further, we hope you will read the enclosed copy of “The Dangers of Alcohol Deregulation: The United Kingdom Experience.” This report calls attention to the U.K.’s alcohol-related problems associated with deregulation, including an acute public health crisis relating to cirrhosis of the liver, massive underage consumption and an alarming increase in alcohol abuse by females. The report highlights a contrast with the United States and our time-tested system of state-based alcohol regulation.

We applaud you for calling a Congressional Hearing on this matter and hope that you will strongly support legislation that will bring to a stop the erosion of state alcohol laws by re-enforcing the states’ ability to regulate alcohol as it sees fit.
We respectfully request that this letter be introduced into the record of the March 18, 2010 House Judiciary Committee hearing on “Legal Issues Concerning State Alcohol Regulation.”

Sincerely,

Thurbert E. Baker
Attorney General of Georgia

Jon Bruning
Attorney General of Nebraska

Patrick C. Lynch
Attorney General of Rhode Island

Rob McKenna
Attorney General of Washington

Troy King
Attorney General of Alabama

Fepulea'i Arthur Ripley, Jr.
Attorney General of American Samoa

Terry Goddard
Attorney General of Arizona

Dustin McDaniel
Attorney General of Arkansas

John Suthers
Attorney General of Colorado

Richard Blumenthal
Attorney General of Connecticut

Bill McCollum
Attorney General of Florida

Mark J. Bennett
Attorney General of Hawaii

Lawrence G. Wasden
Attorney General of Idaho

Tom Miller
Attorney General of Iowa

James D. Caldwell
Attorney General of Louisiana

Janet T. Mills
Attorney General of Maine
Greg Abbott
Attorney General of Texas

Mark L. Shurtleff
Attorney General of Utah

Ken T. Cuccinelli II
Attorney General of Virginia

Darrell V. McGraw, Jr.
Attorney General of West Virginia

Bruce A. Salzburg
Attorney General of Wyoming