

**Community Preventive Services Task Force Written Testimony**  
Pennsylvania Senate Law and Justice Committee

Community Preventive Services Task Force Recommendation: Effects of Alcohol Retail  
Privatization on Excessive Alcohol Consumption and Related Harms

**Tuesday, June 4, 2013**

**Statement of**

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Mr. Chairman and Distinguished Members of the Pennsylvania Senate Law and Justice Committee,

Thank you for the opportunity to provide testimony on the Community Preventive Services Task Force (Task Force) recommendation on the effects of alcohol retail privatization on excessive alcohol consumption and related harms.

My testimony includes a brief overview of 1) the Task Force and its mandate, 2) the systematic review process used to form the basis of the Task Force's recommendations, 3) my roles on the Task Force, and 4) the Task Force's recommendation on the effects of alcohol retail privatization on excessive alcohol consumption and related harms.

The Task Force is a Congressionally-mandated, independent, nonfederal, uncompensated panel, whose members are appointed by the Director of the Centers for Disease Control and Prevention (CDC). Its members represent a broad range of research, practice, and policy expertise in community preventive services, public health, health promotion and disease prevention. The Task Force was established in 1996 by the U.S. Department of Health and Human Services to provide evidence-based recommendations about community preventive programs, services, and policies that are effective in saving lives, increasing longevity, and improving Americans' quality of life.

In all aspects of its work, the Task Force seeks input from partner organizations and agencies, and from individual policy makers, practitioners (e.g., health department staff, educators, city planners), scientists, and businesses. Many of the nation's leading public health practice and research agencies and organizations have official Liaison status with the Task Force. CDC is Congressionally mandated to provide administrative, research and technical support to the Task Force.

To reach its evidence-based recommendations, the Task Force uses a rigorous, replicable, and transparent systematic review process. Each systematic review involves finding pre-existing, relevant, high-quality research and evaluation studies and subjecting them to a rigorous appraisal. With oversight from the Task Force, scientists and subject matter experts from CDC conduct these reviews in collaboration with a wide range of government, academic, policy, and practice-based partners.

Task Force recommendations, and the systematic reviews of the evidence on which they are based, are compiled in The Community Guide ([www.thecommunityguide.org](http://www.thecommunityguide.org)). These evidence-based recommendations are not mandates for compliance or spending. Instead, they provide information for decision makers and stakeholders wanting to identify ways to effectively protect and improve people's health; reduce future demand for healthcare spending that is driven by preventable disease and disability; and increase the productivity and competitiveness of the United States (U.S.) workforce.

I have served on the Task Force since 2006. As a member of the Task Force, I currently 1) participate in appraising the evidence and making recommendations for all programs, services and policies reviewed by the Task Force, 2) serve on three review coordination teams, 3) participate on the Task Force prioritization committee which identifies and prioritizes topics for future Task Force systematic review, and 4) provide input and guidance on dissemination and implementation activities for various Task Force recommendations. I was not a member of the review coordination team that completed the

review on the effects of alcohol retail privatization on excessive alcohol consumption and related harms. However, as a Task Force member I participated in appraising the evidence presented by the review coordination team and making the Task Force recommendation. Also, as a resident of Pennsylvania, I have followed the debate and media coverage of this issue.

## **ALCOHOL AS A PUBLIC HEALTH PROBLEM**

Excessive alcohol use causes more than 80,000 deaths in the U.S. each year and contributes to a wide range of health and social problems. In 2006, the estimated cost of excessive alcohol use in the U.S. was \$223.5 billion. These costs include losses in workplace productivity, healthcare, and crime. Excessive alcohol consumption cost federal, state, and local governments about 80¢ per drink in 2006, while federal and state income from taxes on alcohol totaled only about 12¢ cents per drink. An increase in excessive alcohol consumption is associated with an increase in alcohol-related deaths and injuries as well as increased economic burden. As a result of these public health and economic burdens, the Task Force has evaluated a number of programs, services, and policies aimed at reducing excessive alcohol consumption and related harms. One of these reviews assessed the effectiveness of privatization of retail alcohol sales.

## **PRIVATIZATION OF RETAIL ALCOHOL SALES AND THE TASK FORCE REVIEW**

Privatization of retail alcohol sales is the repeal of state, county, city, or other types of governmental control over the retail sales of alcoholic beverages. States with government control of alcohol sales are referred to as control states, and states with privatized sale are referred to as license states. The privatization of retail alcohol sales applies to off-premises alcohol outlets, or places where alcohol is sold for the buyer to drink elsewhere (e.g., liquor stores), and does not generally affect the retail sales of alcoholic beverages at on-premises alcohol outlets (e.g., bars or restaurants).

Based on its charge to identify effective disease and injury prevention measures, the Task Force recommends against the further privatization of alcohol sales in settings with current government control of retail sales. This finding is based on strong evidence that privatization results in increased per capita alcohol consumption. This outcome measure is a well-established proxy for excessive consumption and related harms; the Task Force based our recommendation on this outcome measure after carefully considering the large amount of evidence that consistently demonstrates a strong relationship between per capita consumption, excessive consumption, and alcohol-related harms. All eligible studies in the review (determined by a set of objective inclusion criteria) were assessed for quality, and results were systematically compiled to assess typical effects of privatization. Eighteen studies qualified for the systematic review. To qualify, they had to meet pre-specified quality standards for how the study was designed and conducted.

- Seventeen studies assessed the effects of privatization on per capita alcohol sales, a well-established proxy for excessive alcohol consumption and related harms.
- Overall, studies showed a 44.4% median increase in per capita sales of the *privatized* alcoholic beverages during the years following privatization of retail alcohol sales. To maximize the validity of

these estimates, the studies used various methods to statistically control for differences between states or over time in factors not related to privatization.

- Results for individual studies varied; almost all studies showed some increase in consumption of the privatized beverage, with increases typically ranging from 4.5% to 122.5%
- Nine of these studies assessed whether privatization affects sales of *nonprivatized* alcoholic beverages. Overall, they showed a median 2.2% decrease in consumption of these beverages.
- One study in Finland assessed the effects of privatization for groups reporting different levels of alcohol consumption. It found privatization increased consumption across all groups.
- One study in Sweden found that re-monopolizing the sale of medium-strength beer was associated with a general reduction in alcohol-related harms.

These results reflect the best available scientific evidence on the effects of retail privatization of alcohol sales. The results consistently indicate that privatization increases alcohol consumption, with the size of the increase likely being influenced by how privatization is implemented (e.g., number of new alcohol outlets, price, types of beverages affected, advertising and promotions).

The Task Force recommendation against privatization of retail alcohol sales is based solely on evidence related to public health consequences, which may be one of several factors to consider when making decisions on whether to privatize retail alcohol sales. The maintenance of government control of off-premises sale of alcoholic beverages is one of many effective strategies recommended by the Task Force to prevent or reduce excessive consumption.

Thank you for this opportunity to share this information on the effects of alcohol retail privatization on excessive alcohol consumption and related harms. More information on all of the topics discussed can be found on the Community Guide website at [www.thecommunityguide.org](http://www.thecommunityguide.org).