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Big Alcohol Schemes to Steal State Revenue

New Marin Institute Report Documents Powerful Special Interest Campaigns to Dismantle State Alcohol Control

Advocates in Battleground States of Washington and Virginia Rally to Fight Privatization

SAN FRANCISCO, CA (September 21, 2010) – Alcohol industry watchdog Marin Institute released a new report today that chronicles Big Alcohol's latest efforts to increase profit margins by ripping off public revenues in alcohol control states. The report, *Control State Politics: Big Alcohol's Attempt to Dismantle Regulation State by State*, outlines the threat to public health when a few major players put their own economic interests ahead of time-proven sound public policy.

The report examines Big Alcohol's systematic and strategic political actions to get voters and policymakers to privatize decades-long systems that help curb alcohol harm. But these powerful, profit-driven industry players only want to increase their own sales.

"States desperate for revenue are being pitched short-term cash windfalls by well-heeled alcohol industry lobbyists," noted report co-author, Michele Simon, research and policy director at Marin Institute. *"The long-term damage though would be increased alcohol outlet density, increased consumption, much more harm and tens of millions in lost state revenue."*

Special interests are currently trying to dismantle state control systems in Washington State and Virginia. But every state's regulatory system is constantly under siege from Big Alcohol, whether through court challenges, currying political favor with campaign donations, or the voter initiative process.

In Washington, voters are being asked to approve two separate initiatives, one with major funding from big-box retailer Costco, and the other bankrolled by distribution giants, Young's Market Company and Odom-Southern. *"Washington residents should not be fooled by rhetoric from special interests,"* said Sarah Mart, Marin Institute's research and policy manager and lead author of the report. *"Both initiatives are bad for public health and bad for state revenue and should be voted down."*

A statewide coalition of health care providers, faith-based organizations, teachers, treatment and prevention providers and union workers has formed an opposition group called *Protect Our Communities*. Washington State Governor Christine Gregoire is also opposed to both initiatives citing loss of sizeable state revenues and increasing problems with impaired driving and domestic violence.

In Virginia, an ongoing, forty-year effort to privatize the state alcohol control system has a new booster in Governor Bob McDonnell. His plan to privatize would close Virginia state alcohol stores and auction off 1,000 private licenses. *"Although state lawmakers are understandably skeptical of the governor's claims of financial benefits, the governor continues to waste time and resources on his misguided crusade,"* Mart said. Critics of McDonnell's scheme include the Virginia Interfaith Center, and the Baptist General Association of Virginia.

“Our new report will help privatization opponents in Virginia and Washington build greater awareness of the dangers of reducing alcohol regulation,” Simon said. “Losing control to private businesses can only lead to greater consumption, more costly problems and the loss of millions of dollars in revenue to the states. It’s just not worth it,” she added.

The new report and other resources are available at www.MarinInstitute.org.

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