

Allow beer to be shipped directly to consumers

Currently, both in-state and out-of-state wine suppliers that receive a direct shippers' license from the Michigan Liquor Control Commission are allowed to ship up to 1,500 cases a year (per each direct shipper) to Michigan consumers. Initially, only Michigan wineries were allowed to ship their products to Michigan consumers. In response to the United States Supreme Court decision in Granholm v Heald this right was expanded to out-of-state wine producers as well. Both the LCARC and the ORR have recommended extending this right to micro-brewers, which are Michigan licensed brewers of beer that produce less than 30,000 barrels of beer per year.

When this right was extended to wineries in Michigan and subsequently to out-of-state wineries, it was believed that states could require common carriers to check the identification of the person accepting delivery of the product. However, due to the recent U.S. Supreme Court ruling in the case of Rowe v New Hampshire Motor Transport Association, we now know that states are prohibited from requiring common carriers to check the identification of the person accepting delivery of alcoholic liquor. The Supreme Court decision not only makes the common carrier provisions of Michigan's current wine direct shipping statute unconstitutional, it also will prohibit Michigan from placing a similar safeguard in any statute designed to allow direct shipping of beer. This potentially means more minor access to alcohol.

Even before the court made it unconstitutional to have common carriers check the identification of persons accepting delivery of alcoholic liquor, studies and law enforcement indicated that minors used direct shipping as a way to gain access to alcohol.¹

While we believe that the direct shipping of wine exposes minors to illegal access to alcohol, the direct shipping of beer poses an even greater risk. Studies indicate that high school aged males who consume alcoholic beverages choose to drink beer at a rate 24 percent higher than wine. High school aged women who consume alcohol choose to drink beer at a rate 8 percent higher than wine.²

Had a more diverse LCARC committee been formed, it is likely that the committee and the ORR would have considered the fact that in 2010, the cost of underage drinking nationally was approximately \$62 billion. In Michigan, underage drinking cost taxpayers \$2 billion a year, according to the Michigan Department of Community Health. (Additionally, Governor Snyder referenced this figure in his proclamation designating April as Alcohol Awareness month in Michigan.) These costs include medical care, work loss and pain and suffering costs related to alcohol related problems.³ Hospitalization alone is estimated to cost approximately \$755 million per year.⁴

¹ 2006 Teenage Research Unlimited (TRU) Research Finding: Underage Alcohol Access & Consumption; Ingham County Sheriff Gene Wrigglesworth, *Lansing State Journal*, 12/8/2008

² Michigan Department of Community Health, Bureau of Epidemiology, Alcohol Epidemiology Program & Tobacco Program (11/2010)

³ Pacific Institute for Research and Evaluation (September 2011)

⁴ Journal of Adolescent Health (2/12/2012)