

NATIONAL ASSOCIATION OF ATTORNEYS GENERAL

2030 M Street, N.W. 8th Floor

WASHINGTON, D.C. 20036

Phone (202) 326-6045

Fax (202) 331-1427

<http://www.naag.org>

JAMES E. MCPHERSON
Executive Director

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JON BRUNING
Attorney General of Nebraska

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Attorney General of North Carolina

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Attorney General of Rhode Island

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. Alarming, 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."

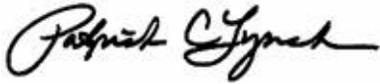
Sincerely,



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



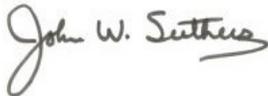
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Attorney General of American Samoa



Terry Goddard
Attorney General of Arizona



Dustin McDaniel
Attorney General of Arkansas



John Suthers
Attorney General of Colorado



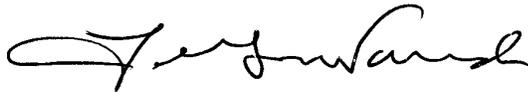
Richard Blumenthal
Attorney General of Connecticut



Bill McCollum
Attorney General of Florida



Mark J. Bennett
Attorney General of Hawaii



Lawrence G. Wasden
Attorney General of Idaho



Tom Miller
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James D. Caldwell
Attorney General of Louisiana



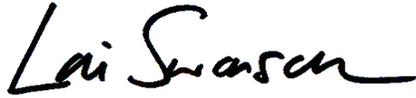
Janet T. Mills
Attorney General of Maine



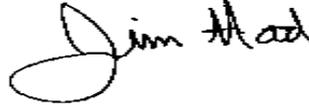
Douglas Gansler
Attorney General of Maryland



Mike Cox
Attorney General of Michigan



Lori Swanson
Attorney General of Minnesota



Jim Hood
Attorney General of Mississippi



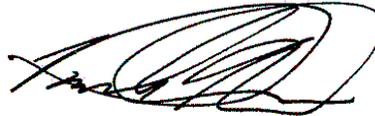
Chris Koster
Attorney General of Missouri



Steve Bullock
Attorney General of Montana



Catherine Cortez Masto
Attorney General of Nevada



Paula T. Dow
Attorney General of New Jersey



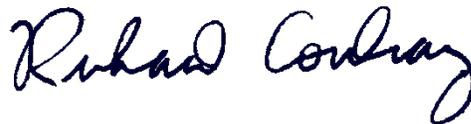
Gary King
Attorney General of New Mexico



Andrew M. Cuomo
Attorney General of New York



Wayne Stenehjem
Attorney General of North Dakota



Richard Cordray
Attorney General of Ohio



W.A. Drew Edmondson
Attorney General of Oklahoma



John R. Kroger
Attorney General of Oregon



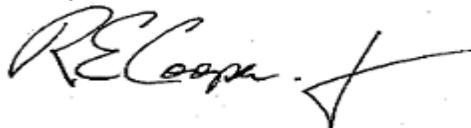
Tom Corbett
Attorney General of Pennsylvania



Henry McMaster
Attorney General of South Carolina



Marty J. Jackley
Attorney General of South Dakota



Robert E. Cooper, Jr.
Attorney General of Tennessee



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. Salzberg
Attorney General of Wyoming