NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION

Minimum Base Pricing for Spirituous Liquor

Staff Study Report

Prepared for the North Carolina ABC Commission

Ben Popkin, JD, MPH Assistant Agency General Counsel

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Issued with two companion documents, retained in the study file and released with this report: Comparator State Experiences — Overviews, Lessons Learned, and Source Documents (cited here as "Comparator State Experiences," §§ J.1–J.8 and Exhibits J-1 to J-19); Written Comments and Submitted Documents (cited here as "Written Comments," §§ K.1–K.2).

Executive Summary

On June 10, 2026, the Commission directed staff to study minimum base pricing for spirituous liquor sold through North Carolina ABC stores across four areas — public health, market and economic impact, legal authority, and implementation — and to report before the Commission's August 2026 meeting. The proposed policy under study was built with two main aims: (1) to establish a minimum base price that would affect only the cheapest, most readily abused products currently listed for sale in ABC stores; and (2) to increase the revenue returned to the 171 local ABC boards and to the counties, cities and programs they support.

The Chairman's March 13, 2026 letter puts it as "balancing public health with strong profits and revenues for the local ABC Boards," which Chapter 18B supports as well: a system of control under G.S. 18B-100, a pricing authority exercised as provided in Article 8, G.S. 18B-203(a)(3), and revenue directed by G.S. 18B-805 to law enforcement, to alcohol treatment and education, and to local general funds.

The study's central observations:

- **North Carolina figures for 2024 estimated total societal cost of alcohol of approximately $14.6 billion per year, or about $40 million per day** (NC DPH, 2024 data year, CDC methodology). The estimate covers lost productivity, health care, criminal-justice, motor-vehicle and other losses.
- **Reductions in alcohol consumption have shown commensurate reductions in these kinds of alcohol attributable losses in states and countries that have adopted minimum prices for certain spirits. See Appendix G.5.**
- **The proposed price floor schedule would affect a narrow slice of the market.** Considering the complete North Carolina spirits portfolio — all 7,333 listed and special-order filings effective July 28, 2026 — against the proposed Minimum Base Price Schedule, only 60 regularly listed products and 37 special orders would price below the floors. These 97 items amount to about 1.3% of all filings in the State and include only the very lowest of each category's lowest priced spirits. Categories could be assigned, and a floor therefore applied, for 5,453 of the 7,333 filings; the remaining 1,880 could not be categorized from the files on hand and were not tested. Among the 5,453 filings actually tested the rate is 1.8%, and staff reports the reach of the schedule as 1.3% of all filings and up to 1.8% if the untested filings act like the tested ones. They probably do not — the untested pool is two-thirds special order and priced higher (median $33.95 against $29.95), and only 227 of them price below $11.95, the highest 750 ml floor on the schedule — but 97 is a confirmed floor rather than a ceiling. The measure that speaks most directly to what a customer finds on the shelf: of the 3,244 products the Commission carries as regular listed stock, 60 — about 1.8%, or 2.3% of the 2,604 listed filings that could be tested — price below the applicable minimums. On the special-order side, 37 of 4,089 products are affected, about 0.9%, or 1.3% of the 2,849 special-order filings tested. At least 98% of products sold in the State are unaffected by the proposed floors, which have been intentionally set to fall below where the vast majority of each category's items are already priced.

- **Revenue to the local boards, law enforcement, alcohol treatment and education, and the general funds of the counties and cities the boards serve would rise.** Applying the proposed prices to the affected value-tier products is projected to raise retail sales on those items by roughly $2,042,871 a year — a 22.2% increase on the modeled items, from $9,200,965 to $11,243,836. Local boards receive roughly 30% or around $613,000 a year, with the balance flowing to State excise and to the suppliers. The figure covers 25 of the 41 targeted items, because NABCA data did not list the other 16, and it holds volume flat. An estimated approximately $1.96–2.03 million in retail sales and $587,000–$610,000 in board profit — close to the figures as modeled, and still understated in scope, since the 16 unmodeled items still sit outside those amounts. Section IV.C sets out the reconciliation. Because the pricing formula is untouched, the increment runs through the distribution G.S. 18B-805 already sets — law enforcement, alcohol treatment and education, and the general funds of the counties and cities the boards serve. NC does not yet have the data to clarify how the gain would split across the 171 boards, where value-tier-heavy boards, often small and rural, stand to gain the most but may be less able to absorb a drop in volume. See Section IV.C.
- **Impact on restaurants and lodging is expected to be limited, on the evidence available.** Among the State's top-selling brands, 14.4% of cases (82,095 of 570,547) were sold to mixed-beverage permittees and 85.6% to retail. The products the floor reaches are the predominantly deep-value retail items rather than the call and premium brands it is understood that bars predominantly pour, so the on-premise exposure is expected to be narrower than that share suggests. On-premise spirits are poured at prices many multiples of any per-bottle floor, and mixed-beverage sales make up a larger share of Statewide sales dollars (approximately 21.5% in June 2026). The median affected product prices $1.00 per bottle below the applicable minimum, which is about six cents per 1.5 oz pour on a 750 ml bottle and about two and a half cents on a 1.75 L bottle. (A separate figure of about 10 cents per standard drink appears at Appendix F; it is a median across all 97 affected products including small formats and answers a related but different question — see Section IV.B.)
- **Revenue to affected spirits suppliers would rise, on the evidence available.** All suppliers whose products would be affected by the proposed pricing floor are anticipated to receive increased revenue, as follows:
    - **Suppliers would receive the largest single share of any resulting increase**. About 54 cents of any additional dollar would accrue to the suppliers and about 46 cents to the ABC system. On the eleven affected products, assuming every affected supplier elects to qualify rather than accept delisting, that would amount to approximately $5.0 million a year in additional retail sales: roughly $2.69 million to suppliers — about $2.44 million of it to Sazerac and $0.25 million to Heaven Hill — and $2.32 million retained in the ABC system. The other twelve suppliers cannot be quantified because the study file holds no volume for their products, so this figure is a floor on the estimate rather than a projection.

- **The effect is concentrated**. Fourteen suppliers have products below the floor. Sazerac Co. accounts for 57 of the 97 affected products and Heaven Hill for 11; the remaining 29 are spread across eleven further suppliers. Of the 97, 60 are regularly listed, stocked items and 37 are special order — products ordered on request and not held in inventory.
- **The outcome rests with the supplier.** The Commission's proposed action is confined to adopting and applying a listing criterion; it does not set a price for any product and does not direct any supplier to change one. See Section IV.C and Appendix D.

- **Control-state and international experience —** Oregon over five years and Scotland post-implementation — records no documented closures, employment loss, or menu-price increases attributable to establishing a floor. Staff notes the limit of this finding: it rests on comparison state evidence, not on North Carolina data, and the present financial condition of North Carolina restaurants and bars has not been assessed. The Commission welcomes data to inform Commission deliberations of this issue and inform any actions. See Section IV.B.
- **Listing authority is the recommended legal basis.** Staff recommends that the Commission adopt the Minimum Base Pricing Policy and the proposed schedule as a listing standard, exercising its authority under G.S. 18B-203(a)(5) to determine what brands may be sold and under G.S. 18B-800(c) to approve products for sale. Listing criteria are applied in the ordinary course of the Commission's operations and are largely a matter of internal guidance; what is proposed here is that one of them — a minimum price for listing — be stated publicly in advance, with the figures and the rationale on the record, so that suppliers and the public can see the standard and why it is set where it is. The peer-reviewed literature consistently associates raising the price of the cheapest, highest-strength alcohol with reduced excessive consumption and related harm, and the control-state and international record indicates such floors can be implemented without measurable harm to licensees.
- **The record indicates support for the policy's direction, but would benefit from NC-specific data and analysis; the timing of adoption is a judgment for the Commission.** The findings support both objectives — a narrow, targeted floor consistent with the public-health evidence, and a measurable revenue gain for the local boards. In recognition for the lack of NC-specific data and analyses, the primary Staff Recommendation is for the Commission to validate the study's initial findings, decline to adopt the policy for implementation now, and authorize North Carolina–specific data collection and analysis to confirm or revise both the public-health and the revenue projections before any Commission action.
- **Public comment (40 written comments to date) is numerically weighted toward opposition; the most analytically specific comments — from public-health professionals — support an evidence-based floor.** The comment record and staff responses appear at Appendix A.

I. Background and Charge

The public comment period opened July 1, 2026 and remains open through the Commission’s meeting on August 12, 2026. Written comments received before the meeting have been logged individually, summarized in the Analysis of Public Comment, and entered in the record. The July 29 draft of this report was released publicly at the request of stakeholders made at the Commission’s June meeting, so that interested parties could review the proposed approach before commenting. This report updates to reflect additional comments and analysis since. Please consider this report to be a work in progress, representing information and analysis available to inform study recommendations as of August 12, 2026.

North Carolina is one of 17 spirits “control states,” in which the State, through the Commission and 171 local ABC boards, is the exclusive wholesale purchaser and retail seller of spirituous liquor. All spirits are sold at a uniform statewide retail price as provided in Chapter 18B of the General Statutes.

Observing a trend of recent and continued retail price reductions on low-cost products, Chairman Bauer notified brokers and suppliers on March 13, 2026 of a proposed minimum base pricing schedule by product category and container size, to take effect August 1, 2026. The Commission on June 10, 2026 elected to direct staff to conduct this study across four areas — public health and safety, market and economic impact, legal authority, and implementation — with a report due ahead of the August 2026 meeting. A public comment period opened July 1, 2026 and remains open through the Commission’s August 12 meeting.

II. The Proposed Schedule and Its Rationale

The Chairman's March 13, 2026 letter to brokers and suppliers gives the reasons for the proposal:

The letter opens by framing the Commission's object as "balancing public health with strong profits and revenues for the local ABC Boards." It identifies "a trend in retail price reductions for some products" and states the concern that follows from it: that "pricing remains responsible to prevent negative impact to citizens and communities across North Carolina," and that the Commission does "not wish to create an environment that encourages overconsumption with bottom-line prices." The letter also records the Chairman's market assessment: that the spirits industry is "navigating a softer sales cycle nationwide, even though North Carolina's spirits sales remain resilient, consistently outperforming many other states."

Balancing revenue and public health. Selling alcohol responsibly is a core mission of every control state. So is producing revenue. North Carolina's system was built to do both. The proposed floors are meant to set a minimum below which the cheapest, strong products will not be listed for sale, and it is meant to return more money to the 171 local boards and the counties and cities they support, in keeping with our charge. This report supports both goals of the policy. Where the revenue effect can be measured, Section IV.C measures it.

North Carolina's law is spread throughout Chapter 18B, but it is consistent. G.S. 18B-100 establishes a uniform system of control over alcohol in this State, to be construed "to further limit rather than expand commerce in alcoholic beverages." G.S. 18B-203(a)(3) directs the Commission to "[s]et the prices of alcoholic beverages sold in local ABC stores as provided in Article 8." Staff reads that clause as written: the pricing authority is real, and it is exercised through Article 8 rather than at large. That is why the recommendation in Section V rests on the listing authority of G.S. 18B-203(a)(5) and G.S. 18B-800(c), which does not depend on reading the pricing clause more broadly than its terms allow. And G.S. 18B-805 sends the money that results to law enforcement, to the treatment of and education about alcohol abuse, and to the general funds of the counties and cities the boards serve. Control and revenue are co-equal goals of the policy.

The schedule under study is the one circulated on March 13, 2026, reproduced below. It sets a minimum retail price for each product category and container size. It does not use proof; the floor for a product depends on its category and size only.

The rationale for the structure

DESIGN PRINCIPLE

The category differentials are deliberate and are the key to the schedule's design. Each category's floor is calibrated to that category's **existing price grouping** and is set **below the price at which the vast majority of products in the category are already sold**. The intended effect is that the floor binds only on the most severely underpriced products in each category — the narrow band of "bottom-line" spirits whose discounting prompted the policy — while leaving the large majority of products in every category unaffected. This is both the public-health design (it lifts the cheapest, high-strength products) and the schedule's legal rational basis (each figure is explained by the category's own price distribution rather than asserted).

Size	Vodka	Gin	Rum	Whiskey	Bourbon	Canadian
1.75 L	$11.95	$13.95	$15.95	$15.95	$15.95	$16.95
1.0 L	$8.45	$10.95	$10.95	$11.95	$11.95	$11.95
750 ml	$5.95	$7.95	$6.95	$7.95	$7.95	$8.95

375 ml	$3.45	$5.95	$4.95	$4.95	$4.95	$4.95
200 ml	$2.45	$3.95	$3.95	$3.95	$3.95	$3.95
100 ml	$1.95	$2.45	$2.45	$2.45	$2.45	$2.45
50 ml	$0.85	$0.95	$0.95	$0.95	$0.95	$0.95

Size	Tequila	Scotch	Brandy/Cog.	Cordials/Liq.	Pre-Mixed/RTS
1.75 L	$22.95	$19.95	$19.95	$11.95	$12.95
1.0 L	$13.45	$13.95	$11.95	$6.45	$10.95
750 ml	$10.95	$11.95	$8.95	$4.45	$6.95
375 ml	$8.95	$7.95	$5.95	$3.45	$3.45
200 ml	$6.95	$5.95	$3.95	$2.95	$1.95
100 ml	$3.95	$3.95	$1.95	$1.95	$1.45
50 ml	$1.95	$1.95	$0.95	$0.95	NA

NC ABC Base Pricing schedule, Chairman's letter of March 13, 2026. Cans/Cocktails are scheduled on their own container sizes (e.g., 355 ml $1.95; 700 ml $5.45; 1.42 L $8.95). Conventions: all 700 ml containers meet the 750 ml criteria; within a brand family no 1.0 L may price below the 750 ml minimum.

III. Public Health and Safety Analysis

Public health benefit is the first policy goal. Raising alcohol prices is one of the most robustly supported public-health interventions. Meta-analyses find that a 1% increase in alcohol price reduces consumption by roughly 0.5% on average, and higher prices are consistently associated with reductions in excessive consumption and related harm (Boniface et al., 2017). The availability of cheap, high-strength alcohol is a specific driver of harm; a U.S. study of privatized (license-state) markets found that 57% of off-premises liquor sales are of products costing $1.00 or less per standard drink (Gammon et al., 2026). The finding is drawn from license states rather than control states, and is offered as evidence of where low-cost product sits in the distribution rather than as a North Carolina measurement.

North Carolina's burden

North Carolina records more than 5,600 alcohol-attributable deaths and over 68,000 alcohol-related emergency department visits per year (NC DPH, July 2026), and the direct costs (not including lost productivity, opportunity costs to NC economy, etc.) of excessive drinking in the State was estimated at roughly $2.4 billion per year (Gora Combs, Fliss, Knuth, Cox & Trangenstein, 2022). In addition to this direct cost every year, reductions in alcohol-related harm ease costs that are borne by the State, the health care and criminal justice systems, local communities and individuals who are not the drinker.

A 2026 North Carolina Department of Public Health cost analysis, prepared using CDC methodologies, estimates the annual societal cost of excessive alcohol use in the State at approximately $14.6 billion (2024) — encompassing years of potential life lost, medical care, and criminal-justice costs — with more than half of that cost borne by persons other than the drinker (NC DPH consultation, July 2026). See Appendix G.5.

Real-world and modeled evidence

Jurisdiction / study	Finding relevant to NC
Scotland — MUP, evaluation (Wyper et al., Lancet 2023)	13.4% reduction in wholly alcohol-attributable deaths (~156/yr) and 4.1% reduction in such hospitalizations after minimum unit pricing; largest benefits in lower-socioeconomic groups.
U.S. control state — Michigan modeling (Bertin, Leung … Esser, JSAD 2024)	Raising the price of the cheapest spirits to $0.40 per standard drink modeled a 2.6% drop in per-capita consumption and 232 fewer alcohol-attributable deaths/yr; a $0.45 scenario, 3.9% and ~354 deaths.
Canada — Saskatchewan & British Columbia (Stockwell; Zhao)	Minimum-price increases associated with reductions in consumption and in alcohol-attributable hospitalizations and ED visits, concentrated in lower-income areas.
Systematic reviews (Boniface 2017; Maharaj 2023)	Consistent evidence that minimum pricing reduces consumption and alcohol-related hospital outcomes, meeting Bradford Hill causal criteria.

Table III-1. The floor targets the cheapest, high-strength products, where the harm-reduction evidence is strongest. General minimum pricing (per container) is effective where it meaningfully raises the price of low-cost products; per-standard-drink (MUP) designs have the strongest evidence base (Esser comments, 2026). North Carolina's proposed schedule is a general minimum-pricing structure; §VII recommends the data collection needed to confirm its levels deliver a measurable benefit and inform future Commission action on the policy.

Expert input on the schedule's price impact

Public health experts engaged in the study calculated that the affected products could rise by a median of about 10 cents per standard drink — with the average higher, about 16 cents, but skewed upward by a few low-alcohol ready-to-drink outliers, and 90% of affected products increasing by 25 cents or less per standard drink (see Appendix F). §VII recommends that further study is needed to determine whether the floors are set to deliver a measurable benefit and definitively quantify impact in our State.

On the separate objection that minimum pricing is regressive, the experts advised that they are aware of no data showing minimum unit pricing is regressive: post-implementation increases in alcohol expenditure are driven chiefly by heavy drinking rather than by income, while the health benefits concentrate among lower-socioeconomic groups who bear a higher risk of harm per standard drink (Clay et al., 2025).

Experts consulted recommended that the Commission should validate the category approach as implemented and, for measurement, express and monitor the floors in price-per-standard-drink terms; and monitor cross-product substitution — particularly beer-for-liquor — as a documented but under-quantified risk that North Carolina-specific modeling should address.

Why a floor on the cheapest products works. Because the harm minimum pricing addresses is the availability of cheap, high-strength alcohol, a floor on the lowest-priced products acts directly on the mechanism of harm. Affordability is a consistent driver of consumption, particularly among youth and young adults (NC Alliance for Health comment, 2026), and cheap product is disproportionately what reaches minors through proxy purchase, older peers, and the home — even though retailers do not sell to minors directly; one peer-reviewed study of young-adult drinkers found that a targeted minimum price on high-proof products reduced youth alcohol intake by roughly 28% (Addiction Professionals of North Carolina comment, 2026). And because heavier and lower-income drinkers buy disproportionately at the bottom of the price distribution, the benefits of a floor concentrate among those who bear the greatest share of alcohol harm (Zhao & Stockwell, 2017; Clay et al., 2025).

IV. Market and Economic Impact Analysis

North Carolina data should be analyzed to confirms the breadth and impact of implementation of minimum base pricing on North Carolina businesses and the State economy. Concern about comparison state experiences rather than North Carolina evidence should be weighed accordingly: the expected effect on hospitality businesses, and the expected direction of public-health outcomes. Note and consider the effect on total alcohol consumption in North Carolina including substitution into beer and wine, the effect on individual local ABC boards with a heavy value-tier mix, and the present financial condition of North Carolina restaurants and bars.

A. Full-portfolio review — intentionally narrow impact

North Carolina volume trend. The Chairman's March 13 letter states that North Carolina spirits sales "remain resilient." Commission data in hand supports that in aggregate but shows a market whose composition is shifting, and the distinction matters for both the public-health premise and the revenue projection.

Across the Top 100 products, May 2026 volume was 2,981,460 nine-liter cases against 2,968,407 in May 2025 — an increase of 0.4%, effectively flat. Beneath that flat aggregate, 66 of the 100 highest-volume products declined year over year. On a dollar basis, statewide sales for June 2026 were $155.8 million, up 3.08% over June 2025, with the gap between flat volume and rising dollars reflecting price and mix rather than consumption growth.

Staff observes that volume appears flat and the majority of leading products seem to be losing volume, and that by Commission sales data is limited, not capturing beer and wine substitution, cross-border purchasing, or per-capita consumption, and staff does not present them as a measure of how much North Carolinians drink.

Staff reviewed the entire North Carolina portfolio — all 7,333 listed and special-order filings effective July 28, 2026 — against the proposed schedule. The test is whether a product's uniform State price falls below its category minimum; a product priced at that minimum meets the standard and is unaffected. Eighty-eight filings price at their floor exactly and are not among the 97. The result is the study's central market-impact finding and answers directly how broad or narrow the impact will be.

Measure	Result
Total NC filings	7,333 (3,244 listed + 4,089 special order)
Tested against the schedule	5,453 (74.4%) — a category could be assigned and a floor applied
Products below the floor (confirmed)	97 — 1.3% of all 7,333 filings; 1.8% of the 5,453 tested. 94 firm, 3 contingent on category assignment
Median shortfall below the applicable minimum	$1.00 (mean $1.36; max $4.00)
Affected: Listed / Special Order	60 / 37
Share of the listed (stocked) book	60 of 3,244 (1.8%) — 2.3% of the 2,604 listed filings tested
Share of the special-order book	37 of 4,089 (0.9%) — 1.3% of the 2,849 special-order filings tested

Measure	Result
Not tested	1,880 (25.6%) — 1,240 special order, 640 listed; median price $33.95 against $29.95 for tested filings; 227 price below $11.95, the highest 750 ml floor

Correction of the affected-product count. Earlier drafts of this report, and material circulated before August 10, 2026, identified 82 affected products, 46 of them regularly stocked. That list was incomplete, and the corrected figure is 97 products, 60 of them regularly stocked. Staff sets out the reason in full, because the number is the study's central market-impact finding and the Commission should be able to see how it was arrived at.

Why the earlier list was incomplete. The proposed minimums are specific to product category and container size, so no product could be tested until it has been assigned a category. The original screen assigned categories by matching brand names against category keywords. That method works where the brand name signals the category and fails where it does not, and it could not categorize 1,896 of the 7,333 filings. Those filings were recorded as untested rather than as cleared, and the figure of 82 was therefore an approximate count of the products below the floor — it was a count of the products below the floor among those the matching process had been able to categorize.

On August 10, 2026 staff re-screened the untested filings against the Commission's own product-category records rather than against brand names. That produced corrections in both directions. Sixteen further products were identified as pricing below the applicable minimum, every one of them a brand whose name gives no indication of its category — among them El Toro Gold and El Toro Silver, Montezuma Teq White and Teq Gold, Montezuma Blue, Juarez Gold, Mi Cosecha Gold, Ten High, Kentucky Gentleman, Bowman's Virginia and Aristocrat Supreme 80 Blend. Fifteen of the sixteen are regularly stocked items, which is why the stocked count moves from 46 to 60. In the other direction, one product was removed: Jose Cuervo White Peach Light, a 16-proof, 200 ml ready-to-drink that the keyword match had assigned to tequila on its brand name and flagged against the $6.95 tequila floor. As a ready-to-drink its applicable floor is $1.95 and it prices at $2.45, so it complies. Eighty-two, less that one product, plus the sixteen, gives 97.

Why staff is confident in the corrected figure. Nine of the sixteen added products appear independently in the Commission's own board-revenue model at the identical current price and applicable floor, which is to say that the revenue analysis had been treating them as affected while the product screen had not. Two of them, El Toro Gold and El Toro Silver, account between them for $906,942 of the $2,042,871 modelled increase in retail sales — 44.4% of it. The corrected count and the revenue model are now consistent with one another, where the earlier count and the revenue model were not. Staff notes that the correction was identified in the course of its own review, before any Commission action, and that it moves the reach of the proposed schedule upward rather than downward.

What the corrected figure still does not settle. Ninety-seven is a confirmed count and a floor rather than a ceiling. Staff counts a filing as tested only where the screen records a verdict against the schedule, which is true of 5,453 of the 7,333; the remaining 1,880 could not be categorized from the files on hand and were not tested. Two coding questions also remain open and are among the reasons Recommendation 1(c) asks that the Commission's authoritative coding be applied before the schedule is administered: Canadian whiskies, which the proposed schedule prices as their own category but the Commission's price book groups with bourbon; and container sizes not on the schedule, including 710 ml cans and 2.13 L multipacks, for which staff has applied the nearest scheduled size.

Table IV-1. Full-portfolio review, as re-verified August 10, 2026. Category is a staff reconstruction from brand names, corrected against the Commission's product-category tabs and pending the Commission's authoritative coding. Detail per product, and methodology, are in the accompanying spreadsheet and the Full-Portfolio Screen report section.

Measured against the stocked shelf, the impact is narrower than the portfolio figure suggests. The 7,333 filings comprise 3,244 regularly listed products — those held as stock in the State warehouse and available to every board — and 4,089 special-order products, which are shipped only on a customer's request and are not held in inventory. Sixty of the 3,244 listed products, about 1.8% — 2.3% of the 2,604 listed filings that could be tested — price below the applicable minimum, as do 37 of the 4,089 special-order products, about 0.9%, or 1.3% of the 2,849 special-order filings tested. The impact is narrow and concentrated in the deep-value tier. Below-floor products cluster in low-priced ready-to-drink cocktails, value vodka, value brandy, value Canadian, cordials, and a handful of value tequila, and in the 750 ml and 1.75 L sizes. The overall rate — 1.3% of all filings, 1.8% of those tested — is low because the full range of spirits available in North Carolina is dominated by premium and special-order products priced above any floor proposed here. Expressed per standard drink (Appendix F), the typical affected product rises by a median of about 10 cents; 90% of affected products increase by 25 cents or less per standard drink, and the middle half fall between roughly 6 and 18 cents. The higher average of about 16 cents is pulled up by a handful of low-alcohol ready-to-drink outliers in large containers; setting those aside, the typical affected spirit rises by roughly a dime per standard drink.

B. Estimated Impact on restaurants, bars, and lodging

Two different drink measurements. Two units appear in this report and they are not the same thing. The public-health standard drink is 0.6 fluid ounces of pure ethanol, so its count depends on a product's proof. The commercial pour is a 1.5 ounce jigger measured by liquid volume, and its count depends only on container size. Each per-drink figure below names its unit.

At 80 proof the two coincide almost exactly. A 750 ml bottle holds 25.4 fluid ounces, giving about 17 jigger pours; at 40% ABV that same bottle contains 10.1 ounces of ethanol, or about 17 standard drinks. A 1.75 L bottle gives about 40 of each. Above 80 proof they separate: a 100-proof 750 ml bottle still yields about 17 jigger pours but about 21 standard drinks.

For business impact, the pour is the right unit. A $1.00 increase on a 750 ml bottle is about six cents per pour, and about two and a half cents on a 1.75 L — figures consistent with the Idaho consultation at Appendix G.1. For public-health analysis, the standard drink is the right unit, because harm tracks ethanol rather than liquid volume.

This also explains an apparent discrepancy in the report. The median increase of about 10 cents per standard drink reported at Appendix F is a median across all 97 affected products, including 200 ml, 375 ml, and 100 ml formats that contain few standard drinks and therefore carry a high per-drink figure. It is not the figure a bar would experience on a 750 ml well bottle, which is nearer six cents per pour. Both numbers are correct; they answer different questions, and the report should not use one where the other is meant.

The condition of the on-premise channel, so far as Commission data shows it. Staff cannot assess the overall financial health of North Carolina restaurants and bars from data the Commission has. The Commission welcomes business data on this information and can report on what its own mixed-beverage sales data show about the direction of on-premise spirits demand.

In June 2026, mixed-beverage sales to permittees totaled $33,574,025 statewide, against $31,551,048 in June 2025 — an increase of 6.4%. Over the same period retail sales rose 2.2%, from $119,595,256 to $122,228,478. On-premise purchasing therefore grew nearly three times as fast as retail, and the mixed-beverage share of statewide sales rose from 20.9% to 21.5%. Exposure is concentrated rather than uniform: mixed-beverage sales exceed 37% of total sales at the Mecklenburg, Asheville, and New Hanover boards and reach 49% at Highlands, while many rural boards may sit in the low single digits.

These are purchases by permittees from ABC stores, not restaurant revenue or profit. Rising purchases are consistent with a growing on-premise sector but equally with price increases, menu-mix shifts, or a larger number of permittees. They do not measure margin, and they cannot answer the question put to staff in review — what a reduction in beverage margin would mean for operators in current conditions. What they do establish is that on-premise spirits demand in North Carolina was growing, not contracting, in the months before this study. A more complete assessment requires data the Commission does not hold.

Restaurant, bar, hotel, and event operators were the most organized commenters, and several predicted menu-price increases, lost competitiveness, or closures. These concerned businesses should be relieved to see that the evidence indicates the on-premise impact once implemented should be minimal, for three reasons:

- **On-premise pours are already far above the floor.** Mixed-beverage establishments buy spirits from ABC stores and pour them by the drink at prices many multiples of any per-bottle floor. A $1.00 increase on an affected bottle, spread across ~17 drinks in a 750 ml or ~40 in a 1.75 L, is measured in cents per drink; the call and premium brands most bars most regularly pour should generally not be affected.
- **The affected set of products is narrow.** Between 1.3% and 1.8% of the State's filings would be affected, and those products are predominantly deep-value items sold through the retail channel rather than items believed to be on a typical on-premise pour list. Among the State's top-selling brands, 82,095 of 570,547 cases sold — 14.4% — were sold on-premise to mixed-beverage permittees, with the remaining 85.6% sold at retail. Staff notes the limit of that figure: it describes the split for top-selling brands generally, not for the 97 affected products specifically, and the Commission should not read it as a measurement of on-premise exposure to the schedule. A product-level split for the affected set has not been produced.
- **Comparison state and country evidence shows no business harm.** Oregon (five years of floor pricing) reported no menu-price increases, no closures, and no layoffs attributable to its floor. WHO's review reports that Scotland's total alcohol-market value was projected to grow about 0.7% after minimum unit pricing (Angus et al., 2016), and post-implementation analysis found no business closures and no reductions in employment or investment, with smaller retailers reporting benefit (Frontier Economics, 2019; Stead et al., 2020).

RESTAURANT & LODGING IMPACT

Bottom line on hospitality. The predicted harm to restaurants, bars, and lodging is not borne out by the North Carolina product impact or by the experience of jurisdictions that have implemented floors. Staff recommends the Commission acknowledge this, consider addigtinal study before adopting the proposed moderate schedule with periodic review, and communicate clearly that the minimum base prices reach only the cheapest off-premise products and do not affect prices across the board. Because these comparators are drawn from other jurisdictions and, in some cases, off-premise or non-control markets, continued analysis and NC-specific confirmation is recommended in §VII.

Comparator consultation — on-premise magnitude. Idaho State Liquor Division staff quantified the on-premise effect in a July 2026 consultation: a $1.00 increase in the floor on a 750 ml bottle would work out to roughly six cents per cocktail (about sixteen drinks per bottle), and, because bar spirit margins have widened over time (a cost-to-price ratio now on the order of 6:1), establishments have absorbed such increases without menu disruption. Idaho staff also observed that mid-tier suppliers generally did not oppose a floor — several would welcome one that narrows the gap to premium — with organized opposition concentrated in a single value-segment supplier.

C. The revenue objective — fiscal impact on local ABC boards and the State

Revenue is the second policy goal, and it deserves to be judged as directly as the public-health one.

The Commission would not add anything to the statutory pricing formula. A listed product's uniform State price would continue to be computed under G.S. 18B-804(b) from the supplier's bottle cost and the statutory markups, taxes, and charges. The minimum base prices would operate as Commission endorsed listing criteria, to be considered along with the other regularly applied criteria like profitability, category supply and redundancy, and more. A product would qualify for listing only if the price its supplier files meets the criteria regularly applied to produce listing determinations, and with endorsement of the Commission. It is and has been standard practice for products that don't meet all criteria to be delisted or moved to special order status. Minimum base price floor schedule may become another criterion upon which listing decisions would be made.

Party	Anticipated impact
Consumers	A retail-price effect confined to the cheapest 1.3%–1.8% of the State's filings — 97 confirmed products of 7,333 filings, of which 5,453 could be tested — and about 1.8% of the 3,244 products carried as regular stock. It applies only where a supplier elects to file a qualifying price rather than accept delisting (median shortfall $1.00/bottle). Moderate and occasional buyers are minimally affected; the effect falls on heavy purchasers of value products — the group the policy intends to reach and among whom the health benefit concentrates. Scottish modelling puts the difference in exposure at 27.8% of units bought below the threshold by moderate drinkers against 58.2% by harmful drinkers (Holmes et al., 2026).
Local ABC boards	Quantified. Higher per-unit margin on affected value products. Retail sales on the modeled items rise by approximately $2,042,871 annually (+22.2%, from $9,200,965 to $11,243,836); the local board share of that increase is approximately $613,000, applying the 30% board-profit ratio in the Commission's rolling-twelve-month analysis. Staff regards the scope as understated because it captures 25 of 41 targeted items and holds volume constant. Effects are expected to vary by board mix; small and rural boards with a heavier value-tier mix may see proportionally larger margin gains but may also be least able to absorb any volume decline — recommended for monitoring and separate modeling. Board revenue supports county and municipal general funds and the statutory allocations for alcohol education and law enforcement.
Suppliers / brokers	Where a supplier elects to qualify, they should not be disadvantaged relative to one another because the floor is origin-neutral and applies to all producers alike. Suppliers of affected products are projected to generate significant increased revenue based on the number & pricing of items affected, with larger suppliers anticipated to receive significant additional revenue.
State revenue	Directionally positive; not yet quantified for North Carolina. Because the excise, markup, and other charges are computed on the uniform State price under G.S. 18B-804(b), a higher price at listing raises State receipts on the affected products, and minimum pricing tends to be revenue-positive even with a modest volume decline (Scotland and Canada observed revenue holding or rising as volume fell; Maine priced the reverse case, estimating a $500,000 annual cost from a five-cent reduction in one threshold). A North Carolina estimate awaits sales-volume data.

What the schedule would produce. Applying the proposed baseline retail prices to the affected value-tier products would raise retail sales on those items by approximately $2,042,871 a year — a 22.2% increase on the modeled items, from $9,200,965 to $11,243,836 (Baseline Retail Price Increase — Projected Board Revenue Impact, July 2, 2026; underlying detail at Base Line Price Profitability). The columns report retail sales, not board profit. Applying the 30% board-profit ratio that appears in the Commission's companion rolling-twelve-month file, the local board gain on the modeled items should be approximately $613,000 a year; the remainder is State excise and supplier revenue.

The increase is concentrated by category: tequila accounts for 55.9% of the gain, vodka 31.7%, brandy and cognac 8.8%, gin 3.1%, and rum 0.4%. The four largest single contributors are El Toro Reposado Gold Tequila 750 ml ($488,193), El Toro Triple Distilled Silver Tequila 750 ml ($418,749), Taaka Vodka Classic 750 ml ($231,108), and Paul Masson Grande Amber Brandy 375 ml ($173,828).

A board first pays the expenses of operating the local system and the taxes and surcharges due the State, including the five percent of the mixed beverages and guest room cabinet surcharges that goes to the Department of Health and Human Services for the treatment of alcoholism or substance abuse and for research and education. An increase in board margin therefore reaches enforcement, treatment and education, and local general funds, in that statutory order. This is where the two objectives meet rather than compete: the revenue the schedule produces funds, by statute, part of the response to the harm the schedule is intended to reduce.

Comparator evidence on revenue. Three comparison states' experiences speak to the revenue consequence of a floor, and all three point the same direction. Idaho State Liquor Division staff, whose state has operated floor pricing for decades, estimated in the July 27, 2026 consultation that the revenue upside for a state the size of North Carolina could be in the low tens of millions annually (App. G.1). Maine is the only comparator that has priced the arithmetic from the other end: BABLO estimated that lowering its 50 ml minimum profit threshold by five cents would cost the State about $500,000 a year, and that the flat markup proposed as an alternative would cost more than $22 million (Comparator State Experiences § J.7). Oregon reported revenue neutral to positive after five years of floor pricing, and public health experts consulted reported that Scottish industry revenue was broadly neutral despite price increases considerably larger than those proposed here (App. G.2). Staff notes the limits: Idaho's figure is an experienced practitioner's estimate rather than a modeled result, Maine's magnitudes are not transferable, and none of the three adequatedly replace actual North Carolina sales-volume data. They establish direction and order of magnitude, and they indicate that the effect is more likely larger than staff's model shows than smaller — chiefly because the model omits 16 of the 41 targeted items, as the reconciliation below sets out.

Four limitations qualify the figure. Staff has now tested the first of them item by item, and the figure holds.

First, the items reviewed. The model was prepared on July 2, 2026 against 41 targeted value-tier items and priced 25 of them; NABCA data did not list the other 16, which were absent from the total. Staff has since matched all 25 against the filings effective July 28. Twenty still price below their floors, and they carry $1,879,810 of the $2,042,871 — 92% of the modeled gain. Three no longer price below their floors: Burnett's Vodka 80 Proof 750 ml now files at $6.95 against a $5.95 floor, Aristocrat Supreme Vodka 375 ml at $3.45, which is its floor and therefore compliant, and Barbarossa Spiced 1.75 L at $16.95 against a $15.95 floor. Together they account for $88,117, and they should be removed from the list of affected products. Two more

— Mr. Boston Riva 750 ml and Travelers Club Gin 1.75 L, $74,944 between them — turn not on price but on category: the screen reads the first as a cordial and the second as vodka, the model reads them as vodka and gin, and the floors differ accordingly. The authoritative coding committed to at Recommendation 1(c) settles both. One item moved the other way. Taaka Vodka 1.75 L, modeled at $11.45, now files at $10.45; its shortfall has tripled to $1.50 and its contribution rises from $38,830 to roughly $116,490 — an offset of $77,660, which very nearly cancels the three exclusions.

What the reconciliation leaves is a figure close to the one modeled: about $1.96 million in additional retail sales on current filings, or $2.03 million if the two coding questions resolve differently, against $2.04 million as prepared — and $587,000 to $610,000 in local board profit against $613,000. Both the 16 unmodeled items and the affected products the model never reached lie outside these numbers, and both push them up. The model should still be rerun against the full 97-product screen before adoption.

Second, the model holds volume constant and assumes no consumer response to the higher price. The 16 unmodeled items push the figure up; a volume response would push it down. Staff does not represent that they offset.

Third, the figure is a statewide total and says nothing about how the gain distributes across the 171 local boards. Boards with a heavy value-tier mix — often the small and rural ones — may see proportionally larger margin gains while being least able to absorb a decline in volume. Board-level modeling and the State-receipts effect both remain outstanding.

Fourth, two pairs of line items resolve to a single product each in the Commission's filings: the two Mr. Boston 1.75 L rows, $14,161 between them, and the two Aristocrat Supreme Vodka 750 ml rows, $159,455. They may be separate pack configurations carried under separate NABCA codes, or they may be duplicates; staff cannot tell from the files on hand. If either pair is a duplicate, the figure falls by the smaller of the two amounts.

Table IV-2. Distribution of anticipated impact. Dollar magnitudes require Commission sales-volume data (see §VII); the filings screened contain prices but not volumes.

D. Estimating North Carolina impacts from comparison states' and countries' experience

Comparability of the non-U.S. evidence. Scotland and Canada supply the strongest causal evidence available on minimum pricing, but are also the least directly transferable. The differences are set out below so the Commission can weigh them.

Scotland's minimum unit price applies across all beverage types in a private retail market with grocery and convenience distribution, and it was set at a level roughly twice the starting point proposed here. North Carolina is a control state in which spirits move through a single state warehouse to 452 state-authorized outlets, and the proposed floors reach only spirits. Canadian provincial schemes sit closer to the North Carolina model in that government retail is involved, but provincial pricing is applied per unit of ethanol across categories rather than by container size. Baseline price levels, tax structure, drinking patterns, and the availability of substitutes all differ from North Carolina in ways the literature does not adjust for.

Staff's recommendation on weight to give to experiences in these other countries and states as follows. The Scottish and Canadian evidence appear to confirm the direction of effect — that raising the price of the cheapest, highest-strength products reduces consumption among the heaviest drinkers — and not for magnitude. For magnitude, U.S. control-state evidence and regional data should be given greater weight, Michigan and North Carolina markets appear more comparable, supporting greater significance being given to Michigan and the other states' experiences than any non-U.S. comparator. See Appendix G.2.

Maine sets no published price floor, but it reaches the same part of the market by a different route. Since October 1, 2017 it has applied a Minimum State Profit Threshold within its pricing formula — $6.00 on a 1.75 L bottle down to $0.75 on a 50 ml — which raises the retail price of any product that would otherwise return the State less than the threshold. The binding constraint is the State's profit rather than the shelf price, but the products it reaches are the products a floor reaches. Two features make Maine's record particularly useful here, and one limits it. It is useful because Maine's pricing review was compelled by legislation negotiated with the same company that principally opposes this policy, and because the arguments that company made in Maine are the arguments before this Commission now. It is limited because Maine's mechanism sits inside its pricing authority rather than operating as a listing standard, so Maine is evidence about outcomes and about process — it is not authority for the legal theory recommended at Section V, and staff does not cite it as such. See Comparator State Experiences § J.7.

Complete comparator reporting. A jurisdiction that supports one finding may be silent on another, and the difference matters. The table below reports every comparator across all three outcome categories and states expressly where an outcome was not measured or where the finding does not favor the proposal. Nothing is omitted because it is unhelpful.

Comparator	**Consumption effect**	**Harm effect**	**Business effect**
Oregon (2021 floor; unchanged since adoption)	No measurable effect reported. Oregon did not build an evaluation framework around its 2021 change, and Dr. Esser attributes the absence of a demonstrated benefit to ad hoc arrangements reached with industry rather than to floor pricing being ineffective (App. G.3). Oregon's design is the principal lesson North Carolina takes from it.	Not measured.	Favorable. OLCC reported no menu-price increases, no closures, and no layoffs attributable to the floor across five years. 112 items repriced, under 2% of SKUs, average 12.9%.
Michigan	Modeled reductions in U.S. control-state analysis (Bertin et al. 2024); not an implemented-policy observation.	Modeled reductions in alcohol-attributable deaths.	Not measured. No implemented Michigan floor exists to observe business effects.
Idaho	Not measured.	Not measured.	Favorable and directly observed: ~6 cents per cocktail on a $1 increase; bar cost-to-price ratios widened from about 4:1 to 6:1. Adverse finding also reported: Idaho observed cross-border inflow following Oregon's 2021 implementation, which raised

			the affected items by an average of 12.9–16.3% (App. G.1; Comparator State Experiences § J.1). ISLD attributed the inflow to a later across-the-board floor increase, but OLCC states in writing that it has not adjusted its floor since 2021; the observation is an unquantified oral account.
Alabama	Not measured.	Not measured.	July 14, 2026 meeting notes in study files. Alabama's category-and-size design is the closest structural analogue to the proposed schedule (Table G-1).
Scotland	Reduced consumption, concentrated among the heaviest drinkers.	13.4% reduction in wholly alcohol-attributable deaths (Wyper et al. 2023).	Neutral. Market value projected to grow ~0.7%; no closures, no reductions in employment or investment. Applies at a price roughly twice the level proposed here.
Canada (BC, Saskatchewan)	Reduced consumption at higher minimum prices.	Reductions in alcohol-attributable harm.	Revenue held or rose as volume fell. Pricing applied per unit of ethanol, not by container size.
Maine (no published floor; Minimum State Profit Threshold in force since October 1, 2017; statutory pricing review reported February 15, 2026)	Not measured. BABLO did not study consumption outcomes. The Maine Center for Disease Control and Prevention submitted the general price–consumption literature in writing, and BABLO relied on it as one reason not to lower prices on the smallest containers, but no Maine-specific measurement exists.	Not measured.	Mixed, and the only comparator whose business record is contested on both sides. BABLO found the pricing formula had sustained State revenue — $7.0 million to the General Fund and $60.1 million to the Highway Fund in FY24, with agency-store profits estimated at $52.7 million — (Comparator State Experiences § J.7 and Exhibit J-19).

Table IV-3. Every comparator, every outcome category. "Not measured" means the jurisdiction did not study the outcome, not that the outcome was favorable.

What staff draws from this. The comparator North Carolina relies on most heavily for business impact, Oregon, is also the one that cannot clearly demonstrate a public-health benefit. Staff does not read this as a reason to abandon the objective. It reads as a caution about design and measurement. Oregon showed that a floor can be implemented without harming licensees; what it did not do was set the floor at a level, or build the measurement framework, capable of demonstrating a health benefit. That is a solvable problem, and it is the problem this Commission should solve deliberately rather than quickly. The course the evidence supports is to proceed cautiously — a narrow, moderate floor that the comparator record indicates would do little or no harm to North Carolina businesses, paired from the outset with the North Carolina–specific measurement Oregon lacked, so that the Commission can determine whether the public-health benefit it seeks is in fact being delivered and adjust on a stated review cycle if it is not.

What Maine adds, and what it does not. Maine supplies a completed adversarial administrative record. The Bureau received the same objections this Commission has received, from the same company, and resolved each of them in writing. It declined to lower the price of the smallest containers, finding that a five-cent reduction in the 50 ml profit threshold would cost roughly $500,000 in State revenue with no evidence that added volume would offset it, and citing its own state health agency's comments and a recent Surgeon General advisory. It declined to adopt the flat markup the supplier proposed, having estimated one version of it at a cost of more than $22 million to the State and a burden on agency stores and on-premise licensees. And it rejected the contention that the formula discriminates against particular products, finding that it "treats all products within each category equally." The State's second-largest supplier by volume filed in support of the existing formula. Staff does not offer any of this as proof that the objections here are unfounded — another agency's conclusions on another record bind nothing in NC — but the Commission is entitled to know that the objections before it have been put to a peer control state, on a public record, and did not prevail. Maine also supplies a caution that runs the other way, set out at Comparator State Experiences § J.7: the supplier's most durable criticism in Maine was procedural, that the Bureau had twice been directed by statute to establish a pricing-appeals process and had not done so by the time it reported.

Where NC-specific data are not yet available, the study estimates likely direction and magnitude from jurisdictions that have implemented floors:

- **Scope of application.** Oregon repriced 112 items (under 2% of SKUs) at an average 12.9% increase; North Carolina's screen shows 97 items — about 1.3% of all 7,333 filings and 1.8% of the 5,453 filings that could be tested. Both confirm a narrow reach.
- **Consumption and harm.** Applying the Scotland and Michigan findings to North Carolina's burden implies meaningful, though not yet NC-quantified, reductions in excessive consumption and alcohol-attributable deaths if products that would otherwise price below the floors are relisted at or above them. Staff does not present a point estimate for NC pending NC-specific modeling.
- **Business and revenue.** Oregon, Scotland, and Canadian evidence indicate no net business harm and neutral-to-positive revenue. These are the best available proxies until NC data are modeled.

E. Concerns Raised in Opposition, and the Evidence

The public-comment record is heavily weighted toward opposition. Staff has reviewed each recurring concern against the evidence, with responses referencing the relevant data to address or validate concerns raised. The threshold point is scope of impact: the Minimum Base Price floors affect only 97 products — 1.3% of the State's 7,333 filings, 1.8% of the 5,453 filings that could be tested, and 1.8% of the products carried as regular stock — which are the most severely underpriced items in each category (Appendix D) — so most predicted harms appear to rest on the apparently mistaken premise that the policy would affect prices broadly across the full range of spirits sold in our State.

“It raises costs for consumers.” The floor reaches 1.3%–1.8% of the State’s filings, and about 1.8% of the products carried as regular stock, at a median of roughly 10 cents per standard drink and $1.00 per bottle; the great majority of products, and all mid- and premium-tier products, should be unaffected (Appendices D and F).

“It will harm restaurants, bars, and lodging.” On-premise spirits are poured at prices far above any per-bottle floor; a $1 increase is about six cents per cocktail (Idaho consultation). Oregon (five years) reported no menu-price increases, closures, or layoffs; WHO’s review and post-implementation analysis found no business closures or reductions in employment or investment, and Scotland’s alcohol market value grew about 0.7% (OLCC, 2026; Angus et al., 2016; Frontier Economics, 2019; Stead et al., 2020). Data also frames the scale of the concern: among the State's top-selling brands, 14.4% of cases (82,095 of 570,547) were sold on-premise, with 85.6% sold at retail.

“It is regressive and unfairly burdens lower-income consumers.” The evidence is that minimum unit pricing is not regressive in practice: post-implementation increases in alcohol expenditure track heavy drinking rather than income, while the health benefits concentrate among lower-socioeconomic groups who bear higher per-drink harm (Clay et al., 2025; Zhao & Stockwell, 2017).

“A floor is ineffective / provides no benefit.” Minimum pricing reduces excessive consumption and alcohol-related harm; Scotland’s policy was associated with a 13.4% reduction in wholly alcohol-attributable deaths (Wyper et al., 2023); U.S. control-state modeling projected meaningful reductions (Bertin et al., 2024); systematic reviews concur (Boniface et al., 2017; Maharaj et al., 2023).

“Consumers will cross state lines.” Oregon’s new floor prices remained within the range of neighboring states, and North Carolina’s target floors are moderate and confined to the cheapest products; Idaho reported observing cross-border shopping following Oregon’s 2021 implementation, in which affected items rose by an average of 12.9–16.3% — a larger increase, on the products it reached, than the schedule proposed here (OLCC border comparison, 2026; Idaho consultation, App. G.1). Staff notes that the Idaho account is an unquantified firsthand observation, and that ISLD’s premise of a subsequent across-the-board Oregon floor increase is not borne out: OLCC states in writing that it has not adjusted its floor since 2021 (Comparator State Experiences § J.1 and Exhibit J-3). Staff recommends modeling cross-border sensitivity for the border regions to identify North Carolina-specific impact to inform future modifications.

“There is no overconsumption problem in North Carolina.” North Carolina records more than 5,600 alcohol-attributable deaths and over 68,000 alcohol-related emergency department visits per year, and an annual societal cost in the State estimated at approximately $14.6 billion (NC DPH, 2026; expert consultation, July 2026; Gora Combs, Fliss, Knuth, Cox & Trangenstein, 2022). The deaths and emergency-department counts and the cost estimate all come from the same NC DPH 2024 data year.

“The floors are uneven across categories, so drinkers will simply switch categories rather than drink less.” The High Point ABC Board notes that because the proposed minimums differ by category, a consumer facing an 80-proof tequila at $10.95 may buy an 80-proof whiskey at $7.95 or an 80-proof vodka at $5.95 rather than reduce consumption; that Scotland’s minimum unit price is close to uniform across categories, so its results may not transfer to a schedule with this spread; and that Oregon’s single per-proof-milliliter derivation produces a floor that does not invite the same category-shopping. Staff acknowledges this concern. It is the same substitution risk the public-health experts identified, and neither the report nor the underlying literature has yet quantified it for North Carolina. It is a principal reason the North Carolina–specific work recommended at Section VII should include cross-price elasticity between categories, not only between beverage types.

"The increase falls unevenly on particular businesses and on lower-income consumers." The High Point ABC Board reports that tequila carries the largest proposed increase — $7.95 to $10.95 on the common well brand, 37.7% — and that its heaviest tequila purchasers are Mexican restaurants, many of them minority-owned; on one member's order the change worked out to about 17 cents per drink rather than the roughly 10-cent median this report gives, and $6,000 to $8,000 a year for that customer. It also argues that the burden falls on those who buy at the bottom of the price distribution while buyers of mid- and premium-tier products are unaffected. Staff reports both points without discounting them. The per-drink figure in this report is a median across all 97 affected products; a specific well brand in a specific category can sit well above it, and the tequila differential is the widest on the schedule. The distributional question is fair — the peer-reviewed evidence indicates that expenditure increases track heavy drinking rather than income and that the health benefits concentrate among lower-socioeconomic groups, but that is a population finding and it does not answer the position of an individual purchaser or an individual restaurant.

"Any change should be prospective." The High Point ABC Board proposes that a minimum apply to new listings from a stated future date, with products already listed below the floor given a period — it suggests three years — to comply, on the model of the prospective-only approach the General Assembly took to ABC board employment at G.S. 18B-700(k). Staff regards this as a serious implementation alternative rather than an objection. It would preserve the policy's public-health direction while removing most of the transition burden on suppliers, boards and licensees, at the cost of deferring the revenue effect and the health effect for the phase-in period. It has not been modeled, and staff recommends it be evaluated as part of the North Carolina–specific work at Section VII.

"The State should privatize / stop regulating prices." Whether North Carolina should remain a control state is a policy question for the General Assembly, outside this study. Within the control system the General Assembly created, G.S. 18B-100 directs that Chapter 18B be construed to limit rather than expand alcohol commerce — a floor on the cheapest, highest-strength products serves that purpose.

V. Legal Authority Analysis

First, what is under consideration. The Commission is not being asked to modify the pricing formula. The price of a listed product is computed under G.S. 18B-804(b) exactly as that statute is written, and nothing is added to or removed from it. What the Commission is being asked to adopt is a condition on listing — a standard that a product must meet its category's minimum in order to be approved for sale in ABC stores. The Commission decides what brands may be sold in the State under G.S. 18B-203(a)(5), and no ABC store may sell an unapproved product under G.S. 18B-800(c). The distiller still sets its own price; the consequence of pricing below the threshold is non-listing, not a Commission-dictated price.

Second, whether rulemaking is required. It is staff's contention that it is not, as G.S. 150B-1(d)(32) exempts from the Administrative Procedures Act (APA) the Commission's approval of alcoholic beverages to be sold in local ABC stores. A listing standard is an exercise of that approval function, and the exemption attaches to the function rather than to the form in which the criteria are recorded — it applies whether they are held as internal guidance or set out in an adopted policy (subsection A). Two further points support that conclusion. The APA's definition of a rule excludes statements of agency policy made in the context of another proceeding, including orders establishing or fixing rates or tariffs, G.S. 150B-2(8a)e.2, on which the Commission's pricing actions have long proceeded; staff notes that the exclusion is framed in terms of statements made in another proceeding, and whether it reaches a listing standard defined by price has not been tested. And within G.S. 18B-203(a) the General Assembly directed rulemaking for two functions only — local board performance standards and mandatory training — using operational language for pricing, listing, store approvals, and bailment charges, which is a reasonable inference about legislative intent rather than a settled construction. Staff relies on the first provision and offers the other two as support.

A. Listing criteria, and why this one is being published

The Commission is a three-member body (G.S. 18B-200); its powers are the Commission's, not the Chairman's, and are exercised by majority vote at a properly noticed open meeting. Its substantive authority is the enumerated powers in G.S. 18B-203(a) and the implied and incidental powers in 18B-203(b), construed under G.S. 18B-100 to limit rather than expand alcohol commerce. Within 18B-203(a) the General Assembly required the Commission to "promulgate rules" in only two places — performance standards for local boards, § 18B-203(a)(20), and mandatory training, § 18B-203(a)(21). For the other powers, including setting prices (a)(3), determining what brands may be sold (a)(5), approving store openings and locations (a)(11), providing for testing (a)(13), and fixing bailment charges and surcharges (a)(14), it used operational or order language. Product approval and listing under (a)(5) is in addition expressly exempt from rulemaking (G.S. 150B-1(d)(32)).

Why this criterion is being published. Listing and delisting decisions are made in the ordinary course of the Commission's operations. A product is approved for sale, or is not, against criteria that include product movement, category redundancy, system capacity, supplier performance and price. Those criteria are applied as a matter of routine administration and are largely a matter of internal guidance; they are not generally set out in an adopted, published policy. Nothing in this proposal changes that function or enlarges it. What it changes is the visibility of one criterion. Rather than leave a minimum price expectation to be applied product by product as internal guidance, the Commission would state it in advance, with the figures attached and the rationale on the record, so that every supplier knows before it files what its product must meet and why, and so that the same standard is seen to apply to every producer alike.

Staff recommends that course for three reasons. It is fairer to suppliers, who can plan a filing against a published figure rather than meet a threshold they learn of at the listing cycle. It is easier to administer consistently, because a criterion adopted in the open on a stated rationale can be applied the same way to every filing and reviewed against that rationale later. And it is candid: the Commission would be doing in public what listing criteria do in any event, which is determine what is offered for sale in ABC stores.

Because publication does not change the nature of the function, it does not change the procedure that attaches to it. Product approval and listing under G.S. 18B-203(a)(5) is expressly exempt from rulemaking under G.S. 150B-1(d)(32), and it is exempt whether the criteria sit in internal guidance or in an adopted policy. Publishing a listing criterion is disclosure of a standard the Commission is already entitled to apply, not the creation of a new one.

B. Listing authority — the recommended ground

G.S. 18B-203(a)(5) authorizes the Commission to "determine what brands of alcoholic beverages may be sold in this State." The Commission may decline to list a product outright, and on that authority may condition listing on announced or internal criteria — including that a product's uniform State price, computed under G.S. 18B-804(b) exactly as written, equal or exceed the applicable figure in the Chairman's schedule. Where the computed price falls below the threshold, the consequence is non-listing or delisting rather than a Commission-dictated price, and G.S. 18B-800(c) — no ABC store may sell an unapproved beverage — provides legal support and enforcement power for implementing listing decisions.

> **RECOMMENDED BASIS**
>
> **Why listing authority is preferred. It avoids the strongest objection to the pricing theory — that G.S. 18B-804(b) prescribes the components of the uniform price "exhaustively," leaving no room for a Commission-imposed minimum — because it adds nothing to the Article 8 formula and operates outside it. It answers the objection that the Commission is "dictating to distillers," it is continuous with the Commission's existing listing practice — the proposal states one listing criterion publicly rather than leaving it to internal guidance — and it aligns with the State's proprietary latitude as the exclusive purchaser and retailer of spirits.**

How the standard operates. The Commission adopts, by recorded vote, the proposed Minimum Base Pricing Policy and associated Minimum Base Price Schedule as a listing standard providing that a product is listed or relisted only if its uniform State price — computed under G.S. 18B-804(b) as written — equals or exceeds the applicable figure in the proposed schedule. The threshold sits within the Commission's broader listing criteria (product movement, category redundancy, system capacity, and price), applies prospectively at the listing cycle, and is administered with a working variance mechanism and supplier certification of a compliant price. The distiller sets its own price; the Commission sets none, and no component of the Article 8 formula is added or altered.

Shortcomings, and how they are addressed. First, indirection: a listing condition defined by price may be characterized as a pricing action in substance. The features that address the objection are structural — broader listing criteria, a working variance mechanism, supplier certification, prospective application at the listing cycle

— and they reduce the exposure to this characterization rather than eliminate it. Second, no North Carolina decision is directly on point; the product-approval exemption (G.S. 150B-1(d)(32)), and the fact that setting a listing criterion out in public does not alter the function to which that exemption attaches (subsection A), are the bases supporting the listing authority application. Third, the Commission should document the category-price-grouping rationale (Section II) on the record. Staff also considered a pricing-authority (category-markup) route and does not recommend it: a proportional markup cannot mechanically guarantee an exact floor, and it invites the “closed list” objection to G.S. 18B-804(b) raised by stakeholders in legal analysis submitted as part of this study.

C. Constitutional framework, adoption, and sequencing

Section 2 of the Twenty-first Amendment gives the states broad authority to regulate the sale of alcohol within their borders, an authority the Supreme Court has tied to protecting public health and promoting temperance. The proposed schedule is origin-neutral and applies to all producers alike, so it does not discriminate against out-of-state products on its face.

The pricing and listing powers are vested in the Commission as a body. The policy would guide internal listing decisions and is being presented for recorded vote of the Commission at a properly noticed open meeting for transparency; adoption in that manner establishes solid basis for the listing action and supersedes the March 13 letter. A more complete discussion, including potential design mitigations for anticipated objections, appears in the standalone Legal Authority Analysis retained in the study file.

VI. Implementation Considerations

- **Conduct NC-specific data collection and analysis to inform later Commission consideration and action.**
- **Adopt by recorded vote** at a noticed open meeting, with findings of fact, the schedule incorporated by reference, and staff responses to significant comments entered in the record.
- **Prospective effective date**, provide ninety (90) day advance notice, honoring outstanding purchase orders, with a pricing-submission window before the effective date (Oregon used a comparable transition).
- **Supplier certification.** Consider conditioning listing on supplier certification of compliance with any minimum base price schedule if and when implemented.

VII. Recommendations

As previously stated, the Minimum Base Pricing Policy and associated Minimum Base Price Schedule have been proposed to pursue two main aims: 1) encourage responsible consumption of spirits in our state by guarding against an ongoing race to the bottom of the cheapest most readily abused spirits, while 2) minimizing impact on North Carolina's businesses, and preserving and strengthening the revenues that local ABC boards return, under G.S. 18B-805, to local law enforcement, to the treatment of and education about alcohol and substance abuse, and to the general funds of the counties and municipalities the boards serve.

The proposed schedule was created intentionally to move cautiously, and deliver on both goals — a public-health benefit that can be demonstrated and a revenue benefit to the local boards that can be counted — while doing little or no harm to the North Carolina market and the businesses in it. That is the balance Chapter 18B strikes between the control purpose of G.S. 18B-100 and the revenue provisions of G.S. 18B-203(a)(3) and 18B-805. The Commission should be able to show its work on both sides of it. The comparison states' experiences support each. Oregon and Idaho show that a narrow, moderate floor can be implemented without menu-price increases, closures, or layoffs, and Idaho and Maine show that floors and minimum thresholds can carry real revenue consequences in the range staff has modeled. North Carolina's own review shows the proposed schedule is narrower still — 97 products, 1.3%–1.8% of the State's filings, at a median of $1.00 per bottle and roughly six cents on a 750 ml pour — while producing a modeled increase in retail sales on the affected items of approximately $2.0 million annually, of which roughly $613,000 is local board profit.

Staff notes that the revenue projection rests on figures within the Commission's records and on North Carolina product data, while the health projection rests on comparison state and international evidence not yet made specific to North Carolina. What Oregon did not do as part of building its approach was set a level or build a measurement framework capable of demonstrating a health benefit. That asymmetry — a floor set too low can be revisited, while harm to licensees once done cannot easily be undone — argues for measuring before acting rather than acting and measuring afterwards. Staff therefore recommends that the Commission accept the findings of this study and authorize the North Carolina–specific work before any minimum base price would take effect. That is Recommendation 1. Recommendation 2 sets out what adoption would require if the Commission determines instead to act now.

1. **Accept the study's public-health and market findings, decline to adopt the Minimum Base Pricing Policy for implementation at this time, and authorize North Carolina–specific study to assess the likely impact here before any minimum base price takes effect.** The record supports the direction of the policy but is not yet specific to North Carolina, and both the public-health experts consulted and the local ABC board comment received on August 10, 2026 recommend that the State-specific work be done first. Staff recommends that the Commission:

    (a) receive this report and accept its findings — that the proposed schedule reaches 1.3%–1.8% of the State's filings (97 confirmed of 7,333, of which 5,453 could be tested) at a median of $1.00 per bottle and roughly 10 cents per standard drink; that the peer-reviewed literature and the control-state record support raising the price of the cheapest, highest-strength products to achieve documented health benefits; that the schedule is projected to increase retail sales on the modeled items by approximately $2.0 million annually, of which roughly $613,000 is local board profit; and that the Commission possesses the legal authority to act by listing standard under G.S. 18B-203(a)(5) and 18B-800(c);

(b) decline at this time to adopt the Minimum Base Pricing Policy and the associated schedule for implementation, without prejudice to adopting them, with or without modification, at a later meeting;

(c) authorize and direct staff to collect and analyze North Carolina–specific data and experience sufficient to confirm or revise those findings — applying the Commission's authoritative product-category coding to finalize the full-portfolio screen; obtaining a locked, all-SKU twelve-month volume extract and rerunning the board revenue model against the finalized screen; North Carolina own-price and cross-price elasticities including substitution between categories and between beverage types; a DPH-supported North Carolina health-outcome baseline; the financial condition of the on-premise channel; the distribution of the revenue effect across the 171 local boards; and cross-border sensitivity in the border counties — and to engage the outside expertise required for that work;

(d) direct staff to report back with a recommendation on whether, at what levels, and in what form to adopt such a policy; and

(e) continue stakeholder engagement and keep a route for written comment open through that period, so that the supplemental record is built with, rather than in advance of, the affected parties.

2. **If the Commission instead determines to adopt now, adopt the proposed schedule by recorded Commission vote at a noticed open meeting under the brand-listing authority (G.S. 18B-203(a)(5) and 18B-800(c)), documenting the category-price-grouping rationale on the record.**

Deferral is not without effect: for the period of the delay the Commission forgoes the modeled increase in retail sales of roughly $2.0 million a year on the affected items — of which approximately $613,000, or about $51,000 a month, is local board profit — together with whatever public-health benefit the floors would have produced, and the downward price trend on deep-value products that prompted the Chairman's letter of March 13, 2026 remains in place. Deferral also enables the Commission to build a North Carolina–specific record on both objectives and can test the schedule's levels and structure before they are put into effect.

Appendix A — Public Comments

Composition of the comment record. As of August 11, 2026 the Public Comment Log records 40 written public comments — 34 opposed, 5 in support, and 1 from a local ABC board raising concerns and recommending further study before implementation — comprising 22 consumer comments, 11 from hospitality businesses, 4 from public-health commenters, 2 from advocacy organizations, and 1 from a local ABC board. Comments arrived in a compressed window which began July 1 and ran through the August 12 Commission meeting. Expert input is logged separately and is not counted in the 40; it comprises submissions from Dr. Marissa Esser, Dr. Pamela Trangenstein, Dr. William C. Kerr, and Samantha Luu, MPH. Three industry submissions are also recorded outside the public comment log and are addressed at Appendix F-1: the joint Sazerac/NCRLA memorandum of law of July 28, 2026; the Luxco letter of July 1, 2026; and the Advocacy Analytics economic review of August 11, 2026, transmitted through counsel for Sazerac and the NC Restaurant & Lodging Association. They are not counted in the public comment totals. The comment period remains open through the August 12 meeting, and these totals will be restated in the final report.

Position / group	Representative commenters
Consumers — opposed (22)	Motkowicz, Krenitsky, Sink, Poole, Cleland, Fiordalisi, Rodman, Rolls, Colvin, Ruffolo, Barrett, Santoliquido, Nelson, Huber, Macie, Beil, Markowkin, Goulding, Denna, Lamb, Donnelly, Duren
Hospitality — opposed (11)	Lusick (FIRC Group); Ewing; Mancuso; Bollhoefer (Parks Hospitality); Fender, Ferguson, Worley (Hilton properties); Craven (DHM Hotels); Highberg (Biltmore Farms); Merrell (81 Hospitality); Hammer (Bittersweet / Johnson St. Yacht Club)
Advocacy — opposed (1)	Brian Bunting (Free Our Spirits NC)
Public health / advocacy — support (2) — now 5	Samantha Luu, MPH (Campus & Community Coalition); Rev. Mark Creech (Return America); Addiction Professionals of NC (APNC); NC Alliance for Health; Pat Oglesby (tax-policy commentator)
Local ABC board — concerns; further study (1)	Rosalind R. Stewart, General Manager, High Point ABC Board

Appendix A. The full text of every comment, and every document submitted with or as a comment, is reproduced in the companion document Written Comments and Submitted Documents. The public comment period remains open through the August 12 Commission meeting; this appendix, the companion document, and the analysis will be updated to reflect comments received after August 3, 2026. Industry comment is tabulated separately at Appendix F-1 and reproduced at Written Comments § K.2.

Appendix B — Experts and Officials Engaged in the Study

Name	Affiliation / role	Contribution
Marissa B. Esser, PhD, MPH	Principal Consultant and Founder, Esser Public Health Consulting, LLC	Written expert comments on minimum pricing and MUP; effectiveness evidence
Pamela J. Trangenstein, PhD, MPH	Alcohol Research Group	Methodology, European modeling, and market-impact input
William C. Kerr, PhD	Alcohol Research Group — Senior Scientist	Minimum-pricing methodology and evidence
Melissa Cox, PhD	UNC Gillings School of Global Public Health	WHO and business-impact evidence on minimum pricing
Samantha Luu, MPH	Campus & Community Coalition (Chapel Hill)	MUP vs. general minimum pricing; local-data analysis; public comment
Mark Avent, Business Services Deputy Director; Leisa Bertram, Distilled Spirits Director	Oregon Liquor & Cannabis Commission	Oregon floor-pricing methodology, data, and market experience
Tony Faraca, Chief Deputy Director, CFO	Idaho State Liquor Division	Idaho floor-pricing structure and observed effects
Louis Luchini, Director	Maine Bureau of Alcoholic Beverages and Lottery Operations	Maine floor-pricing approach, observed market and industry effects, responses to common/shared policy objections
Neil Graff, COO	Alabama ABC Board	July 14, meeting
Mary Beth Cox; Grace Carnow	North Carolina DHHS Substance Use Epidemiologists Division of Public Health, Injury and Violence Prevention Branch	State public-health data, equity input, and coordination
Kelly Teague	Impact Carolina	Stakeholder and focus-group outreach
Sara Howe, CEO	Addiction Professionals of NC (APNC); NC Alliance for Health	Written comments supporting an evidence-based floor

Appendix B. Comparator-state officials responded to information requests; the alcohol-policy researchers provided expert consultation. Written expert comments are retained in the study file.

Appendix C — Relevant Articles and Studies

Bertin L, Leung G, Bohm MK, LeClercq J, Skillen EL, Esser MB. Estimating the effects of hypothetical alcohol minimum unit pricing policies on alcohol use and deaths: a state example. J Stud Alcohol Drugs. 2024;85(1):120–132.

Wyper GMA, Mackay DF, Fraser C, et al. Evaluating the impact of alcohol minimum unit pricing on deaths and hospitalisations in Scotland: a controlled interrupted time series study. Lancet. 2023;401(10385):1361–1370.

Gammon DG, McKeithen MC, Gaber J, Esser MB, Leung G, Karriker-Jaffe KJ. Low-cost alcohol products account for a disproportionate share of privatized off-premises alcohol sales across 42 U.S. states. J Stud Alcohol Drugs. 2026;87(4):718–726.

LeClercq J, Bernard S, Mucciaccio F, Esser MB. Prospective analysis of minimum pricing policies to reduce excessive alcohol use and related harms in U.S. states. J Stud Alcohol Drugs. 2021;82(6):710–719.

Boniface S, Scannell JW, Marlow S. Evidence for the effectiveness of minimum pricing of alcohol: a systematic review and assessment using the Bradford Hill criteria for causality. BMJ Open. 2017;7(5):e013497.

Maharaj T, Angus C, Fitzgerald N, et al. Impact of minimum unit pricing on alcohol-related hospital outcomes: systematic review. BMJ Open. 2023;13(2):e065220.

Sherk A, Stockwell T, Callaghan RC. The effect on emergency department visits of raised alcohol minimum prices in Saskatchewan, Canada. Drug Alcohol Rev. 2018;37 Suppl 1:S357–S365.

Zhao J, Stockwell T. The impacts of minimum alcohol pricing on alcohol-attributable morbidity in regions of British Columbia with low, medium and high mean family income. Addiction. 2017;112(11):1942–1951.

Giles L, Mackay D, Richardson E, et al. Evaluating the impact of minimum unit pricing on alcohol sales after 3 years of implementation in Scotland. Addiction. 2024;119(8):1378–1386.

Clay JM, Farkouh EK, Stockwell T, Thomas G, Johnston K, Naimi TS. The impact of alcohol minimum pricing policies on vulnerable populations and health equity: a rapid review. International Journal of Drug Policy. 2025;145:105014.

Holmes J, Morris D, Gillespie D, et al. Public health impacts of increasing the minimum unit price for alcohol in Scotland: a model-based appraisal. PLoS Med. 2026;23(1):e1004792.

Angus C, Holmes J, Meier PS, et al. Sheffield Alcohol Policy Model — Scottish minimum unit pricing appraisals (2016).

Frontier Economics. Minimum Unit Pricing of Alcohol — evaluation of business/economic effects (2019); Stead M, et al. Retailer views on minimum unit pricing (2020).

World Health Organization Regional Office for Europe. No place for cheap alcohol: the potential value of minimum pricing for protecting lives (2022).

Gora Combs K, Fliss MD, Knuth KB, Cox ME, Trangenstein PJ. The societal cost of excessive drinking in North Carolina, 2017. N C Med J. 2022;83(3):214–220.

Esser MB, Sherk A, Liu Y, Naimi TS. Deaths from excessive alcohol use — United States, 2016–2021. MMWR. 2024;73(8):154–161.

Comparator schedules: Oregon Liquor & Cannabis Commission distilled-spirits floor pricing (2021); Idaho State Liquor Division floor price schedule (eff. Mar. 1, 2026); Alabama ABC pricing floor (2026); Maine Bureau of Alcoholic Beverages and Lottery Operations, Report on the Retail Prices of Spirits Sold in Maine, submitted to the Joint Standing Committee on Veterans and Legal Affairs pursuant to P.L. 2023, ch. 632, § 1 (Feb. 15, 2026), with appendices.

Accompanying materials: Comparator State Experiences — Overviews, Lessons Learned, and Source Documents (companion document); Written Comments and Submitted Documents (companion document); NC Full-Portfolio Base Pricing Screen (spreadsheet); Analysis of Public Comment; Public Comment Log; Legal Authority Analysis (Section III); Oregon Experience report section.

Appendix D — Affected Products (Proposed Schedule)

The full-portfolio screen identifies 97 products (with complete price data) that price below the proposed schedule and would be affected. They are listed below with producer, container size, current retail price, the applicable baseline (floor) price, and the increase required to comply. Category is a staff reconstruction pending the Commission's authoritative coding; figures are from the full-portfolio screen. This is the corrected list. It supersedes the 82-product list carried in earlier drafts of this report, which omitted sixteen products the brand-and-keyword categorization had been unable to test and included one that had been matched to the wrong category; the correction is explained at Section IV.A.

Product	Producer	Size	Current $	Floor $	Increase $
Early Times PET	Sazerac Co.	200ML	$3.00	$3.95	$0.95
Paul Masson Grande Amber VSOP	Sazerac Co.	1.75L	$17.95	$19.95	$2.00
Paul Masson Grande Amber	Sazerac Co.	1.75L	$17.95	$19.95	$2.00
Paul Masson Grande Amber VSOP	Sazerac Co.	.375L	$4.95	$5.95	$1.00
Paul Masson Grande Amber	Sazerac Co.	.375L	$4.95	$5.95	$1.00
Paul Masson Mango Grande Amber	Sazerac Co.	.375L	$4.95	$5.95	$1.00
Paul Masson Peach Grande Amber	Sazerac Co.	.375L	$4.95	$5.95	$1.00
Paul Masson Apple Grande Amber	Sazerac Co.	.375L	$4.95	$5.95	$1.00
Christian Brothers VS PET	Heaven Hill	200ML	$3.50	$3.95	$0.45
Mohawk Apricot Brandy	Heaven Hill	.75L	$8.55	$8.95	$0.40
Christian Brothers	Heaven Hill	.375L	$5.75	$5.95	$0.20
Canadian Lake	Sazerac Co.	1.75L	$14.95	$16.95	$2.00
Canadian Hunter	Sazerac Co.	200ML	$2.85	$3.95	$1.10
Canadian Hunter (PET)	Sazerac Co.	.75L	$7.95	$8.95	$1.00
Canadian Hunter	Sazerac Co.	.75L	$7.95	$8.95	$1.00
Lord Calvert Canadian Signature	Luxco	.75L	$7.95	$8.95	$1.00
Lord Calvert Canadian TRV	Luxco	.75L	$7.95	$8.95	$1.00
Canadian Mist	Sazerac Co.	200ML	$3.20	$3.95	$0.75
Lord Calvert Canadian	Luxco	.375L	$4.45	$4.95	$0.50
Rich & Rare Canadian	Sazerac Co.	.375L	$4.75	$4.95	$0.20
Azteca Triple Sec	Luxco	1.75L	$10.45	$11.95	$1.50
Mr. Boston Triple Sec	Sazerac Co.	.75L	$3.40	$4.45	$1.05
Montezuma Triple Sec	Sazerac Co.	.75L	$3.45	$4.45	$1.00
Mr. Boston Vodka	Sazerac Co.	1.75L	$11.45	$11.95	$0.50
Fireball Cinnamon Whisky	Sazerac Co.	50ML	$0.80	$0.95	$0.15
Kinky Pink Liqueur	Associated Brewing	100ML	$1.85	$1.95	$0.10
Kinky Blue Liqueur	Associated Brewing	100ML	$1.85	$1.95	$0.10
Aristocrat Supreme Gin	Heaven Hill	.75L	$6.45	$7.95	$1.50
Knottingham Gin	Benchmark Beverage Company	1.00L	$9.95	$10.95	$1.00
Margaritaville Triple Sec	Sazerac Co.	1.00L	$5.20	$6.45	$1.25
Chi Chi's Strawberry Marg	Sazerac Co.	1.75L	$10.35	$12.95	$2.60

-196 Lemon Tallboy	Beam Suntory	710ML	$4.95	$6.95	$2.00
-196 Strawberry Pineapple Tallboy	Beam Suntory	710ML	$4.95	$6.95	$2.00
-196 Strawberry Tallboy	Beam Suntory	710ML	$4.95	$6.95	$2.00
Chi Chi's White Russian	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Pina Colada	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Gold Marg	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Skinny Margarita	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Margarita	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Salvador's Strawberry Margarita	Luxco	1.75L	$10.95	$12.95	$2.00
Salvador's Original Margarita 26	Luxco	1.75L	$10.95	$12.95	$2.00
Chi Chi's Long Island Iced Tea	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Pineapple Margarita	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Mai Tai	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Ruby Red Margarita	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Peach Margarita	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
Chi Chi's Orange Cream	Sazerac Co.	1.75L	$10.95	$12.95	$2.00
High Noon Tequila Lime	E & J Gallo Winery	700ML	$5.45	$6.95	$1.50
High Noon Peach	E & J Gallo Winery	700ML	$5.45	$6.95	$1.50
High Noon Pineapple	E & J Gallo Winery	700ML	$5.45	$6.95	$1.50
High Noon Transfusion 6Pk	E & J Gallo Winery	2.13L	$14.95	$15.95	$1.00
Sasser Railyard Rum	Doodle Sasser Distilling	.75L	$4.95	$6.95	$2.00
Calypso Spiced Rum	Sazerac Co.	1.75L	$14.95	$15.95	$1.00
Conciere Envio Perdido Rum Silver	LeVecke Beverage Group	1.00L	$10.80	$10.95	$0.15
Conciere Santoro Tequila Silver	LeVecke Beverage Group	1.00L	$9.95	$13.45	$3.50
Dorado Gold Tequila	Sazerac Co.	.75L	$7.45	$10.95	$3.50
Mi Barrio Reposado Tequila	Benchmark Beverage Company	1.00L	$10.95	$13.45	$2.50
Mi Barrio Blanco Tequila	Benchmark Beverage Company	1.00L	$10.95	$13.45	$2.50
Torada Gold Tequila	Sazerac Co.	.75L	$9.25	$10.95	$1.70
Chica Chida Peanut Butter Agave Spirit	MHW/ Piermont Brands	50ML	$1.50	$1.95	$0.45
Taaka Vodka	Sazerac Co.	1.75L	$10.45	$11.95	$1.50
Aristocrat Supreme Vodka	Heaven Hill	.75L	$4.65	$5.95	$1.30
Taaka Vodka	Sazerac Co.	.75L	$4.65	$5.95	$1.30
Taaka Vodka 80P	Sazerac Co.	200ML	$1.45	$2.45	$1.00
The American Vodka	Heaven Hill	.75L	$4.95	$5.95	$1.00
Aristocrat Supreme Vodka Carry Pk	Heaven Hill	.75L	$4.95	$5.95	$1.00
Relska	Sazerac Co.	.75L	$4.95	$5.95	$1.00
Travelers Club Vodka 80	Sazerac Co.	.75L	$4.95	$5.95	$1.00
Don Cossack Light	M. S. Walker	1.75L	$10.95	$11.95	$1.00
Bowman's Light Vodka	Sazerac/ 375 Park Ave Spirits	1.75L	$11.35	$11.95	$0.60

Travelers Club Gin 80	Sazerac Co.	.75L	$5.45	$7.95	$2.50
Travelers Club Vodka 80	Sazerac Co.	1.75L	$11.45	$11.95	$0.50
Travelers Club Vodka 80	Sazerac Co.	.375L	$2.95	$3.45	$0.50
Skol Vodka	Sazerac Co.	1.00L	$8.00	$8.45	$0.45
Barton	Sazerac Co.	.75L	$5.65	$5.95	$0.30
Skol	Sazerac Co.	.375L	$3.25	$3.45	$0.20
Platinum 7X	Sazerac Co.	100ML	$1.75	$1.95	$0.20
Fleischmann's Gin	Sazerac Co.	50ML	$0.80	$0.85	$0.05
Seagram's Extra Smooth	Infinium Spirits	200ML	$3.25	$3.95	$0.70
NC G.O.A.T. Reaper Whiskey	Doodle Sasser Distilling	50ML	$0.45	$0.95	$0.50
Conciere Woodbank Blended Whiskey	LeVecke Beverage Group	1.00L	$11.65	$11.95	$0.30
Aristocrat Supreme 80 Blend	Heaven Hill	1.75L	$14.50	$15.95	$1.45
Ten High	Sazerac Co.	1.75L	$14.95	$15.95	$1.00
Ten High	Sazerac Co.	.75L	$6.95	$7.95	$1.00
Kentucky Gentleman	Sazerac Co.	.375L	$4.45	$4.95	$0.50
Aristocrat Supreme 80 Blend	Heaven Hill	.75L	$7.50	$7.95	$0.45
Sasser Spiked Lemonade 4Pk	Doodle Sasser Distilling	1.42L	$4.95	$8.95	$4.00
Montezuma Blue	Sazerac Co.	.75L	$7.45	$10.95	$3.50
El Toro Silver	Sazerac Co.	.75L	$7.95	$10.95	$3.00
Montezuma Teq White	Sazerac Co.	1.75L	$19.95	$22.95	$3.00
El Toro Gold	Sazerac Co.	.75L	$7.95	$10.95	$3.00
Montezuma Teq Gold	Sazerac Co.	1.75L	$19.95	$22.95	$3.00
Juarez Gold DSS	Luxco	.75L	$8.45	$10.95	$2.50
Aristocrat Supreme Teq White	Heaven Hill	.75L	$9.95	$10.95	$1.00
Aristocrat Supreme Teq Gold	Heaven Hill	.75L	$9.95	$10.95	$1.00
Mi Cosecha Gold	Hexa Partners	1.75L	$22.45	$22.95	$0.50
Bowman's Virginia	Sazerac/ 375 Park Ave Spirits	1.75L	$10.95	$11.95	$1.00

Appendix E — Record of Consultations

The Commission staff consulted public-health researchers, State public-health officials, and comparator-state liquor authorities during the study. The log below records the date, participants, and subject of each consultation. Detailed working notes of these conversations are retained in the internal study file; deliberative, strategy, and pre-decisional discussions are not reproduced in this public report.

Date	Participants	Subject
July 2, 2026	Dr. Pamela Trangenstein (Alcohol Research Group)	Discuss issues & landscape, comparator states and countries, methodologies and modeling
July 14, 2026	Neil Graff, COO, Alabama ABC Board	Alabama experience with min base price floors
July 17, 2026	NC DPH epidemiologists — Mary Beth Cox, Grace Carnow (and staff)	Discuss issue & study charge, identify public health research and experts for outreach and consultation
July 23, 2026	NC DPH epidemiologists — Mary Beth Cox, Grace Carnow (and staff)	North Carolina alcohol-harm and societal-cost data; CDC methodology
July 27, 2026	Dr. Pamela Trangenstein (Alcohol Research Group)	Pricing methodology (category vs. per-unit), measurement, substitution risk, and legal route
July 27, 2026	Tony Faraca (Idaho State Liquor Division)	Idaho floor-pricing experience; on-premise magnitude, supplier dynamics, cross-border and revenue effects
July 28, 2026	Dr. Marissa Esser (Esser Public Health Consulting); Kelly Teague (Impact Carolina); Samantha Luu (Campus & Community Coalition)	Policy design, market impact, and public-health evidence; per-standard-drink measurement; August 12 participation
July 2026	Mark Avent; Leisa Bertram (Oregon Liquor & Cannabis Commission)	Oregon 2021 floor-pricing methodology, market impact, and enforcement (also via written responses and data)
August 2026	Louis Luchini, Director (Maine Bureau of Alcoholic Beverages and Lottery Operations)	Maine experience responding to similar claims, implementing system

Appendix F — Per-Standard-Drink Increase on Affected Products

At staff's request, Dr. Marissa Esser extended the full-portfolio screen to express each affected product's shortfall below the applicable minimum in price per standard drink — a standard drink being 0.6 fluid ounces (about 14 grams) of pure ethanol — computed from each product's alcohol content and container size. Her worked spreadsheet ("NC Full-Portfolio Screen with Per-Drink Costs") is retained in the study file. Because a small number of low-alcohol products in large containers produce very high per-standard-drink figures, the median and the distribution — not the mean — best represent the typical impact.

Summary statistics (97 affected products with a computable per-drink value)

Measure	Per-standard-drink increase
Median (typical product)	≈ \$0.10 (10 cents)
Middle half (25th–75th percentile)	≈ \$0.06 – \$0.18 (6–18 cents)
Mean (skewed upward by outliers)	≈ \$0.16 (16 cents)
Share increasing by ≤ 15 cents / drink	59%
Share increasing by ≤ 25 cents / drink	90%

Distribution of the per-standard-drink increase

Increase per standard drink	Number of affected products
Under 5 cents	21
5 – 10 cents	26
10 – 15 cents	10
15 – 20 cents	20
20 – 25 cents	10
25 – 50 cents	4
50 cents – \$1.00	6
Over \$1.00	0

Why the mean overstates the typical increase

The largest per-standard-drink figures come from low-alcohol ready-to-drink (RTD) products sold in large containers, where even a modest per-bottle increase divides across very few standard drinks. Examples: several 700–710 ml, 9–11-proof canned or ready-to-drink products compute to about \$0.85–\$0.91 per standard drink. Those few items pull the mean up to about 16 cents even though the median product rises by about 10 cents, and no affected product exceeds \$1.00 per standard drink. Setting the outliers aside, the typical affected spirit rises by roughly a dime per standard drink.

Appendix F-1 — Industry Comment and Staff Response

Industry participants are among the parties most directly affected by the proposed schedule, and their submissions belong in the record on the same footing as consumer and public-health comment. The responses below address the arguments as made; they are not legal positions and do not presuppose any Commission decision.

F-1.1 Industry comment received

Commenter	Position	Substance
Sazerac Company (with the NC Restaurant & Lodging Association), through counsel E. Hardy Lewis, Blanchard, Miller, Lewis & Isley — May 6 and May 13, 2026 letters; joint Memorandum of Law, July 28, 2026	Opposed	Two legal arguments — that the policy is an unadopted "rule" requiring APA rulemaking, and that it is ultra vires because Article 8 sets a closed list of price components — together with policy objections that North Carolina has no overconsumption problem, that a floor is ineffective, and that it unfairly burdens lower-income consumers. Requests that the Commission vote against adoption.
NC Restaurant & Lodging Association (joining the Sazerac memorandum, and through member correspondence)	Opposed	Cost burden on hospitality operators already absorbing higher labor, food, insurance, and utility costs; effects extending beyond bar service to catered events, weddings, conventions, and nonprofit functions.
Luxco (letter to Governor Stein, July 1, 2026)	Supportive of Commission authority	Supports the Commission's continued authority to establish and administer pricing policy for spirituous liquor, describing a statewide framework administered by the Commission as supporting consistency, accountability, and orderly operation across local boards. Expressly declines to advocate for or against any specific pricing outcome or methodology.
David M. Ozgo, Advocacy Analytics LLC — "Review of NCABC's Rationale for Minimum Base Pricing," August 11, 2026, transmitted through counsel for Sazerac Company and the NC Restaurant & Lodging Association	Opposed	An economic critique of the staff study on eight grounds: that minimum base pricing is not minimum unit pricing and the two should not be conflated; that spirits are 36% of pure alcohol sold in the State, so a spirits-only floor leaves 64% of the market untouched; that the cited literature is of variable quality and the Michigan analysis is modelled rather than observed; that no public-health rationale supports pricing tequila 93% above vodka per standard drink; that a share of listings understates impact, the affected products accounting for 5.4% of State volume and about one-third of value-brand volume; that on-premise margins are near 2.8% and a 38% increase on a common well tequila cannot be absorbed; that Oregon lost volume and revenue after its floor, with leakage to border states; and that the policy's object is revenue. Addressed at F-1.3.
Hospitality operators (11 individual comments)	Opposed	Logged individually in the Public Comment Log and analyzed in the Analysis of Public Comment. Ten share substantially identical language and several copy the NCRLA.

Table F-1. Industry comment received as of August 11, 2026.

F-1.2 Response to the legal arguments

The Sazerac/NCRLA memorandum advances two legal arguments. Its ultra vires argument is directed at a category-markup pricing theory described in earlier correspondence, which this report does not recommend; the recommended ground is the brand-listing authority, which operates outside the Article 8 pricing formula.

Assertion	Staff response
The policy is a "rule" under G.S. 150B-2(8a) and is invalid without Register publication, hearing, and comment.	G.S. 150B-1(d)(32) exempts the Commission's approval of alcoholic beverages to be sold in local ABC stores from rulemaking, and a listing standard exercises that approval function. The memorandum itself cites the exemption. Two further points support the conclusion without carrying it: G.S. 150B-2(8a)e.2 excludes from the definition of a rule statements of agency policy made in the context of another proceeding, including orders establishing or fixing rates or tariffs, on which the Commission's pricing actions have long proceeded; and within G.S. 18B-203(a) the General Assembly directed rulemaking for two functions only, using operational language for pricing, listing, store approvals, and bailment charges. Staff does not represent the question as settled: no North Carolina appellate decision addresses whether a listing standard defined by price is a rule. A citation correction belongs in the record — the memorandum cites the product-approval exemption as G.S. 150B-1(d)(31); subsection (d)(31) concerns a Retirement System pension supplement, and the correct citation is (d)(32).
The policy is ultra vires because Article 8 enumerates a closed list of price components and does not authorize a minimum price.	The argument has force against a theory that inserts a Commission-set minimum into the G.S. 18B-804(b) formula. It does not reach a listing standard. Under G.S. 18B-203(a)(5) the Commission determines what brands may be sold in the State, and under G.S. 18B-800(c) no ABC store may sell an unapproved beverage. A product's uniform price is computed under 18B-804(b) exactly as written; the Commission adds and alters nothing in the formula. What the standard governs is whether a product is listed.
The policy operates by indirection — a listing condition defined by price is a pricing action in substance.	The price floors proposed fall among the Commission's broader listing criteria alongside product movement, category redundancy, system capacity and others; it applies prospectively at the listing cycle; it is administered with a working variance mechanism; and the supplier certifies a compliant price and sets that price itself.
The March 13, 2026 letter was a unilateral act of the Chairman with no legal effect.	Correct as to the letter standing alone. The Commission is constituted as a three-member body under G.S. 18B-200, and the pricing and listing powers are conferred on the Commission under G.S. 18B-203(a)(3) and (a)(5).
Listed products at sub-minimum prices have vested commercial interests that cannot be disrupted without process.	Staff is aware of no authority establishing a vested right to continued listing at a particular price. Listing has always been subject to Commission determination. Suppliers received notice on March 13, 2026, and any adoption would apply prospectively at the listing cycle with outstanding purchase orders honored.
Minimum pricing burdens interstate commerce.	The schedule is origin-neutral and applies to all producers alike. Section 2 of the Twenty-first Amendment affords the States broad authority over alcohol sales within their borders, and the State acts here as the exclusive purchaser and retailer within its own system.
North Carolina has no overconsumption problem; a floor is ineffective; a floor unfairly burdens lower-income consumers.	These are policy contentions rather than legal ones and are addressed on the evidence in Section III and Section IV.E. Staff notes candidly that the strength of the response to the first two depends on North Carolina–specific consumption and outcome data the report does not yet contain — see Section IV.A, which

	reports flat aggregate volume with 66 of the Top 100 products declining.

Table F-2. Assertions in the Sazerac/NCRLA submissions and staff responses.

F-1.3 Response to the economic analysis

Staff is grateful for this submission. It is a serious piece of economic analysis, prepared by an economist with two decades of experience advising on control-state mark-up and taxation, and it engages the study on its merits rather than at the level of position. Several of its criticisms are well founded, and staff acknowledges the benefit of additional study. Its central conclusion — that a floor should not be implemented on the evidence presently available — is materially the course staff recommends at Section VII, and the specific questions the submission raises are among the reasons for that recommendation.

Points staff accepts. Minimum base pricing is not minimum unit pricing, and the two should not be conflated. The submission is right that MUP is expressed per unit of ethanol and applies across beverage types, and right that this report's reliance on the MUP literature has to be read with that difference in view. Table III-1 records that per-standard-drink designs carry the strongest evidence base, and the experts staff consulted made the same criticism, which staff recorded as substantive rather than as a refinement (Appendices G.2 and G.3). The submission is also right that distilled spirits are a minority of the pure alcohol sold in this State, so a spirits-only floor cannot function as a population-wide minimum unit price; staff adds only that the Commission's pricing authority under G.S. 18B-203(a)(3) does not reach beer or unfortified wine, so this is a limit of jurisdiction as well as of design. The Michigan analysis is a modelling study and this report describes it as one. And the per-standard-drink differentials between categories are correctly calculated: at 80 proof in a 1.75 L container the schedule implies about $0.30 per standard drink for vodka against $0.58 for tequila, this differential is largely a product of category price trends, to recognize existing price groupings between product categories. It is a valid design question, identified independently by the submission, by the public-health experts consulted and by the General Manager of the High Point ABC Board, and it is addressed at Section IV.E.

Points staff accepts and cannot answer on the present record. The submission is right that a share of listings is not a share of impact. The report counts products because product-level filings are what the Commission holds, and it states in terms that twelve-month volume is available for only eleven of the 97 affected products. The submission puts the affected volume at 5.4% of State volume and about one-third of value-brand volume. Staff cannot verify those figures from the study file and does not dispute them; they are directionally consistent with what the Commission does hold, the eleven products with volume accounting for 297,922 nine-liter cases on their own. Staff has asked for the underlying extract and would carry the figures in a supplemental report if they are confirmed. Staff likewise accepts that a per-drink figure spread across a bottle does not describe an operator's margin, that the on-premise mark-up covers premises, staff and service rather than the liquid alone, and that this report does not assess the financial condition of North Carolina restaurants and bars — Section IV.B says so. These are the two questions on which the submission most clearly improves the record, and staff is not in a position to answer either today.

A point on which staff reads the data differently, and proposes to test. The submission attributes to Oregon's floor an annual volume decline of 2.3% against 0.6% for other control states. Staff reads the same table as showing Oregon underperforming the other control states by roughly 0.9 percentage points a year in the four years before the floor was adopted, which would put the incremental widening after 2021 nearer 0.8 points a year, unadjusted for the reversion from pandemic-elevated 2020 and 2021 volumes common to every control state. Staff notes for completeness that Oregon's floor took effect on October 1, 2021 rather than in July, and reached 112 items that OLCC confirms have not been repriced since. Staff does not offer this as a refutation. The submission has produced the only volume-based challenge to the comparator this report relies on most heavily, and it deserves to be resolved rather than argued. Staff has requested the underlying series and will put the analysis to the Oregon Liquor and Cannabis Commission for comment. If it holds, it bears directly on the weight this report gives Oregon and staff will report that to the Commission.

On the contention that the object of the policy is revenue, it is true that revenue stability and growth is one of the two main policy goals of the proposed approach. The Chairman's letter of March 13, 2026 frames the object as balancing public health with profits and revenues for the local boards; Section IV.C is written as "The revenue objective" and treats it as co-equal with public health; and G.S. 18B-805 directs where an increase in board margin goes — local law enforcement, the treatment of and education about alcohol and substance abuse, and the general funds of the counties and municipalities the boards serve. On the related point that the Commission is obliged to serve all customers fairly, staff agrees the obligation exists, notes that the schedule is origin-neutral and prohibits no product, and records that the distributional evidence is genuinely contested and set out on both sides at Section IV.E.

What staff will do with this submission. The analysis is exactly the kind of work the North Carolina–specific study directed by Recommendation 1 is intended to produce, and staff proposes to take up each of its questions in that study rather than leave them answered by assertion. Specifically, staff will: obtain a locked, all-SKU twelve-month volume extract and report the reach of any schedule in volume as well as in listings, so that the 5.4% and value-brand figures can be tested and, if confirmed, adopted; model cross-price elasticity between spirit categories as well as between beverage types, which is the mechanism the submission and the Commission's own consultants both identify; obtain the Oregon control-state series and put the comparison to OLCC; assess the on-premise channel, including the effect on identifiable customer segments and on operators for whom a single affected category is a large share of purchases; and examine whether category differentials can be justified on public-health grounds or should be expressed per standard drink. Staff invites Advocacy Analytics and the parties it acts for to supply the underlying data behind the volume and cross-border figures, and to continue to participate as that work proceeds. The comment record remains open, and the supplemental record will be stronger for submissions of this quality.

Appendix G — Consultations with Comparator States and Subject-Matter Experts

What outside experts and comparator-state officials told staff, including where their advice questions the design under consideration. Consultations are summarized from staff notes of the calls identified; written submissions from these participants are reproduced in full at Comparator State Experiences § J.8.

G.1 Idaho State Liquor Division — call of July 27, 2026

Idaho has operated floor pricing for many years. Its staff offered the following, which staff regards as the most directly useful operational account received to date:

— Market structure at the floor. Idaho staff stated that vodka occupies Idaho's lowest floor and that a single value-segment supplier accounts for roughly 80% of Idaho's floor vodka volume. They further stated that other suppliers have formally asked Idaho to raise its floor because they cannot compete at that level; that one small Oregon-based supplier raised its price by a dollar, lost enough volume that it reversed the increase; and that two other suppliers have moved off the floor to $7.99 in recent years. These are oral statements recorded in staff's notes of the call. Staff has not independently verified the market-share figure and does not rely on it for any finding in this report.

— Who benefits from a higher floor. Idaho staff observed that a floor increase does not disadvantage the low-price leader; that supplier retains the cheapest product and earns a wider margin on it. Mid-tier suppliers such as Diageo and Pernod would likely welcome a floor that narrows the gap to premium. Organized opposition is concentrated in a single value-segment supplier.

— On-premise magnitude. A $1.00 increase on a 750 ml bottle works out to roughly six cents per cocktail at about sixteen pours per bottle. Bar spirit margins have widened over time — a cost-to-price ratio that has moved from about 4:1 to about 6:1 — and establishments have absorbed increases of this size without menu disruption.

— Cross-border effects run both ways. Idaho staff observed an influx of price-sensitive shoppers crossing the border after Oregon's floor took effect, witnessed directly at a store in Payette across the river from an Oregon outlet. This is relevant evidence for North Carolina's border regions and cuts against the assumption that a floor is border-neutral. Staff correction: ISLD attributed the inflow to Oregon "raising all floor prices by roughly 16%" after 2021. OLCC has since confirmed in writing that it "has not adjusted the floor price since it was established in 2021," and cautions that supplier-driven retail price movements are frequently mistaken for floor increases. The ~16% figure corresponds to the 16.3% average retail increase on the 112 items repriced at implementation in 2021 (12.9% in OLCC's retail-agents analysis). The observation is therefore best understood as following Oregon's 2021 implementation. See Comparator State Experiences § J.1 and Exhibit J-3.

— Design in hindsight. Idaho's own schedule is inconsistent across categories and proofs, and its staff described it as illogical in retrospect; given the chance they would standardize on a single price point for simplicity. North Carolina should weigh this against a category-differentiated design.

— Revenue. Idaho staff estimated the revenue upside for a state the size of North Carolina in the low tens of millions annually.

G.2 Dr. Pamela Trangenstein — call of July 27, 2026

Dr. Trangenstein's input is partly supportive of proceeding and partly critical of the schedule's design. Both are recorded here.

— On the level chosen. The proposed starting point is low — roughly half of Scotland's original minimum unit price — which aids political feasibility.

— On the method, a caution. International practice has moved toward a minimum unit price expressed per unit of ethanol, with roughly 40 cents per unit a recurring benchmark, because it targets cheap, high-strength products directly. A category-differentiated schedule of the kind proposed risks resting on a methodology that is less defensible without academic support. Staff regards this as a substantive criticism of the current design and not merely a refinement.

— On comparability. Michigan and North Carolina markets are likely comparable, based on prior CDC work — a point that supports giving Michigan evidence greater weight than more distant comparators.

— On industry revenue. Scotland's experience showed industry revenue broadly neutral despite price increases considerably larger than those proposed here.

— On substitution. Cross-product substitution is real but poorly understood. Beer-for-liquor substitution is documented; substitution within spirits is less clear, and current economic conditions make patterns harder to predict.

— On the legal route. A pricing-authority theory is likely to face litigation because minimum base pricing is not among the elements delineated in the statute. The listing authority is the less vulnerable path — a view consistent with the recommendation in Section V.

— On durability. More price bins are better for future measurement, with granularity at the bottom of the distribution mattering most; the floor should be indexed to the cost of living and revisited on a stated cycle by recorded Commission vote rather than unilateral action.

G.3 Dr. Marissa Esser, Kelly Teague, and Samantha Luu — call of July 28, 2026

— Characterization of the policy. Dr. Esser described the schedule as effectively a category-specific minimum unit price, comparable to jurisdictions that set separate minimums for beer, wine, and spirits.

— Principal recommendation. Floors should be expressed per standard drink — 0.6 fl oz of pure ethanol, computed from ABV and container size — rather than per container. A per-container floor invites substitution into larger bottle sizes of the same product. Iowa's model workbook was offered as a template. This recommendation is not yet reflected in the schedule under consideration.

— A cautionary comparator, and why. Oregon's 2021 change was described as cautionary — ad hoc arrangements with industry and no measurable public-health impact. Staff reports this because it qualifies the weight the report places on Oregon, and because the lesson is about execution rather than about floor pricing as such: Oregon demonstrated that a floor can be adopted without harming licensees, but neither set it at a level nor measured it in a way that could show a health benefit. North Carolina's aim should be to capture the benefit Oregon did not, while preserving the absence of business harm Oregon did achieve.

— Data gaps. Cross-price elasticity is the central unknown: raising spirits prices may shift consumption to beer and wine, over which the Commission holds no sales data. Nielsen retail scanner data exists but is expensive to license. The recommended course is to write a future comprehensive analysis into the report rather than to claim precision now.

— On the opposition record. Participants stated that template opposition letters were circulated to hospitality members and that, in their view, some responding establishments would not be reached by the schedule. Staff has not verified whether any particular commenting establishment purchases affected products, and this report does not discount any comment on that basis. Participants also stated their understanding that suppliers other than the principal objector are supportive or not opposed. Staff has not canvassed suppliers and does not adopt that characterization.

— On burden. Participants placed the economic burden of excessive alcohol use in North Carolina at $7–13 billion annually, estimating toward the upper end of that range, with more than half of the burden borne by someone other than the drinker. A single-county estimate for Orange County was $111 million in one year. Staff notes that this range is anchored on the 2017 data year and sits below the NC DPH figure for 2024 used elsewhere in this report; see G.5.

G.4 NC Division of Public Health epidemiologists — call of July 23, 2026

— DPH presented death rates by race and ethnicity for acute (injury) and chronic causes through 2024, and societal cost estimates in the region of $14 billion decomposed into years of potential life lost, criminal justice costs, and medical costs, with South Carolina as a comparison. The methodology follows CDC frameworks.

— DPH identified the same central limitation staff has noted: making the evidence specific to North Carolina. Custom analyses are possible but require lead time.

G.5 The societal-cost figure — sources and data years

This report cites approximately $14.6 billion — the figure published by the NC Division of Public Health for the 2024 data year, prepared using CDC methodology and covering lost productivity, health care, criminal-justice and motor-vehicle costs. (2024, NC DPH, CDC methodology)

G.6 Comparator-state consultation requests — status

Jurisdiction	Request sent	Status
Oregon Liquor and Cannabis Commission	July 13, 2026 — detailed eight-question request (set out at Comparator State Experiences § J.0) covering on-premise share below the floor, menu price effects, licensee volumes and closures, association-documented harm, substitution and out-of-stocks, revenue and cross-border shifting, transition accommodations, and which predicted harms materialized	Answered. OLCC (Mark Avent, Business Services Deputy Director) responded in writing to all eight questions on July 27, 2026, and supplied its implementation memorandum, item-level floor-price file, retail-agents financial analysis, and 2021 overview materials; follow-up correspondence ran through July 31, 2026. Reproduced at Comparator State Experiences, Exhibits J-1 to J-7, and summarised at § J.1 of that document. Outstanding from OLCC: actual post-implementation revenue and volume

		figures, which its data analyst may be able to supply after August 10.
Alabama ABC Board	July 13, 2026 — the same eight questions (Comparator State Experiences § J.0) plus a ninth on how Alabama defines categories and pricing tiers and aligns minimums across package sizes	Virtual meeting July 13. Alabama's category-and-size design is the closest structural analogue to the proposed schedule, making its methodology directly relevant to the design criticism at G.2.
Idaho State Liquor Division	July 13 and 21, 2026	Call held July 27, 2026. Summarized at G.1.
Maine Bureau of Alcoholic Beverages and Lottery Operations (BABLO)	August 10, 2026.	August 10 conversation with BABLO Director Louis Luchini BABLO's report to the Joint Standing Committee on Veterans and Legal Affairs of February 15, 2026 — with its appendices, comprising the January 2023 pricing primer and the written comments of the Maine CDC, Diageo, and Sazerac — is a public document and addresses many of the same issues raised in this instance. It is summarized at Comparator State Experiences § J.7 and reproduced in relevant part at Exhibits J-17 to J-19 of that document.

Table G-1. Comparator-state consultation requests and status as of August 3, 2026. Documents received from consulted jurisdictions are reproduced at Comparator State Experiences § J.8.

Maine. Maine's minimum profit threshold reaches the same products a floor reaches, and Maine had just completed — on a statutory timetable, at the insistence of the company principally opposing this policy — the closest thing in the record to a full adversarial hearing on the arguments now before this Commission. Conversation with BABLO Director Louis Luchini took place August 10 and their report documenting that process is included in the study files.

Appendix H — Minimum Base Pricing Policy for Spirituous Liquor (Proposed)

The policy the Commission has been asked to consider is reproduced below in full. It is the operative instrument for the August 12 vote; the schedule it incorporates appears at Section II and Appendix D of this report.

NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION

Minimum Base Pricing Policy for Spirituous Liquor

For action: Consideration and adoption by recorded vote of the Commission at a duly noticed open meeting.

Effective date: Prospective, as fixed by the Commission upon adoption.

Section 1. Purpose and Findings

The purpose of this Policy is to state publicly, as an explicit listing criterion, the minimum base prices that apply to the lowest-priced spirituous liquor sold through North Carolina ABC stores, in order to serve two objectives of equal standing: first, to reduce the availability of cheap, high-strength alcohol and the overconsumption and harm it causes; and second, to strengthen the profits and revenues that local ABC boards return, under G.S. 18B-805, to law enforcement, to the treatment of and education about alcohol and substance abuse, and to the general funds of the counties and municipalities they serve — while preserving broad consumer access to the full range of spirits and maintaining statewide pricing uniformity. These objectives are the two halves of the balance Chapter 18B strikes: a system of control to be construed to limit rather than expand commerce in alcoholic beverages, G.S. 18B-100, administered through a pricing authority exercised as provided in Article 8, G.S. 18B-203(a)(3), whose proceeds are dedicated by statute to public purposes.

In adopting this Policy, the Commission finds:

- North Carolina records more than 5,600 alcohol-attributable deaths and over 68,000 alcohol-related emergency department visits each year, with a total societal cost estimated at approximately $14.6 billion in 2024 — the majority of which is borne by persons and entities other than the drinker.

- Raising the price of the cheapest, highest-strength products is among the most robustly supported public-health interventions; very low-priced spirits drive overconsumption and disproportionately harm heavy drinkers, lower-income drinkers, and youth.

- The schedule affects only 1.3%–1.8% of the products available in the State — 97 confirmed of 7,333 listed and special-order filings, of which 5,453 could be tested against the schedule — consisting of the most severely underpriced items in each category; no fewer than about 98% of products are unaffected. Expressed per standard drink, the typical affected product rises by about 10 cents.

- Each category's minimum base price is calibrated to that category's existing price grouping and set below the price at which the large majority of the category's products already sell, so the floor binds only on the narrow band of most severely underpriced products.

- Because the uniform State price continues to be computed under G.S. 18B-804(b) without alteration of any component, a minimum base price applied at listing raises the price on which local board margin and State receipts are computed. Staff modeling projects an increase in local board revenue of approximately $2.0 million annually on the value-tier products examined, a figure that is likely understated because it captures 25 of 41 targeted items and holds volume constant. Revenue to the local boards is a stated purpose of this Policy and not an incidental effect of it, and the Commission adopts this Policy on the understanding that the two purposes are to be pursued together and reported on together.

Section 2. Legal Basis and Nature of the Policy

This Policy is adopted under the Commission's authority to determine what brands of alcoholic beverages may be sold in this State (G.S. 18B-203(a)(5)) and to approve products for sale (G.S. 18B-800(c)), together with the Commission's implied and incidental powers (G.S. 18B-203(b)), construed under G.S. 18B-100 to limit rather than expand alcohol commerce.

This Policy is a listing standard, not a price-setting action. The Commission sets no product price; each supplier sets its own price. The minimum base prices operate as criteria for listing and continued listing: a product is approved for sale only if its uniform State price — computed under G.S. 18B-804(b) — equals or exceeds the applicable minimum base price. No component of the Article 8 price formula is added, altered, or waived.

The approval and listing of products for sale is expressly exempt from rulemaking under G.S. 150B-1(d)(32). As a procedural safeguard, the Commission may authorize staff to initiate rulemaking under Chapter 150B in parallel with adoption of this Policy.

This Policy does not create a new power or a new kind of listing criterion. Listing criteria are applied in the ordinary course of the Commission's operations and are largely a matter of internal guidance. The Commission adopts this Policy so that one such criterion — a minimum price for listing — is stated publicly and in advance, with the schedule and the rationale for it on the record, so that suppliers, local boards and the public can see the standard a product must meet and why it is set where it is, and so that the same standard is seen to apply to every producer alike.

Section 3. Definitions

- "Minimum base price" means the lowest permissible uniform State price for a spirituous liquor product within the applicable product category and container size for the product to be listed and sold, as set forth in Attachment A.
- "Uniform State price" means the retail price computed under G.S. 18B-804(b), without addition to or alteration of any component of that formula.
- "Listing" means the Commission's approval of a product for sale in North Carolina ABC stores, including approval as a regular (listed) item or by special order.
- "Product category" includes, at a minimum: Vodka, Scotch, Brandy/Cognac, Tequila, Rum, Gin, Canadian, Bourbon, Cordials/Liqueurs, Pre-Mixed/RTS, Whiskey, and Cans/Cocktails.
- "Container size" includes: 1.75L, 1.0L, 750ml, 700ml, 375ml, 355ml, 200ml, 100ml, 50ml, and any additional size designated by the Commission.
- "Pricing System" means the Commission's electronic system for submitting, reviewing, approving, and maintaining retail prices for listed spirituous liquor products.

• “SPA pricing” means a Special Price Allowance or other temporary or promotional reduction in a listed product’s retail price administered through the Pricing System.

Section 4. Minimum Base Prices as Conditions of Listing

The Commission establishes the minimum base prices set out in Exhibit A (Minimum Base Price Schedule), which is incorporated into this Policy by reference and applies by product category and container size.

A product is listed or relisted, and may be sold, only if its uniform State price equals or exceeds the applicable minimum base price. This threshold is one of the Commission’s listing criteria, applied together with the Commission’s other criteria (including product movement, category redundancy, system capacity, price and more), and is applied prospectively at the listing cycle. Where a product’s computed uniform State price would fall below the applicable minimum base price, the consequence is non-listing or delisting — not a Commission-dictated price.

Application conventions: all 700ml containers are subject to the 750ml minimum base price for the same product category; within the same brand family, no 1.0L container may be listed below the applicable 750ml minimum base price.

(c) Effect on listing. A price reduction under subsection (a) or (b) does not affect a product’s listing status and does not constitute a failure to meet the listing condition in Section 4. Upon expiration of the reduction, the product’s retail price shall return to a uniform State price at or above the applicable minimum base price.

(b) Special Price Allowance and promotional pricing. Nothing in this Policy limits SPA pricing or other promotional pricing administered through the Pricing System. An approved temporary retail price reduction may fall below the applicable minimum base price for the period the reduction is in effect, subject to the advance notice and duration requirements of G.S. 18B-211.

(a) Sales authorized under G.S. 18B-708. Nothing in this Policy limits the Commission’s authority under G.S. 18B-708 to authorize a local board, upon the board’s request, to sell spirituous liquor below the price paid by the board, including the bailment charge and surcharge. A price authorized under G.S. 18B-708 may fall below the applicable minimum base price. The verification, notice, and right-of-first-refusal provisions of G.S. 18B-708 apply without modification by this Policy.

This Policy establishes a condition of listing. It does not amend, limit, or override any other mechanism established by law or by Commission policy through which the retail price of a spirituous liquor product may be reduced. The minimum base price applies to a product’s uniform State price as computed under G.S. 18B-804(b) at listing or relisting; it does not apply to a temporary or separately authorized reduction from that listed price.

Section 4A. Relationship to Other Price-Reduction Mechanisms

Section 5. Supplier Certification and Variances

As a condition of listing or relisting, a supplier shall certify that the product’s submitted price meets or exceeds the applicable minimum base price. The Commission may decline to list, or may delist, a product that does not comply.

The Commission shall maintain a variance mechanism. For good cause shown — for example, a discontinued container size, a unique or low-volume specialty product, or a demonstrated data or classification error — a supplier may request a variance, which Commission staff may grant on a documented basis. All variances shall be recorded.

Section 6. Administration

Commission staff shall administer this Policy, maintain the official Minimum Base Price Schedule, provide implementation guidance to brokers, suppliers, and local ABC Boards, and may issue written guidance, FAQs, and technical bulletins consistent with this Policy without further Commission action.

Staff shall reject or correct noncompliant pricing submissions, configure the Pricing System to prevent noncompliant listing wherever practicable, and document in the record the category-price-grouping rationale supporting each figure in the schedule.

Section 7. Monitoring, Data Collection, and Review

The Commission commits to North Carolina–specific study to keep this Policy evidence-based against both of its stated purposes, including: applying the Commission's authoritative product-category coding to finalize the full-portfolio review; obtaining sales-volume data to estimate consumer-cost, local board, and State-revenue effects and to rerun the board revenue model against the finalized screen; modeling the distribution of the revenue effect across the local boards, with separate treatment of small and rural boards; own- and cross-price elasticity modeling of effects on total alcohol consumption across beverage types (including beer and wine substitution); and assessment of whether the schedule's reach and levels are sufficient to yield a measurable public-health benefit and a sustained revenue benefit.

The Commission shall review the schedule and this Policy on a stated cycle — for example, an annual assessment with formal reconsideration at three years, and consideration of indexing to the cost of living — with any amendment adopted by recorded Commission vote at a duly noticed open meeting.

Section 8. Adoption, Effective Date, and Transition

This Policy is adopted by recorded vote of the Commission at a duly noticed open meeting, on findings of fact, with the schedule (Exhibit A) incorporated by reference and staff responses to significant public comments entered in the record. Adoption on this basis clarifies the authority for the action and supersedes the Commission's March 13, 2026 notice letter.

This Policy takes effect on a prospective date fixed by the Commission upon adoption. Outstanding purchase orders shall be honored, and a pricing-submission window shall be provided before the effective date. Any listing whose price falls below the applicable minimum base price shall be brought into compliance on or before the effective date.

Section 9. Constitutional Framework

Section 2 of the Twenty-first Amendment affords the State broad authority to regulate the sale of alcohol within its borders to protect public health and promote temperance.

Section 10. Severability

If any provision of this Policy, or its application to any person or circumstance, is held invalid, the remaining provisions and applications shall continue in full force to the fullest extent permitted by law.

Section 11. Proposed Motion

"Move that the North Carolina Alcoholic Beverage Control Commission adopt the Minimum Base Pricing Policy for Spirituous Liquor, including the Minimum Base Price Schedule set out in Attachment A, under the Commission's authority to determine what brands may be sold (G.S. 18B-203(a)(5)) and to approve products for sale (G.S. 18B-800(c)); apply the schedule as a condition of listing effective on a prospective date fixed by the Commission; and direct staff to implement the Policy, to consider initiating parallel rulemaking under Chapter 150B, and to carry out the monitoring and review provided herein, with the study report and staff responses to public comment entered in the record."

Exhibit A — NC ABC Minimum Base Price Schedule

The Minimum Base Price Schedule adopted with this Policy is the NC ABC Base Pricing Schedule circulated on March 13, 2026, by product category and container size, incorporated into this Policy by reference. The full schedule appears at Section II of this report.

Pricing note: All 700ml containers are subject to the 750ml minimum base price for the same product category. Within the same brand family, no 1.0L container may be priced below the applicable 750ml minimum base price.

Comparator State Experiences

Overviews, Lessons Learned, and Source Documents

Companion document to the Minimum Base Pricing Staff Study Report

North Carolina Alcoholic Beverage Control Commission · August 2026

Cited in the staff study report as "Comparator State Experiences." Retained in the study file; section and exhibit numbering (J.1–J.8, Exhibits J-1 to J-19).

For each comparator jurisdiction examined in the study: a one-page overview of its experience with minimum pricing, staff's observations against the four areas of the Commission's June 10, 2026 charge, and the lessons drawn for North Carolina. Section J.8 reproduces the documents, letters, and spreadsheets behind each account, so the underlying record can be reviewed directly. The appendix consolidates material discussed at Section IV.D (Table IV-3), Appendix E, and Appendix G; where an account rests on oral statements or figures staff has not independently verified, that is noted. Email reproductions omit external-sender security banners, link-protection text, and signature images; content is otherwise as received. Originals are retained in the study file.

J.0 The information request put to the comparator states

On July 13, 2026 the study team sent the same information request to the Oregon Liquor and Cannabis Commission, the Idaho State Liquor Division and the Alabama ABC Board. The eight core questions were identical in each; Idaho and Alabama each received one additional question. The request is set out once here rather than reproduced three times, so that what follows is the comparator states' answers rather than the Commission's questions. The outgoing emails are retained in the study file.

The eight questions put to all three jurisdictions:

1. What share of spirits purchased by on-premise licensees fell below the floor? Were common well or house-pour brands affected, or primarily retail-channel products?

2. Did the agency observe or receive reports of menu price increases attributable to floor pricing?

3. What happened to on-premise licensee purchase volumes, hospitality employment, and restaurant openings against closures after implementation?

4. Did the state's restaurant and hospitality associations document member harm afterward, and how did that compare with the predictions made before implementation?

5. Did demand shift to products priced just above the floor, and did that cause out-of-stocks or supply bottlenecks? Did suppliers keep affected products in the market?

6. What were total spirits revenue and volume trends after implementation against projections? Did on-premise-related tax collections decline?

7. Was a transition period or accommodation provided for on-premise licensees, and was it needed in practice? What licensee complaints arose?

8. Of the harms industry opponents predicted before implementation, which materialised and which did not? What would the agency do differently?

Additional question to Idaho: what challenges arose during implementation, and what would you suggest to limit them?

Additional question to Alabama: how does Alabama define its product categories and pricing tiers, and what principle aligns the minimums across package sizes?

Each request also asked for a short call and for any non-public data the agency could share. Oregon answered all eight questions in writing on July 27, 2026 (Exhibit J-2). Idaho responded in writing on July 21 and by call on July 27 (Exhibits J-9, J-10). Alabama participated in a call on July 14 and Maine August 10.

J.1 Oregon — implemented floor, effective October 1, 2021

Overview. Oregon is the closest U.S. comparator: a control state that adopted a spirits floor in 2021 and has operated it for five years. The OLCC assigns each container size a minimum price per proof milliliter; that rate multiplied by a product's proof and container volume, rounded upward to end in $0.95, yields the minimum bottle price (Exhibit J-6). The published schedule spans eight proof tiers (60–190 proof) and seven container sizes (50 ml–1.75 L); the 80-proof 750 ml floor is $8.95 and all 50 ml containers floor at $1.50 (Exhibit J-4). OLCC adopted the floor as a permanent rule under ORS 471.745 (the Commission "shall fix the prices"), electing APA rulemaking as a procedural choice rather than a legal requirement. OLCC confirms in writing that it has not adjusted the floor since it was established in 2021 (Exhibit J-3); the schedule at Exhibit J-4 is therefore the operative schedule today, and Oregon's five-year record is the record of a single repricing event.

Public health (charge 1). OLCC grounded the floor publicly and internally in public-health and public-safety evidence, projecting a demand reduction of roughly half of one percent and citing the price–consumption literature and reduced underage access (Exhibits J-4, J-5). Oregon did not, however, build an evaluation framework around the change, and no measurable health benefit has been demonstrated — the central cautionary lesson discussed at Section IV.D and Appendix G.3.

Market and economic impact (charge 2). OLCC's written responses and analysis (Exhibits J-2, J-5) report: 112 SKUs repriced (about 132 in current correspondence; roughly 117 active on staff's review of the item-level file, Exhibit J-7), generally bottom-shelf items; increases usually about a dollar or less (average 12.9% in the retail-agents analysis; 16.3% in the 2021 overview deck); no reported menu-price increases; no closures or layoffs attributed to the floor; no delistings, out-of-stocks, or demand shifts; and a smooth transition. Hospitality complaints raised through ORLA were addressed at a commission meeting, and the floor passed unanimously (Exhibit J-3). OLCC projected $19.7 million in added biennium sales, $7.5 million to the General Fund, and $1.7 million in added agent compensation, and benchmarked its new floors as competitive with neighboring states (Exhibit J-5).

Legal authority (charge 3). Oregon implemented under its general price-setting mandate; no separate floor-pricing statute exists. The only significant objection came from a single supplier, which complied without delisting; no litigation followed. This supports the survey conclusion (Section V; Comparator States Authority Memo, June 8, 2026) that a general control-state pricing mandate is sufficient.

Implementation (charge 4). OLCC notified suppliers below the floor by July 1, 2021 and took re-quotes through August 15, 2021; its online pricing application rejects any price change or SPA submitted below the minimum at the point of entry; suppliers received a six-month transition including one extension of the go-live date (September 1 to October 1, 2021); no licensee transition was needed because on-premise accounts buy at state-store prices (Exhibit J-6). This is the same design contemplated for North Carolina's Pricing System.

Lessons for North Carolina. — A floor calibrated to the bottom shelf applies narrowly and supports this approach regardless of how the floor is derived. — Adopt with measurement: Oregon shows a floor can be implemented without business harm, but its absence of an evaluation framework is why it cannot show a health benefit; North Carolina should pair adoption with NC-specific measurement from the outset (§VII). — The notify-and-requote mechanism with a system-level block on below-floor submissions worked smoothly and maps onto the proposed NC implementation. — Treat OLCC's revenue projection as an upper bound; the elasticity it used (−0.014) is very conservative. — A clear, consistently delivered public-health rationale carried the policy through hospitality opposition to a unanimous vote. — A floor left unadjusted erodes: Oregon's levels have been fixed in nominal terms for five years while supplier prices moved continuously around them, which is the practical case for the indexing and stated review cycle recommended at §VII and Appendix G.2.

Oregon's floor has not moved since 2021. OLCC confirmed in writing on July 28, 2026 that "OLCC has not adjusted the floor price since it was established in 2021," and explained that its retail prices move continuously because suppliers submit FOB price changes to which OLCC applies its standard markup — supplier-driven movements frequently mistaken, including in online sources, for OLCC-initiated floor increases (Exhibit J-3). The figure sometimes cited as a roughly 16% increase corresponds to the 16.3% average retail increase on the 112 items repriced at implementation in 2021, reported in OLCC's overview deck (Exhibit J-4); OLCC's retail-agents analysis states the same average as 12.9% (Exhibit J-5). Two consequences follow for this report: Oregon's five-year no-harm record reflects a single, unrepeated repricing event rather than a sequence of increases, and Idaho's cross-border observation is properly read as following that 2021 implementation.

J.2 Idaho — long-standing floor; revised schedule effective March 1, 2026

Overview. Idaho has operated spirits floor pricing for decades — the program predates every current employee of the Idaho State Liquor Division, and ISLD reports that records of its original adoption are no longer available. The current schedule, effective March 1, 2026, sets floors for roughly 70 category codes, with proof breaks within categories, across seven container sizes, and a uniform $1.99 minimum on all 50 ml containers (Exhibit J-11). Idaho operates statewide uniform pricing under Idaho Code § 23-207(g) ("fix the sale prices, which shall be uniform throughout the state"); there is no separate floor-pricing statute and there has been no legal challenge.

Public health (charge 1). ISLD's written response states that higher prices on floor products "restrict inexpensive liquor products that might lead to excessive consumption" (Exhibit J-9). Idaho has not measured health outcomes attributable to its floor; because the program's introduction predates current staff, before/after evidence is unavailable.

Market and economic impact (charge 2). The July 27, 2026 consultation (App. G.1; Exhibit J-10) supplied the most operationally specific account in the record: vodka sits at Idaho's lowest floor, with a single value-segment supplier holding roughly 80% of floor vodka volume (an oral figure staff has not verified); other suppliers have formally asked Idaho to raise the floor because they cannot compete at that level; a $1.00 increase on a 750 ml bottle works out to about six cents per cocktail, and bar cost-to-price ratios have widened from roughly 4:1 to 6:1, so establishments have absorbed increases of this size without menu disruption. ISLD also reported a direct cross-border effect: an influx of price-sensitive Oregon shoppers observed firsthand at its Payette store after Oregon's floor took effect. ISLD tied this to a later across-the-board Oregon increase; OLCC states that no such adjustment occurred, so staff reads the observation as following the 2021 implementation (see the staff note at J.1). In ISLD's written view the floor enhances state revenue and protects smaller suppliers from being undercut, while narrowing the gap between the bottom shelf and higher tiers (Exhibit J-9).

Legal authority (charge 3). Idaho's floor rests on the same kind of general, uniform price-setting mandate North Carolina holds, and its March 2026 implementation confirms that floor pricing is compatible with a statutory uniformity requirement — directly relevant to G.S. 18B-804.

Implementation (charge 4). Idaho's schedule is inconsistent across categories and proof breaks; given a fresh start they might standardize on a single price point for simplicity. Statewide uniform pricing means the floor is administered identically at every store.

Lessons for North Carolina. — Design for simplicity and explainability; Idaho's own staff might not rebuild its category-and-proof approach, which counsels careful calibration (and documentation) of North Carolina's category-differentiated schedule. — A floor increase does not disadvantage the low-price leader, which keeps the cheapest product at a wider margin; organized opposition should be expected to concentrate in the value segment while mid-tier suppliers are receptive. — Cross-border effects run both ways and are real at the store level; border-region monitoring should be part of NC's measurement plan. — Document the policy's rationale and baseline data contemporaneously.

J.3 Alabama — implemented category-and-size floors (2026 schedule)

Overview. Alabama sets minimum prices by spirit category and container size — the closest structural analogue to the schedule proposed for North Carolina. Its 2026 floor schedule (Exhibit J-13) sets, for example, vodka at $7.99 (750 ml) / $14.49 (1.75 L), gin at $7.59 (750 ml), bourbon at $7.99 (750 ml), scotch at $20.99 (750 ml), and ready-to-drink products at $11.49 (750 ml) — the last point directly relevant to the Commission's pending premixed-cocktail questions. The ABC Board fixes prices under Ala. Code § 28-3-43(a)(5) and (a)(7); there is no separate minimum-pricing statute and no legal challenge is recorded.

Public health (charge 1). No Alabama health-outcome evidence is in the record; Table IV-3 reports these outcomes as not measured.

Market and economic impact (charge 2). Not yet obtained. Staff's July 13, 2026 request (Exhibit J-12) asked the same eight market-impact questions put to Oregon, plus a ninth on how Alabama defines its categories and tiers and aligns minimums across package sizes. A call with Alabama ABC staff was arranged for mid-July (Teams invitation of July 14, 2026, retained in the study file), but no substantive written response is recorded as of August 3 (Table G-1).

Legal authority (charge 3). Alabama's general price-fixing mandate — "[t]he price of all spiritous and vinous liquors dispensed by the board shall be fixed by the board" — is the closest statutory parallel to G.S. 18B-

203(a)(3), and Alabama implemented floors without separate legislation or formal rulemaking (Comparator States Authority Memo, June 8, 2026).

Implementation (charge 4). The schedule itself demonstrates a workable category-and-size design in current operation, including different floors for different spirit types within the same container size. Alabama's method for defining categories and calibrating tiers — the design question raised critically at Appendix G.2 — remains the single most valuable item Alabama could supply.

Lessons for North Carolina. — Alabama establishes that a category-differentiated, container-size floor schedule is not novel: a peer control state operates one today under authority materially identical to North Carolina's. — Its unanswered methodology question bears directly on the design criticism at H.2; obtaining Alabama's category definitions and calibration process should be treated as a priority follow-up. — Responsibility for the Alabama follow-up sat with interns whose term ended July 24 and should be reassigned before August 12.

J.4 Michigan — modeled evidence; no implemented floor

Overview. Michigan has not implemented a floor; its value to the study is a peer-reviewed CDC modeling analysis of hypothetical spirits minimum-unit-price policies in a U.S. control state (Bertin, Leung, Bohm, LeClercq, Skillen & Esser, J Stud Alcohol Drugs 2024; Exhibit J-14), using NABCA data on 9,747 spirits products. Dr. Trangenstein advised that the Michigan and North Carolina markets are likely comparable based on prior CDC work (App. G.2), which argues for giving this evidence greater weight than more distant comparators.

Public health (charge 1). The model estimates that raising the cheapest spirits to $0.40 per standard drink — affecting only 3.5% of spirits products — would reduce total per-capita alcohol consumption by 2.6% and prevent about 232 alcohol-attributable deaths per year (5.3%); a $0.45 floor would affect 8.0% of products, reduce consumption 3.9%, and prevent about 354 deaths (8.1%). The analysis accounts for substitution across beverage types using cross-price elasticities.

Market and economic impact (charge 2). The modeled footprint — a small single-digit share of products affected at the bottom of the price distribution — mirrors the North Carolina screen at Section II and Appendix D (1.3%–1.8% of listed and special-order filings). Business impact was not modeled; Table IV-3 reports it as not measured, and no implemented Michigan floor exists to observe.

Legal authority (charge 3) and implementation (charge 4). Not applicable — no policy has been adopted. The study's relevance is to magnitude and measurement design rather than to authority or administration.

Lessons for North Carolina. — The Michigan model supplies the best available U.S. estimate of the health benefit a well-calibrated spirits floor could deliver in a market like North Carolina's. — Its benchmarks are expressed per standard drink; expressing and monitoring North Carolina's category floors in per-standard-drink terms (as recommended at App. G.3 and §VII) is what will allow the Commission to compare its schedule against these modeled levels and against Oregon's implemented $0.45–$0.50 per drink. — The same modeling framework (the International Model of Alcohol Harms and Policies) is available for the North Carolina-specific analysis recommended in the report.

J.5 Scotland — minimum unit pricing, effective May 1, 2018; raised September 30, 2024

Overview. Scotland introduced a nationwide minimum unit price of 50 pence per unit of alcohol in May 2018, applying to all beverage types at retail. Following a statutory sunset provision, a full public-health evaluation, public consultation, and a business and regulatory impact assessment, the Scottish Parliament continued the policy and Ministers raised the level to 65 pence per unit effective September 30, 2024 (Exhibit J-15). Scotland's MUP rests on its own enabling legislation — a different legal basis from the control-state authority at issue here.

Public health (charge 1). The Public Health Scotland evaluation estimated that MUP reduced deaths wholly attributable to alcohol by 13.4% (about 156 deaths per year) and reduced such hospitalizations by 4.1%, with the largest reductions among men and residents of the 40% most deprived areas (Wyper et al., Lancet 2023); sales-based analyses show reduced consumption concentrated among the heaviest-purchasing households (Giles et al. 2024). Scottish Government modeling supporting the 65p uprating projected additional deaths averted and fewer hospital admissions, again concentrated in the most deprived groups (Exhibit J-15).

Market and economic impact (charge 2). Scotland's total alcohol-market value was projected to grow approximately 0.7% under MUP; no closures and no reductions in employment or investment were documented, and consulted experts reported industry revenue as broadly neutral despite price increases considerably larger than those proposed here (App. G.2; §IV.B; §IV.D).

Legal authority (charge 3). Scotland proceeded under dedicated national legislation. Its relevance to the Commission's authority analysis is limited; it is cited for outcomes, not for authority.

Implementation (charge 4). Scotland built evaluation into the policy from the outset (a statutory review and sunset), set the level by deliberate government action supported by published impact assessment, and uprated the level six years later by the same deliberate process. Retail compliance was high and administration straightforward because the rule is a simple per-unit formula applied at retail.

Lessons for North Carolina. — Comparability is direction, not magnitude: Scotland is a national, all-beverage, per-unit scheme at roughly twice the per-drink level proposed here (§IV.D), so staff uses it as evidence that floors reduce harm without business damage, not as a projection of NC-sized effects. — Build the evaluation before the policy takes effect; Scotland's ability to demonstrate a 13.4% mortality reduction — and to justify continuation to its legislature — flowed from a pre-committed measurement framework, the exact feature Oregon lacked. — Provide for periodic review and uprating by recorded Commission action; a floor that is never revisited erodes with inflation (§VII; App. G.2).

J.6 Canada — British Columbia and Saskatchewan minimum pricing

Overview. British Columbia and Saskatchewan operate long-standing minimum prices for alcohol, set per unit of ethanol rather than per container, and adjusted over time. The Canadian provinces supply the longest-running measured record of minimum-price changes in North America and are the source of much of the peer-reviewed literature on price floors (Appendix C).

Public health (charge 1). Minimum-price increases in the two provinces are associated with reductions in consumption and in alcohol-attributable hospitalizations and emergency department visits, with effects concentrated in lower-income areas: Zhao & Stockwell (Addiction 2017) for alcohol-attributable morbidity in British

Columbia, and Sherk, Stockwell & Callaghan (Drug Alcohol Rev 2018) for emergency department visits in Saskatchewan (Exhibit J-16).

Market and economic impact (charge 2). Provincial revenue held or rose as volume fell following minimum-price increases (Table IV-3) — consistent with the control-state arithmetic at Section IV.C, in which the markup is computed on the higher price stack.

Legal authority (charge 3). Canadian provincial liquor authorities operate under their own statutory regimes; as with Scotland, the Canadian record is cited for outcomes rather than authority.

Implementation (charge 4). The provinces price per unit of ethanol and index or revisit minimums periodically — the design international practice has converged on (App. G.2) and the measurement standard recommended for North Carolina's monitoring plan regardless of the schedule's category-and-size basis.

Lessons for North Carolina. — The Canadian record is the strongest evidence that the size of a minimum-price change matters: measured harm reductions followed increases in the minimum, supporting periodic review rather than a set-and-forget floor. — Effects concentrated in lower-income areas cut both ways and should be addressed candidly, as Section III does on the regressivity question (Clay et al. 2025). — As with Scotland, comparability is attenuated (different products, channels, and baseline prices); staff weights Canada for direction, not magnitude (§IV.D).

J.7 Maine — no published floor; a minimum profit threshold inside the pricing formula

Overview. Maine is a control state that has never adopted a published price floor and that nonetheless prices up the same band of products a floor would reach. BABLO controls wholesale distribution under 28-A M.R.S. § 90 — its contract vendor is Pine State Trading Company — and recommends retail prices to the State Liquor and Lottery Commission, which establishes them under 28-A M.R.S. § 81(5) and § 83-C(2). Unlike North Carolina's local-board stores, Maine's outlets are privately owned "agency liquor stores" licensed by the State; prices are uniform statewide. Since February 2016 retail price has been computed by formula: bottle cost multiplied by a category markup, plus the $1.25 per-proof-gallon premium tax, rounded up to end in.49 or.99 (or.29/.49/.79/.99 below 375 ml), with an 18% agency-store discount taken off retail to yield wholesale. Two devices inside that formula do the work a floor does. A value threshold triggers a higher "value" markup where the wholesale price falls below a size-specific level. A Minimum State Profit Threshold, effective October 1, 2017, then requires that wholesale price less bottle cost and premium tax meet a size-specific minimum; where it does not, retail is raised in 50-cent steps until it does. The effect is a floor that is computed rather than published (Exhibit J-17).

Why the review happened, and why that matters here. P.L. 2023, ch. 632 § 1 directed BABLO to review the retail prices of spirits and report to the State Liquor and Lottery Commission and the Joint Standing Committee on Veterans and Legal Affairs, biennially from October 2024. BABLO opposed the bill. The review exists because, at the committee chairman's direction, BABLO met with the Sazerac Company to identify areas of agreement, and the statute was the compromise that emerged from LD 2014 in the 131st Legislature. BABLO published notice on April 23, 2025, held a public hearing on May 16, 2025 with a remote option, closed comment on May 30, 2025, and reported on February 15, 2026. Four witnesses testified orally — Sazerac, Diageo, and two agency-store operators — and three parties filed written comments: Sazerac, Diageo, and the Maine Center for Disease Control and Prevention. The proceeding is the closest analogue in the comparator record to the one now before this Commission, and it was driven by the same company.

Public health (charge 1). No Maine outcome evidence exists; Table IV-3 reports consumption and harm as not measured. What the record contains is the Maine CDC's written comment, stating that decreased alcohol prices increase access, consumption, and related harms, that increased prices reduce misuse, and that minimum price policies are associated with reductions in alcohol-related illness, injury, and death — citing the Wagenaar meta-analysis, the Esser mortality estimates, CDC's minimum-pricing materials, and the Michigan modeling on which this report relies at § J.4 (Exhibit J-18). The significant fact is not the content but the use to which BABLO put it. The Bureau expressly relied on its state health agency's comments, together with a recent Surgeon General advisory, as a stated ground for declining to lower prices on 50 ml products. That is a peer control state treating public-health input as sufficient reason to hold a price level against industry pressure — the posture this Commission is being asked to take.

Market and economic impact (charge 2). BABLO reported FY24 transfers of $7,000,000 to the General Fund and $60,146,757 to the Highway Fund under 30-A M.R.S. § 6054(5), with agency-store profits estimated at $52,700,000. It quantified two figures this Commission has not: that a five-cent reduction in the 50 ml minimum profit threshold, from $0.75 to $0.70, would reduce State revenues by roughly $500,000; and that a 65% flat markup — the reform the objecting supplier sought — was estimated to cost the State over $22,000,000, with later higher-markup variants raising prices on many top-selling products and burdening agency stores and restaurants, which would likely pass the cost to consumers. Against that, two agency-store operators testified to a genuine operational burden — not from the minimum, but from the quantity, frequency, and depth of supplier-initiated special-price changes, including reductions as small as fifty cents, and from buying at regular price only to have a sale price take effect afterward. BABLO acknowledged the concern, stated it has no proposed solution, and is examining its internal practice on special pricing. Staff flags this as the closest thing in the comparator record to the SPA-interaction exposure discussed at Appendix F-1.4.

Legal authority (charge 3). Maine's minimum operates as an element of price-setting, not as a condition of listing. BABLO recommends and the Commission establishes prices under § 81(5) and § 83-C(2), and both thresholds sit inside the recommended-price computation. Maine therefore supports the general proposition at Section V that a control state's ordinary pricing mandate carries the power to set minimums, consistent with the survey in the Comparator States Authority Memo of June 8, 2026. It does not support the listing theory the Commission is asked to adopt, and staff does not cite it for that purpose. Maine is also the one comparator carrying a live procedural objection: LD 1906 (April 2022) and LD 2014 (2024) each directed BABLO to initiate rulemaking for a pricing-appeals process, and Sazerac's May 2025 testimony asserts that BABLO had initiated neither that rulemaking nor the rules establishing a public process for developing pricing recommendations. BABLO's own January 2023 report to the same committee acknowledged the appeals rulemaking as not yet commenced. Staff has not verified the current status and does not assert one.

Implementation (charge 4). Maine's administrative apparatus is the mirror image of the notify-and-requote design Oregon used and North Carolina proposes. Rather than the State identifying which products fall short, Maine's contract vendor publishes a web-based pricing calculator into which a supplier enters its FOB and reads out the resulting shelf price, adjusting its own quote until satisfied before submitting the quote to BABLO.

BABLO reports that it communicates formula changes and the supporting rationale to brokers and suppliers two months in advance, and that every change so communicated has been approved by the Commission. Maine also managed transitional shock deliberately: when the profit threshold and value markup took effect in 2017, increases were capped after industry objection, and roughly 1,200 SKUs left out of compliance by that cap were brought into compliance in September 2021, after the agency-store discount had risen to 18%. The one substantive change BABLO recommended in 2026 is to remove the value markup category, on the ground that it simplifies the formula for suppliers, at a fiscal impact BABLO described as minimal and absorbable, timed to coincide with quarterly price changes.

The objections BABLO received, and how it resolved them. Because these are the objections before this Commission, each is set out with its disposition. Quotations are from the February 15, 2026 report and the written comments at Exhibits J-17 and J-19.

— That the formula is complex, opaque, and unique. Sazerac testified that Maine "stands alone in the nation as the only control state that uses a complex 'pricing formula' to determine retail spirits prices," citing more than 75 category markups, minimum profit thresholds, and rounding schemes that "often defy logic or fairness." BABLO's answer was the supplier-facing calculator, and it adopted Diageo's characterization that the calculator "treats all Suppliers similarly and equitably" and that the system "is transparent and allows all suppliers a level playing field."

— That the system is regressive and targets value products. Sazerac testified that lower-priced spirits and smaller bottle sizes carry much higher percentage markups than premium products and larger bottles; that although Sazerac makes up 13% of listed products in the State, its products account for nearly 40% of those marked up by 100% or more; and that the twelve most heavily marked-up products in Maine are all its own. BABLO "rejects the notion that the pricing formula is designed to discriminate against any particular product," finding that "the pricing formula treats all products within each category equally," while committing to continue analyzing the formula and the category markups. Staff notes the parallel to the regressivity objection addressed at Section IV.E, and notes equally that BABLO's answer was a statement about equal treatment within categories rather than a rebuttal of the incidence claim.

— That a flat markup is the fair alternative. Sazerac proposed a uniform 83.46% markup, representing that under it 95% of products would see a price change of $5 or less, more than half would change by $1 or less, and the average change would be about $1.22. BABLO "continues to strongly oppose instituting a flat markup," citing the estimate that a 65% markup would cost the State over $22,000,000 and that higher markups would raise prices on many top sellers and harm agency stores and on-premise licensees. Diageo opposed the flat markup as well, on the ground that a single markup taxes premium products disproportionately, trades consumers down, and reduces state revenue.

— That prices on the smallest containers should come down. BABLO declined, on the $500,000 revenue estimate and on the Maine CDC's and the Surgeon General's public-health concerns, and observed that the objector's malt- and wine-based 50 ml products, which look virtually identical to their spirits-based equivalents, already reach a far broader distribution network because they are not spirits. BABLO offered compromise on packaging rather than on price — limited-time multipacks, including a 20-unit bucket of 50 ml product at $19.99, and value packs at roughly $0.99 per unit — and stated it is preparing a revised approach to multi-pack pricing.

— That there must be an appeals route and legislative oversight. This objection the 2026 report does not answer. It is the objection that has produced repeat legislation across three sessions, and staff treats it as the most instructive item in the Maine record for North Carolina's purposes.

Lessons for North Carolina. — Maine raises the price of the cheapest products through the price-setting formula itself, which is the pricing theory Section V declines to rely on. Maine is evidence about what happens, not about what this Commission may do. — A statutory review cycle is what ended the fight in Maine, and Section 7 of the proposed policy should be understood in that light: a scheduled public review gives the objector a legitimate channel and gives the agency an answer to the charge that its pricing is unreviewable. Staff recommends the review cycle be stated in the adopting motion rather than left to the policy text alone. — Build the appeals or variance route before adoption, not after. The one objection BABLO has not answered in four years is procedural. Section 5 of the proposed policy contains a variance mechanism; Maine is the reason it should be operational, documented, and published on the effective date. — Quantify what relaxing the minimum would cost, and say so. BABLO's willingness to state that five cents on one container size is worth $500,000 did more to close that argument than any general appeal to revenue stability. North Carolina cannot make the equivalent statement until it holds sales-volume data — a strong reason to obtain it. — The smallest container is where the pressure concentrates. Maine's 50 ml profit threshold, Idaho's uniform $1.99 50 ml floor, and Oregon's $1.50 50 ml floor sit at the same point, and it is the point on which Maine's objector has campaigned legislatively since 2017. North Carolina's proposed 50 ml floors run from $0.85 on vodka to $1.95, below both peer floors on most categories. The Commission should expect this container size to draw attention out of proportion to its share of the schedule, and should be ready to say why it set the levels it did.

Diageo filed in support in Maine. The consultation at Appendix G.3 reported an understanding that suppliers other than the principal objector may be either supportive or not opposed in North Carolina; staff has not surveyed suppliers here and does not adopt that characterization. Maine indicates the canvass would be worth doing. — Maine also models something this report has adopted: it says out loud that it is balancing two objectives, and it grounds that balance in a statute. 28-A M.R.S. § 90(1) directs Maine to maximize growth in the State's spirits business while ensuring that the growth in revenue is achieved in a socially responsible manner, and BABLO's pricing review is organized around that sentence — including its statement that its pricing strategy serves not only State revenue but the agency stores and on-premises licensees who depend on the product. North Carolina has the same balance in G.S. 18B-100 and G.S. 18B-805, distributed across the Chapter rather than gathered in one place. A commission that states the balance plainly and shows its work on both sides is harder to accuse of using one objective as cover for the other; a commission that leads with public health and treats revenue as a footnote invites exactly that charge. See Section II.

J.8 Source documents — Exhibits J-1 through J-19

The documents, letters, and spreadsheets informing each jurisdiction's account are reproduced below. Spreadsheets are reproduced as tables; the item-level Oregon floor-price file (several hundred rows) is summarized at Exhibit J-7 with the full file retained in the study file. Published studies for Michigan, Scotland, and Canada are identified with key findings at Exhibits J-14 through J-16; copyright does not permit their full reproduction, and complete copies are retained in the study file (see Appendix C for full citations).

Exhibit	*Jurisdiction*	*Document*

J-1	Oregon	NC ABC information request to OLCC (email, July 13, 2026) — eight questions
J-2	Oregon	OLCC written responses to the eight questions (M. Avent, July 27, 2026)
J-3	Oregon	OLCC follow-up correspondence, July 27–31, 2026 (ORLA; messaging; floor unchanged since 2021; document search)
J-4	Oregon	OLCC "Price Floor — Summary of Action / Overview" (2021): floor schedule and objectives
J-5	Oregon	OLCC "Minimum Pricing Analysis for Distilled Spirits — Impact on Retail Agents" (financial projection)
J-6	Oregon	OLCC implementation memorandum to manufacturers and representatives (formula; transition; requote process)
J-7	Oregon	OLCC item-level floor-price report (spreadsheet) — staff summary of affected-SKU profile
J-8	Idaho	NC ABC information request to ISLD (email, July 13, 2026) — nine questions
J-9	Idaho	ISLD written response (T. Faraca, Chief Deputy Director/CFO, July 21, 2026)
J-10	Idaho	Staff notes of ISLD consultation call, July 27, 2026
J-11	Idaho	ISLD floor price schedule effective March 1, 2026 (full schedule)
J-12	Alabama	NC ABC information request to Alabama ABC Board (email, July 13, 2026) — nine questions
J-13	Alabama	Alabama 2026 pricing floor schedule (spreadsheet, reproduced as received)
J-14	Michigan	Bertin et al. (JSAD 2024) — identification and key findings
J-15	Scotland	Scottish Government MUP continuation BRIA (2024) and PHS evaluation — identification and key excerpts
J-16	Canada	British Columbia and Saskatchewan studies — identification and key findings
J-17	Maine	BABLO report on the retail prices of spirits sold in Maine (Feb. 15, 2026), with the January 2023 pricing primer at its Appendix A — identification, key findings, and reproduced schedules
J-18	Maine	Maine Center for Disease Control and Prevention, written comments to BABLO (May 2025)
J-19	Maine	Written comments to BABLO of Sazerac Company (May 16 and 30, 2025, with attachments) and Diageo North America (May 16, 2025)

Table J-1. Index of exhibits. Originals retained in the study file, Office of the General Counsel.

Exhibit J-1 — NC ABC information request to OLCC (July 13, 2026)

The outgoing request is set out once at "The information request" above. Original email retained in the study file.

Exhibit J-2 — OLCC written responses (July 27, 2026)

From: Mark Avent, Business Services Deputy Director, OLCC

To: Stone M. Doppke; Leisa Bertram (OLCC); cc: Ben Popkin, Elizabeth Nealis

Date: Monday, July 27, 2026, 1:36 PM

Subject: RE: NC ABC Commission — Request: Oregon's Experience with 2021 Spirits Floor Pricing (attachments: implementation memorandum; item-level floor price report; Minimum Pricing Analysis for Distilled Spirits Impact on Retail Agents)

Hi Stone – I apologize for the late response on this. Since the on-premise accounts must purchase their liquor from our retail stores, and OLCC does not control on-prem prices, a lot of this information is unknown to our department. Here are the answers to the questions to the best of my knowledge…

Q1 — Share of on-premise purchases below the floor; well/house-pour brands vs. bottom shelf: 132 SKUs saw price increases due to floor pricing. These were generally lower-priced items; the list is in the attached Excel file.

Q2 — Menu price increases: OLCC did not receive any reports of menu price increases. It's possible some occurred, but none were reported to our department.

Q3 — On-premise volumes, hospitality employment, openings vs. closures: Because most floor-price increases were small (usually about a dollar or less), OLCC did not observe major impacts on restaurants or bars.

Q4 — Association-documented harm; closures or layoffs attributed to the floor: No harm has been attributed to floor pricing. No known closures or layoffs tied to MUP.

Q5 — Demand shifts, out-of-stocks, delistings: Suppliers did not delist any SKUs due to floor pricing. No out-of-stocks, bottlenecks, or notable shifts in demand. Transition was smooth.

Q6 — Revenue and volume trends vs. projections; tax collections; cross-border: Retail projections are attached. Financial staff may have actual post-implementation numbers, but unfortunately I do not.

Q7 — Transition period and year-one complaints: OLCC provided a 6-month transition period for suppliers, including the one extension. Since prices are all set by suppliers, no transition period was provided for licensees since they buy from our liquor stores. The only major public complaints came from one supplier; OLCC proceeded with MUP, and the supplier complied without delisting products.

Q8 — Which predicted harms materialized; what OLCC would do differently: Only 132 items were affected, and suppliers complied smoothly. No significant issues arose that would change OLCC's approach.

Exhibit J-3 — OLCC follow-up correspondence, July 27–31, 2026

Mark Avent to Ben Popkin — July 28, 2026: OLCC has not adjusted the floor price since it was established in 2021. Our pricing structure is very fluid. Suppliers regularly submit price changes, and OLCC applies its standard markup formula to each supplier's FOB cost to determine the retail price. As a result, retail prices fluctuate naturally. When multiple suppliers increase their FOBs in the same month, it can create an internet search impression that "OLCC is increasing distilled spirits prices by X%," even though these changes reflect supplier activity rather than any OLCC-initiated pricing action. It seems like internet searches often conflate regular price increases with floor (minimum unit) pricing, which can lead to a bit of confusion.

Mark Avent to Ben Popkin — July 29, 2026 (attaching OLCC Floor Pricing Overview): Our communication team provided me with the attached document. They let me know they will continue to look for more. I will continue to send them your way as they come to me.

Exhibit J-4 — OLCC "Price Floor — Summary of Action / Overview" (2021)

Minimum bottle price requirement by proof and container size:

Proof	*1.75 L*	*1.0 L*	*750 ml*	*375 ml*	*200 ml*	*100 ml*	*50 ml*
60	$13.95	$8.95	$6.95	$3.95	$2.95	$1.95	$1.50
73	$16.95	$9.95	$7.95	$4.95	$2.95	$2.95	$1.50
80	$17.95	$10.95	$8.95	$4.95	$3.95	$2.95	$1.50
90	$20.95	$12.95	$9.95	$5.95	$3.95	$2.95	$1.95
99	$22.95	$13.95	$10.95	$6.95	$3.95	$2.95	$1.95
100	$22.95	$13.95	$10.95	$6.95	$4.95	$2.95	$1.95
151	$33.95	$20.95	$15.95	$9.95	$6.95	$4.95	$2.95
190	$42.95	$25.95	$20.95	$11.95	$7.95	$5.95	$3.95

Public health objectives (as stated by OLCC): reduce demand for alcohol by around half of one percent; research shows an increase in price is associated with a decrease in excessive alcohol consumption; increased price is significantly associated with reduced underage consumption and harms; some evidence that increasing the price reduces health inequalities across income groups.

Economic impact (as stated by OLCC): increase revenue in distribution dollars to the State of Oregon's General Fund by approximately $7.5 million in 2021–2023; the retail bottle price increase for the 112 impacted items averages 16.3% collectively.

Source: OLCC Price Floor overview deck (© OLCC 2021), provided by OLCC communications staff, July 29, 2026.

Exhibit J-5 — OLCC "Minimum Pricing Analysis for Distilled Spirits — Impact on Retail Agents"

What exactly is a minimum (floor) price? A floor price is a minimum amount under which a manufacturer cannot sell a distilled spirit bottle.

What is the aim of a minimum (floor) price? Meta-analyses and reviews of estimates from a large body of international empirical research show that a one percent increase in the price of alcohol will, on average, reduce demand for alcohol by around half of one percent. The magnitude of elasticity differs for different population groups, but its sign is always negative. Consistent evidence that consumption is responsive to price and increases in alcohol prices are associated with decreases in both excessive alcohol consumption and related harms among adults (Elder et al. 2010; Ally et al. 2014). Increased price significantly associated with reduced underage consumption and harms (Anderson et al. 2009; Stockwell 2018; Zhao et al. 2013).

What are the potential financial impacts? Instituting the price floor model results in an estimated $19.7m increase in biennium sales assuming volumes remain identical to the last 12 months ending August 31, 2020. This sales increase would generate $7.5m additional distribution dollars to the general fund in that same timeframe. Liquor Agents compensation would increase collectively by $1.7m for the biennium due to minimum pricing. Price floor sales increase may be mitigated proportionally by reducing demand for these products. Using a price elasticity of demand for spirits within U.S. control states/county of −0.014 (Trolldal et al. 2005), we could see as little as a 0.3% decrease in bottle sales or a $353k reduction to the $19.7m estimated sales increase ($19.3m net biennium sales increase).

How will the new price floor work? Designated minimum price per proof ounce for each container size, multiplied by total proof and container ounce size equals retail minimum selling price.

How many items (SKUs) does this impact? 112 items (SKUs). The retail bottle price increase for those 112 impacted items averages 12.9% collectively.

2021–2023 biennium financial impact (projected): Total sales: $19,668,223. Distribution: $7,473,924.

Border state impacts (post-tax):

Product (80-proof vodka)	*OR avg. price 2020*	*OR new floor*	*ID*	*WA*	*CA*	*NV*
Fleischmann’s 750 ml	$6.50	$8.95	$7.37	$9.94	—	$8.67
Fleischmann’s 1.75 L	$12.75	$17.95	$14.79	$21.05	$13.99	$13.59

Source: OLCC financial analysis provided with OLCC’s July 27, 2026 written responses (Exhibit J-2).

Exhibit J-6 — OLCC implementation memorandum to manufacturers and representatives (2021)

Hello Manufacturers & Representatives,

In April we sent out a memo letting you know that Oregon was going to implement minimum floor pricing. Our goal was to have this implemented by September 1st, but due to unforeseen circumstances we have had to extend our deadline to October 1st. Nothing has changed but the dates for implementation.

How the new minimum floor pricing will work: Each container size sold in the State of Oregon has been assigned a minimum price per proof ounce. The minimum price per proof milliliter multiplied by total proof and container size in milliliters equals the minimum price, which will then be adjusted upward to end in $0.95.

Designated minimum price per proof milliliter by container size:

Container size	*Price per proof milliliter*
1.75 L	0.000127
1.00 L	0.000134
750 ml	0.000140
375 ml	0.000163
200 ml	0.000200
50 ml	0.000376

Example 1 — 100-proof 1.75 L bottle: 0.000127 × 100 (proof) = 0.0127; 0.0127 × 1750 (bottle size in ml) = $22.225; adjust to $22.95 to get the new bottle price.

Example 2 — 151-proof 750 ml bottle: 0.000140 × 151 = 0.02114; 0.02114 × 750 = $15.855; adjust to $15.95.

The OLCC Purchasing Department will notify suppliers with item(s) below the minimum floor price by July 1, 2021. Suppliers will then have an opportunity to submit a new quote for the bottle selling price to meet (or exceed) the minimum floor price no later than August 15, 2021. The OLCC is excited to launch an online pricing application at the same time. The application will be available for all manufacturers that ship products to the OLCC warehouse. The pricing application will allow the manufacturer to submit price changes and SPAs online. The online pricing application will alert manufacturers when their request for price change is below the minimum selling price at the time of submission.

Please share this email with anyone in your company involved in pricing products for Oregon and do not hesitate to contact us with any questions. Thank you for your partnership. — OLCC, Purchasing Department

Source: OLCC memorandum ("Email with date extension"), provided with OLCC's July 27, 2026 written responses. Note the 100 ml rate (0.000292) appears in OLCC's companion rate table; see Oregon Experience report section, Table 1.

Exhibit J-7 — OLCC item-level floor-price report (staff summary)

OLCC's item-level floor-price file (current price, proof, size, computed floor, and supplier for each affected code) accompanies OLCC's written responses and is retained in the study file; it is summarized here rather than reproduced in full.

Measure (OLCC floor-price file)	***Value***
Active SKUs priced below floor	~112–132 (OLCC); ~117 active in staff review
Median shortfall below minimum	$1.00 per bottle
Share with increase ≤ $1.00	58%
Share with increase ≤ $2.00	75%
Largest increases	190-proof grain alcohol & 1.75 L value vodka ($5–$8)
Concentration by format	Value 1.75 L and 750 ml; 60–80 proof
Typical affected brands	Taaka, Kamchatka, Fleischmann's, Potters, Everclear, Clear Springs

Source: staff review of OLCC floor-price report, July 2026; see Oregon Experience report section, Table 2.

Exhibit J-8 — NC ABC information request to ISLD (July 13, 2026)

The outgoing request is set out once at "The information request" above, including the additional question put to Idaho. Original email retained in the study file.

Exhibit J-9 — ISLD written response (July 21, 2026)

From: Tony Faraca, Chief Deputy Director, CFO, Idaho State Liquor Division

To: Elizabeth C. Nealis; cc: Ben Popkin, Stone Doppke

Date: Tuesday, July 21, 2026

Subject: RE: NC ABC Commission — Request: Idaho's Experience with Spirits Floor Pricing

Hello, Elizabeth. Our floor pricing program has been in place many, many years and predates anyone who still works at the ISLD. Therefore, any information or insights regarding the implications of its integration/introduction will be impossible to come by. The concerns you've expressed from the licensee community are predictable, and increases in well-based cocktails would likely increase as a result of increases in floor products. I should also note that we have statewide uniform pricing, so all retails are the same everywhere in the state on packaged liquor.

We do find our minimum pricing approach to floor products to be very successful for a myriad of reasons:

1. Higher prices on floor products restrict inexpensive liquor products that might lead to excessive consumption.

2. Narrows the gap between the lower-end and higher tiers, so encourages a step-up in margin to some extent. Also, it prevents steep discounting on bottom shelf items that could hurt sales from higher tiers.

3. Overall, it enhances state revenue, as the lowest retail price is higher than it otherwise might be.

4. Aids competition by protecting smaller suppliers who might otherwise be undercut by large producers.

If you'd still like to do a call, we could set one up for next week. Thank you. — Tony

Exhibit J-10 — Staff notes of ISLD consultation call (July 27, 2026)

Participants: Tony Faraca and ISLD colleague; Ben Popkin (NC ABC). Subject: spirits floor pricing — market dynamics and revenue impact. The notes below are staff's record of oral statements; figures were not independently verified (see App. G.1). The meeting transcript is retained in the study file.

Floor pricing context and supplier dynamics. Idaho has had floor pricing for a long time, predating both current contacts; exact origin unknown. Vodka sits at the lowest floor price; a single value-segment supplier owns that floor (~80% of Idaho's floor vodka volume). Other suppliers have formally requested Idaho raise its floor because they can't compete at that level. One Oregon-based small supplier raised price by $1, lost so much volume they had to come back down. Two other suppliers have moved off the floor to $7.99 in the last couple of years. The value supplier's strategy: make money at razor-thin margins, play the long game, win the occasion — privately held, scale-driven, happy making a nickel per bottle to crowd out competition. If the floor rises, that supplier still wins: cheapest product, now with higher margin. Idaho's floor pricing structure is inconsistent across categories and proofs; even they find it illogical. Preference in hindsight: standardize everything at one price (e.g., $6.99 or $8.99) for simplicity.

Oregon as a case study. Oregon implemented floor pricing in July 2021, then raised all floor prices ~16% across the board; the increase was driven heavily by consumer health data. Idaho saw a direct impact: influx of price-sensitive shoppers crossing the border to buy value vodka. Tony has a store in Payette, right across the bridge from an Oregon store; saw it firsthand. Caveat: many of the Oregon staff involved in the decision have since left; data may be harder to access. [Staff note: OLCC subsequently stated in writing that it has not adjusted the floor since 2021 — see Exhibit J-3 and the staff note at J.1. These notes are reproduced as recorded on July 27, 2026, before that correction was received.]

Business case and opposition. Consumer price impact is minimal: ~6 cents per cocktail on a $1 floor increase for a 750 ml bottle (16 shots per 750 ml; $1 increase = ~6.25 cents per drink). Bar margins on spirits have expanded (4:1 cost-to-price ratio now ~6:1); businesses absorbing increases already. Mid-tier suppliers (Diageo, Pernod) would likely welcome a floor increase; narrows gap to premium. The value-segment supplier is the only supplier opposing; everyone else receptive. Public health angle: price increases correlate with reduced consumption and fewer deaths. Idaho framing: a conservative legislature receptive to making alcohol more expensive to reduce abuse. Revenue upside for NC: estimated low tens of millions annually; "real money" in a contracting consumption environment.

Next steps recorded: follow up with Oregon on floor pricing data; send Tony the floor pricing questions via email; share draft report with Tony for comments (open to reviewing and potentially providing on-record support).

Exhibit J-11 — ISLD floor price schedule effective March 1, 2026 (reproduced in full)

“New floor price effective March 1, 2026” — floor prices by category code and container size (50 ml / 200 ml / 375 ml / 700 ml / 750 ml / 1,000 ml / 1,750 ml). Category 58 (cocktails) also carries a 1,420 ml floor of $8.99; category 74 lists a 1,500 ml size. Reproduced from the ISLD schedule dated March 1, 2026.

Category code / description	*50 ml*	*200 ml*	*375 ml*	*700 ml*	*750 ml*	*1.0 L*	*1.75 L*
7 NON LIQUOR	$1.99	$0.20	$0.30	$0.35	$0.40	$0.60	$1.00
10 BOURBON, BONDED	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
11 RYE WHISKEY	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
12 CORN WHISKEY	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
13 TENNESSEE WHISKEY	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
14 BOURBON: 80.1° & ABOVE	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
14 BOURBON: 80° & BELOW	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
15 IRISH CREAM	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
16 IRISH WHISKEY	$1.99	$8.99	$12.99	$19.99	$19.99	$24.99	$39.99
17 BOURBON, BLENDED*	$1.99	$3.99	$5.99	$8.99	$8.99	$10.99	$17.99
18 AMERICAN LIGHT WHISKEY	$1.99	$3.99	$5.99	$8.99	$8.99	$10.99	$17.99
19 MEZCAL	$1.99	$8.99	$12.99	$19.99	$19.99	$24.99	$39.99
20 MEZCAL, GOLD	$1.99	$8.99	$12.99	$19.99	$19.99	$24.99	$39.99
21 MEZCAL, REPOSADO	$1.99	$8.99	$12.99	$19.99	$19.99	$24.99	$39.99
22 MEZCAL, ANEJO	$1.99	$8.99	$12.99	$19.99	$19.99	$24.99	$39.99
23 MEZCAL, FLAVORED	$1.99	$8.99	$12.99	$19.99	$19.99	$24.99	$39.99
24 WHISKEY, BLENDED	$1.99	$3.99	$5.99	$8.99	$8.99	$10.99	$17.99
30 WHISKEY, IMPORTED	$1.99	$10.99	$16.99	$29.99	$29.99	$36.99	$59.99
31 CANADIAN: 80.1° & ABOVE	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
31 CANADIAN: 80° & BELOW	$1.99	$4.99	$6.99	$8.99	$8.99	$10.99	$17.99
32 AMERICAN MALT WHISKEY	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
33 TEQUILA, FLAVORED	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
34 SCOTCH, BLENDED	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
36 SCOTCH, SINGLE MALT, HIGHLANDS	$1.99	$10.99	$16.99	$29.99	$29.99	$36.99	$59.99
37 SCOTCH, SINGLE MALT, SPEYSIDE	$1.99	$10.99	$16.99	$29.99	$29.99	$36.99	$59.99
38 SCOTCH, SINGLE MALT, LOWLANDS	$1.99	$10.99	$16.99	$29.99	$29.99	$36.99	$59.99
39 SCOTCH, SINGLE MALT, ISLANDS	$1.99	$10.99	$16.99	$29.99	$29.99	$36.99	$59.99
40 BRANDY, DOMESTIC STANDARD	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
41 BRANDY, IMPORTED STANDARD	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
42 BRANDY, COGNAC	$1.99	$10.99	$16.99	$29.99	$29.99	$36.99	$59.99
43 BRANDY, DOMESTIC FLAVORED	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
44 BRANDY, IMPORTED FLAVORED	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
46 RUM, STANDARD: 80.1° & ABOVE	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
46 RUM, STANDARD: 80° & BELOW	$1.99	$4.99	$6.99	$8.99	$8.99	$10.99	$17.99
47 RUM, FLAVORED: 80.1° & ABOVE	$1.99	$4.99	$6.99	$8.99	$8.99	$12.49	$19.99
47 RUM, FLAVORED: 80° & BELOW	$1.99	$4.99	$6.99	$8.99	$8.99	$10.99	$17.99
48 GIN DOMESTIC: 80.1° & ABOVE	$1.99	$3.99	$5.99	$8.99	$8.99	$10.99	$17.99
48 GIN DOMESTIC: 80° & BELOW	$1.99	$3.99	$5.99	$7.99	$7.99	$9.99	$15.99
49 GIN, IMPORTED: 80.1° & ABOVE	$1.99	$7.99	$10.99	$15.99	$15.99	$19.99	$31.99

49 GIN, IMPORTED: 80° & BELOW	$1.99	$6.99	$9.99	$14.99	$14.99	$18.49	$29.99
50 GIN, DOMESTIC FLAVORED: 80.1° & ABOVE	$1.99	$3.99	$5.99	$8.99	$8.99	$10.99	$17.99
50 GIN, DOMESTIC FLAVORED: 80° & BELOW	$1.99	$3.99	$5.99	$7.99	$7.99	$9.99	$15.99
51 VODKA, IMPORTED FLAVORED	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
52 GIN, IMPORTED FLAVORED: 80.1° & ABOVE	$1.99	$7.99	$10.99	$15.99	$15.99	$19.99	$31.99
52 GIN, IMPORTED FLAVORED: 80° & BELOW	$1.99	$6.99	$9.99	$14.99	$14.99	$18.49	$29.99
53 VODKA, DOMESTIC FLAVORED	$1.99	$3.99	$5.99	$8.99	$8.99	$10.99	$17.99
54 VODKA, IMPORTED 100°	$1.99	$6.99	$9.99	$13.99	$13.99	$17.49	$27.99
55 VODKA, DOMESTIC STANDARD	$1.99	$3.99	$4.99	$6.99	$6.99	$8.49	$13.99
56 VODKA, DOMESTIC 100°	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
57 VODKA, IMPORTED STANDARD	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
58 COCKTAILS 20.1°& ABOVE	$1.99	$3.99	$4.99	$6.99	$6.99	$8.49	$13.99
58 COCKTAILS 20° & BELOW	$1.99	$3.99	$4.99	$6.99	$6.99	$8.49	$13.99
59 MOONSHINE	$1.99	$6.99	$9.99	$14.99	$14.99	$18.49	$29.99
60 LIQUEURS	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
61 SCHNAPPS: 60.1° & ABOVE	$1.99	$6.99	$9.99	$14.99	$14.99	$18.49	$29.99
61 SCHNAPPS: 60° & BELOW	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
62 COFFEE FLAVORED LIQUEURS	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
63 AMARETTO	$1.99	$4.99	$7.99	$10.99	$10.99	$13.49	$21.99
64 CREAM LIQUEURS: 31.1 & ABOVE	$1.99	$5.99	$8.99	$12.99	$12.99	$15.99	$25.99
64 CREAM LIQUEURS: 31° & BELOW	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
65 TRIPLE SEC: 40.1° AND ABOVE	$1.99	$3.99	$5.99	$8.99	$8.99	$10.99	$17.99
65 TRIPLE SEC: 40° & BELOW	$1.99	$3.99	$5.99	$7.99	$7.99	$9.99	$15.99
66 VERMOUTH, IMPORTED	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
67 VERMOUTH, DOMESTIC	$1.99	$3.99	$4.99	$6.99	$6.99	$8.49	$13.99
68 WINES, FORTIFIED, BERRY	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
69 WINES, FORTIFIED, PORT	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
70 WINES, FORTIFIED, SHERRY	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
71 TEQUILA, BLANCO 100% BLUE AGAVE	$1.99	$6.99	$9.99	$13.99	$13.99	$17.49	$27.99
72 TEQUILA, SILVER	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
73 WINES APERTIF	$1.99	$6.99	$9.99	$14.99	$14.99	$18.49	$29.99
74 WINES, FORTIFIED, COOKING	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
75 TEQUILA, GOLD	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
76 WINES, FORTIFIED, SAKE IMPORTED	$1.99	$3.99	$5.99	$6.99	$6.99	$7.99	$13.99
77 TEQUILA, REPOSADO 100% BLUE AGAVE	$1.99	$7.99	$10.99	$16.99	$16.99	$20.99	$33.99
78 TEQUILA, ANEJO 100% BLUE AGAVE	$1.99	$8.99	$12.99	$19.99	$19.99	$24.99	$39.99
79 WINES, BLUSH	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
84 WINES, REISLING	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
85 WINES, ZINFANDEL	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
86 WINES, CABERNET SAUVIGNON	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
88 WINES, CHARDONAY	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99

91 BITTERS 20.1°& ABOVE	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
91 BITTERS 20° & BELOW	$1.99	$4.99	$6.99	$9.99	$9.99	$12.49	$19.99
96 WINES, MISC WHITE	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99
97 WINES, MISC RED	$1.99	$3.99	$4.99	$5.99	$5.99	$7.99	$9.99

Source: Idaho State Liquor Division floor price schedule, last revised March 1, 2026 (84 category/proof lines reproduced). PDF original retained in the study file.

Exhibit J-12 — NC ABC information request to Alabama ABC Board (July 13, 2026)

The outgoing request is set out once at “The information request” above, including the additional question put to Alabama. Original email retained in the study file. A Microsoft Teams invitation for a call with Alabama ABC staff was circulated July 14, 2026 and is retained in the study file; no substantive written response is recorded.

Exhibit J-13 — Alabama 2026 pricing floor schedule (reproduced as received)

Category	*1.75 L*	*1.0 L*	*750 ml*	*375 ml*
Vodka	$14.49	$9.49	$7.99	$4.49
Scotch	$22.99	$13.49	$20.99	$16.99
Brandy	$25.99	$15.49	$10.49	$6.99
Triple Sec	$10.99	$6.49	$9.99	$7.49
Tequila	$25.99	$14.49	$13.99	$8.49
Rum	$15.59	$9.49	$9.49	$6.99
Gin	$14.49	$9.49	$7.59	$4.49
Canadian	$17.99	$10.99	$8.99	$5.79
Bourbon	$16.49	$9.99	$7.99	$4.99
Cordials	—	$14.49	—	—
RTDS	$13.49	—	$11.49	—

Source: “2026 AL Pricing Floors” spreadsheet, study file. Reproduced as received, including blank cells in the original (—). Staff notes that the June 8, 2026 Comparator States Authority Memo separately described a nine-tier (Value–Ultra Premium) structure from published Alabama sources; the category definitions and their reconciliation are among the questions pending with the Alabama ABC Board (Exhibit J-12, question 9).

Exhibit J-14 — Michigan record materials (identification and key findings)

Bertin L, Leung G, Bohm MK, LeClercq J, Skillen EL, Esser MB. Estimating the effects of hypothetical alcohol minimum unit pricing policies on alcohol use and deaths: a state example. J Stud Alcohol Drugs. 2024;85(1):120–132. Full copy retained in the study file (received with expert consultations, July 2026).

Key findings (from the published abstract): using the International Model of Alcohol Harms and Policies and NABCA data on 9,747 spirits products in Michigan (2020), “increasing the MUP of the 3.5% of spirits with the lowest prices per standard drink to 40 cents could reduce total alcohol per capita consumption in Michigan by 2.6% and prevent 232 (5.3%) alcohol-attributable deaths annually. A 45-cent MUP would affect 8.0% of the spirits and reduce total alcohol per capita consumption by 3.9%, preventing 354 (8.1%) deaths.” Analyses accounted for other beverage-type sales using cross-price elasticities.

Exhibit J-15 — Scotland record materials (identification and key excerpts)

(a) Scottish Government, Minimum Unit Pricing (MUP) — continuation and future pricing: Business and Regulatory Impact Assessment (2024). Full copy in the study file. Key excerpts: minimum unit pricing was introduced in 2018 at 50 pence per unit; the Public Health Scotland evaluation "found MUP was estimated to have reduced deaths wholly attributable to alcohol consumption by 13.4% and was likely to have reduced hospital admissions"; National Records of Scotland reported 1,276 alcohol-specific deaths in 2022, with death rates 4.3 times higher in the most deprived areas; Ministers set the price per unit at 65 pence from September 30, 2024, with modelling showing 65p "could avert an additional 38 deaths in the first year and 647 fewer hospital admissions" relative to 60p, with benefits concentrated in the most deprived population quintiles; allowing the policy to expire was modelled to increase deaths in year one.

(b) Public Health Scotland / University of Glasgow evaluation: Wyper GMA, et al. Evaluating the impact of alcohol minimum unit pricing on deaths and hospitalisations in Scotland: a controlled interrupted time series study. Lancet. 2023;401(10385):1361–1370 (13.4% reduction in wholly alcohol-attributable deaths; 4.1% reduction in hospitalizations; largest effects in the most deprived areas).

(c) Scottish Government / Public Health Scotland, MUP price distribution report (June 2021) — retail price distribution and compliance following implementation. Full copy in the study file.

Exhibit J-16 — Canada record materials (identification and key findings)

Zhao J, Stockwell T. The impacts of minimum alcohol pricing on alcohol-attributable morbidity in regions of British Columbia with low, medium and high mean family income. Addiction. 2017;112(11):1942–1951 (minimum-price increases associated with reduced alcohol-attributable hospital admissions, with the largest effects in low-income regions).

Sherk A, Stockwell T, Callaghan RC. The effect on emergency department visits of raised alcohol minimum prices in Saskatchewan, Canada. Drug Alcohol Rev. 2018;37 Suppl 1:S357–S365 (reductions in alcohol-related emergency department visits following Saskatchewan's minimum-price increases).

Full copies of the Canadian studies are retained in the study file; complete citations at Appendix C.

Exhibit J-17 — Maine BABLO report to the Joint Standing Committee on Veterans and Legal Affairs (February 15, 2026)

Maine Bureau of Alcoholic Beverages and Lottery Operations, *Report on the Retail Prices of Spirits Sold in Maine*, submitted pursuant to P.L. 2023, ch. 632, § 1 by Director Louis J. Luchini to Senate Chair Craig Hickman and House Chair Laura Supica (Feb. 15, 2026). 81 pages with appendices: Appendix A, BABLO's January 27, 2023 pricing report to the same committee under P.L. 2021, ch. 622; Appendix B, written comments received. Full copy retained in the study file. The two schedules that operate as Maine's de facto floor, and the category markups BABLO recommended on review, are reproduced below.

Table J-2. Maine value thresholds and Minimum State Profit Thresholds by container size.

Container size	Value threshold (wholesale price below)	Minimum State Profit Threshold
1.75 L	$22.00	$6.00

1.0 L	$13.00	$4.50
750 ml	$12.00	$4.00
375 ml	$7.00	$2.50
250 ml	—	$2.25
200 ml	—	$2.00
100 ml	—	$1.30
50 ml	—	$0.75

Value thresholds are published only for 1.75 L, 1.0 L, 750 ml, and 375 ml; BABLO's 2026 recommendation is to remove the value markup category entirely. The profit threshold is applied after the agency-store discount: where wholesale price less bottle cost and premium tax falls short of the threshold, retail is raised by 50 cents at a time until it is met. Source: Exhibit J-17, Appendix A at 4.

Table J-3. Maine category markups recommended on review, by container size (value markup category removed).

Category	**375 ml and under**	**>375–1000 ml**	**1001 ml +**
Alcohol / Grain	1.98	1.98	1.98
Brandy	1.98	1.84	1.76
Cognac	1.92	1.80	1.73
RTD / Cocktails	1.93	1.93	1.93
Cordials	1.91	1.77	1.69
Gin	1.96	1.82	1.75
Rum	1.95	1.81	1.72
Tequila	1.94	1.80	1.73
Vodka	1.89	1.76	1.67
Whiskey	1.91	1.77	1.70
Whiskey, Canadian	1.98	1.84	1.76
Whiskey, Irish	1.98	1.83	1.72
Whiskey, Scotch	1.93	1.76	1.72

Source: Exhibit J-17 at 6. Markups are multipliers applied to bottle cost; the $1.25 per-proof-gallon premium tax is added, and the result is rounded up to a permitted price point. Staff notes for comparison that Maine differentiates by category and by three size bands, without reference to proof — a design closer to the schedule proposed here than to Oregon's, and subject to the same criticism recorded at Appendix G.2.

Exhibit J-18 — Maine Center for Disease Control and Prevention, written comments (May 2025)

Submitted to BABLO in the pricing review; contact Megan Scott, Substance Use Prevention Program Manager. Key statements, as written: "When alcohol prices are decreased, this increases access, consumption, and related harms contributed to by alcohol." "When alcohol prices are increased, this reduces access and leads to reduced alcohol misuse and a reduction of the risk of harms on a community from alcohol use." "When Minimum Price Policies are put into place, alcohol-related illness and injury and deaths are shown to decrease." The comment identifies binge drinking (noting that the top 10% of consumers drink half of all alcohol), underage consumption, cancer and chronic illness, motor-vehicle crashes, violent crime, injury and death, adverse birth outcomes, and addiction as risks that rise with increased access; states that alcohol contributes to about 178,000 deaths per year in the United States and that an estimated 1 in 8 deaths among adults aged 20–64 is attributable to excessive alcohol use; and cites the Michigan minimum-pricing study relied on at § J.4. Fourteen sources are listed, including Wagenaar, Salois & Komro (Addiction 2009), Xu & Chaloupka (2011), Esser et al. (JAMA Netw Open 2022), and CDC's minimum-pricing policy materials. Reproduced at Exhibit J-17, Appendix B-1.

Exhibit J-19 — Written comments to BABLO of Sazerac Company and Diageo North America (May 2025)

(a) Sazerac Company — testimony of Winn Atkins, Vice President, Government Affairs, May 16, 2025, with supplemental comments of May 30, 2025 and attachments. Filed on the letterhead of 1820 Spirits, Lewiston, Maine, which Sazerac states employs more than 270 people; the company states it has invested more than $10 million in Maine in recent years. The testimony describes the current system as "regressive, inequitable, and disproportionately harmful to a targeted subset of businesses and consumers"; asks for a uniform 83.46% markup; asks for the statutorily required pricing-appeals process; and asks that BABLO's pricing rules be made subject to major substantive rulemaking so the Legislature reviews them. The supplemental comments respond to hearing questions about how markups work in open states and state that the pricing relief sought was "not Sazerac seeking special favor, but the Department seeking compromise as an alternative to a flat markup." The attachments are a chronological record of the company's Maine campaign: a July 25, 2017 letter to the State Liquor and Lottery Commission chairman; an April 18, 2019 memorandum to Commissioner Figueroa; January 28, 2022 hearing testimony on LD 1906; an April 25, 2023 letter to the VLA Committee; January 17, 2024 hearing testimony and a February 22, 2024 pricing handout on LD 2014; transcript excerpts and video links from four LD 2014 work sessions; and a May 5, 2024 Portland Press Herald article on Maine spirits pricing. The 2019 memorandum is the source of the cross-border figures reported above. Staff notes that pages of this exhibit are image scans; the quotations above were read from the page images and the surrounding narrative was checked against BABLO's own summary of the comments at Exhibit J-17 at 3.

(b) Diageo North America — letter of Lynn Walding, Executive Director Control States, May 16, 2025. Filed in support of Maine's existing pricing formula, on the ground that it "treats all companies fairly and equitably within categories and price ranges." Diageo argues that a single flat markup burdens premium products disproportionately — "a 65 percent markup on a $30 bottle of vodka will have triple the amount of tax imposed on a $10 bottle. Same alcohol, same proof, disproportionate tax" — and that such a structure trades consumers down and generates less revenue for the State. It further argues that a higher markup rate paid on a low-cost good is not the same as a higher amount of tax paid, that the online calculator makes the system transparent and equitable, and that the formula has increased State profits and enabled higher commissions to Maine's private retail agents. Staff flags the incidence argument in the second sentence as directly relevant to the regressivity objection at Section IV.E, and as coming from a supplier with no interest in the value segment.

End of Appendix J.

Written Comments and Submitted Documents

Full text of the public comment record and the industry submissions

Companion document to the Minimum Base Pricing Staff Study Report

North Carolina Alcoholic Beverage Control Commission · August 2026

Cited in the staff study report as "Written Comments." The comment period remains open through the Commission's meeting of August 12, 2026.

This appendix reproduces the written comments received in the minimum base pricing matter, in the order they are logged in the Public Comment Log, together with the documents commenters submitted with or as their comments. Letters and other documents are reproduced as images of the documents as received, with letterhead, formatting, and signatures intact. Where a comment consisted of a letter attached to an email, the text of the transmitting email is set out and the letter follows as received. Where the document was itself the comment, the document alone is reproduced and the entry is marked accordingly.

Dates. No date is given for the individual comments. The date recorded on each file copy is the date the message was saved to the study file rather than the date the commenter sent it, and staff will not present a filing date as a date of receipt. The Public Comment Log records the dates on which comments were logged, and Appendix A reports the composition of the record.

Redactions. In the transcribed email text, personal contact information — email addresses, telephone numbers, and street addresses of individual commenters — has been removed and marked. Names, cities, and organizational affiliations are reproduced as submitted, because they bear on the weight of the comment. Nothing of substance has been removed. Routing headers, external-email banners, and internal forwarding notes have been omitted as immaterial. Documents reproduced as images appear as received, with one exception: a personal cellular telephone number in the body of the letter at Comment 6 has been masked. The unredacted originals are retained in the study file and remain public records under G.S. 132-1, available on request.

The comment period remains open through the Commission's August 12, 2026 meeting. This appendix is current through August 9, 2026 and will be supplemented before the final report.

K.1 Public comments

Forty written public comments — 34 opposed, 5 in support, and 1 from a local ABC board raising concerns and recommending further study before implementation. Expert input solicited by staff is logged separately and appears at Appendix G; comparator-state correspondence appears in the companion document Comparator State Experiences.

Comment 1 — Russell Motkowicz

Individual consumer · Indian Trail, NC · Opposed

> I read the news article about a potential liquor price increase and wanted to provide my comments. I have recently move to NC from Indiana, and we lived in Illinois prior to that. I was surprised at how archaic the liquor laws are here. Having to purchase liquor at an ABC store is like legalized theft. I was able to buy a 1.75 l bottle of Bacardi rum in Indiana for 25% less than here, and the prices in Illinois and only 60% of

what I would have to pay here. Unless NC eliminates the monopolistic system in place, and lowers prices, people will refrain from dining here, and purchase liquor elsewhere. Make the market more competitive!

Comment 2 — Lucas Krenitsky

Individual consumer · NC · Opposed

Afternoon,

I am sending this email in response to NC ABC considering minimum pricing for alcohol.

I'm sure any reasonable person knows literally everything costs more nowadays. This does nothing but line the pockets of the state under the guise of protecting public heath. As a matter of opinion that can be easily backed up by examples, the fact that the ABC board exists to begin with is an absolute waste of taxpayer money and a perfect example bureaucratic excess that the general public doesn't need to begin with.

Doing stuff like this only makes the public want to disband this whole organization - which they should anyway. I hope one day that becomes reality.

Sincerely, a concerned citizen against government imposed cost of living increases

-Lucas

Comment 3 — Jared Sink

Individual consumer · NC · Opposed

To the North Carolina ABC Commission,

I'm writing as a North Carolina consumer during the current comment period to oppose imposing a mandated minimum ("floor") price on distilled spirits sold through ABC stores.

The commission's stated rationale is that some suppliers have been lowering retail prices on lower-end products. That's not a market failure — it's the market working. Consumers benefiting from price competition on value brands is a feature, not a problem to be corrected. If local boards' finances are the real concern, that's a cost and operations question, not a reason to mandate higher prices for everyone.

This proposal is already having real effects. I understand that Sazerac partially or mostly withheld its bourbon allocation to North Carolina for the month of July amid this dispute over pricing policy. Whatever one thinks of that decision, it's a preview of the leverage suppliers have and are willing to use: the state doesn't set supplier behavior by decree, and a mandated floor is likely to invite more of this kind of friction, not less. Consumers end up on the losing end either way — through higher prices or through products simply not showing up on shelves.

The North Carolina Restaurant & Lodging Association's polling of 803 registered voters found 55% opposed this change, and nearly half said they'd cut back on going out if prices rose 25% or more. A price floor on the cheapest products hits the value brands and well drinks that lower-income consumers and small restaurants rely on hardest, and it will push more border-area residents to buy in Tennessee, Virginia, or South Carolina instead — reducing in-state sales rather than protecting them.

Price controls, outside of genuine emergency price-gouging situations, consistently produce worse outcomes than the problem they intend to solve. I'd ask the commission to reject a mandated floor and instead let retail pricing continue to reflect actual market conditions.

Thank you for considering this input.

Jared Sink

Holly Springs, NC

Comment 4 — Chuck Poole

Individual consumer · NC · Opposed

There are absolutely should not be a minimum price for liquor in NC. The state should get out of the liquor business altogether and let private industry and the free market set prices. The current system does not put NC citizens first. Prohibition era laws need to go.

Chuck Poole

Comment 5 — Charles (Chassy) Cleland

Individual consumer · Durham, NC · Opposed

Hi,

My name is Charles Cleland, and am a NC resident living in Durham. I'm writing to oppose the proposal to set minimum price for alcohol and liquor. Everything is already too expensive, to the extent that I already go out to bars and restaurants less often.

Thank you for your consideration.

Charles Cleland

Durham 27707

Comment 6 — Michael Lusick

FIRC Group — Senior Vice President · Asheville, NC · Opposed

ABC of North Carolina,

I respectfully request you read and consider the attached letter.

Regards,

Michael Lusick

Michael Lusick

Senior Vice President

FIRC Group, INC

Asheville, North Carolina 28801

www.fircgroup.com

Document submitted with Comment 6 — Letter of Michael P. Lusick, FIRC Group Inc., July 24, 2026 (scanned; transcribed by staff)

Reproduced as received: Spirit Rates Concern July 2026.pdf

FIRC
GROUP, INC.

July 24, 2026

North Carolina Alcoholic Beverage Control Commission

RE: *Opposition to Proposed Increase in Minimum Liquor Pricing*

Dear Commissioners,

My name is Michael Lusick, Senior Vice President of the FIRC Group Inc. We have owned and operated hotels, bars and restaurants in Asheville North Carolina for over 25 years. I also represent retail tenants who own and operate bars and restaurants. We respectfully oppose the proposed increase in minimum liquor pricing.

Hospitality is one of North Carolina's largest economic drivers, and food and beverage operations are essential to providing visitors with a positive experience. The residual impact of hurricane Helene continues to plague Western North Carolina. While State and Federal support is sincerely appreciated, the revival of the hospitality sector is the only way to fully revive our economy.

Hotels, bars, and restaurants already face higher labor costs, food costs, insurance premiums, utilities, and property taxes. Dozens of locally owned bars and restaurants have been forced to close their doors. Never to reopen. These businesses represent the dreams and passions of our fellow citizens. These businesses are the backbone of our hospitality economy.

Adding another state-imposed increase on alcoholic beverages only compounds the financial pressures on businesses struggling to survive and increases the challenge for new businesses to open.

I understand your organization needs to raise funds. However, this proposal negatively impacts local business owners in Western North Carolina. Statewide it affects tourism, conventions, local events, and the overall competitiveness of North Carolina's hospitality industry.

I encourage the Commission to carefully consider the cumulative impact of additional cost increases on businesses that are still navigating an exceptionally challenging economic environment.

Thank you for your thoughtful consideration. **I respectfully ask that you reject the proposed increase in minimum liquor pricing.** If you wish to discuss this further, please feel free to call me. My cell phone number is I can share specific details regarding the ongoing challenges my fellow operators and I are facing in Asheville.

Sincerely,

Michael P. Lusick

Senior Vice President

Real Estate Investments

46 Haywood Street, Suite 340 ▪ Asheville, NC 28801 ▪ Tel: 828.252.0218 ▪ Fax: 828.254.7474 ▪ www.fircgroup.com

Comment 7 — John Ewing

Hospitality operator (noc.com) · NC · Opposed

Dear Commissioners,

I respectfully submit this letter in opposition to the proposed increases in baseline liquor pricing currently under consideration by the North Carolina Alcoholic Beverage Control Commission.

While I appreciate the Commission's responsibility to evaluate pricing policies and their potential impacts on public health, safety, and state revenues, I believe that increasing the price of spirituous liquor at this time would have unintended economic consequences for North Carolina businesses, consumers, and local communities.

North Carolina's hospitality industry—including restaurants, hotels, resorts, event venues, and tourism businesses—continues to face significant challenges from rising labor costs, inflation, insurance premiums, utilities, and supply chain expenses. An increase in liquor prices would further raise operating costs for businesses that rely on mixed beverage sales to remain financially viable. Many establishments would have little choice but to pass these additional costs on to customers, making North Carolina less competitive as a destination for tourism and hospitality.

Consumers are already experiencing the effects of inflation across virtually every sector of the economy. Additional government-imposed price increases on legal products place an unnecessary burden on responsible adults who purchase alcoholic beverages in moderation. Because North Carolina operates under a controlled ABC system with uniform statewide pricing, consumers have limited alternatives when prices increase.

Furthermore, higher prices may produce unintended consequences, including encouraging consumers to purchase alcoholic beverages in neighboring states when practical, reducing sales volume for local ABC boards and licensed businesses, or shifting spending away from other sectors of the local economy. These outcomes could ultimately offset any anticipated revenue gains.

If the objective of the proposed pricing changes is to improve public health outcomes, I encourage the Commission to carefully evaluate whether price increases alone are an effective and equitable policy tool. Education, enforcement of existing laws, responsible beverage service training, and targeted prevention programs may provide more measurable benefits without broadly increasing costs for responsible consumers and legitimate businesses.

Before adopting any statewide pricing changes, I respectfully request that the Commission conduct a comprehensive economic impact analysis that includes:

* The projected effects on North Carolina's hospitality and tourism industries.

* The impact on mixed beverage permit holders, restaurants, hotels, and event venues.

* Potential changes in consumer purchasing behavior and cross-border sales.

* The effect on local ABC board revenues over both the short and long term.

* Public input from consumers, retailers, and hospitality businesses across the state.

North Carolina's ABC system has long balanced regulation, public safety, and revenue generation. Any significant modification to its pricing structure should be supported by clear evidence that the benefits outweigh the economic costs imposed on citizens and businesses.

For these reasons, I respectfully urge the Commission to reject the proposed baseline liquor price increases or, at a minimum, postpone implementation until a thorough economic analysis and robust stakeholder engagement have been completed.

Thank you for your consideration of these comments and for your service to the citizens of North Carolina.

Respectfully,

John Ewing

Bryson City, NC

Adventure awaits you!

John Ewing

Director of Hospitality

Nantahala Outdoor Center

13077 Highway 19 West

Bryson City, NC 28713

noc.com

[NOC Logo Leaders in Adventure Since 1972]

Comment 8 — Daniel Mancuso

Hospitality operator (noc.com) · NC · Opposed

Dear Commissioners,

I respectfully submit this letter in opposition to the proposed increases in baseline liquor pricing currently under consideration by the North Carolina Alcoholic Beverage Control Commission.

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* Potential changes in consumer purchasing behavior and cross-border sales.

* The effect on local ABC board revenues over both the short and long term.

* Public input from consumers, retailers, and hospitality businesses across the state.

North Carolina's ABC system has long balanced regulation, public safety, and revenue generation. Any significant modification to its pricing structure should be supported by clear evidence that the benefits outweigh the economic costs imposed on citizens and businesses.

For these reasons, I respectfully urge the Commission to reject the proposed baseline liquor price increases or, at a minimum, postpone implementation until a thorough economic analysis and robust stakeholder engagement have been completed.

Thank you for your consideration of these comments and for your service to the citizens of North Carolina.

Respectfully,

Daniel Mancuso,

Arden, NC

Comment 9 — Philip Bollhoefer

Parks Hospitality Group — VP Food & Beverage · NC · Opposed

Dear Commissioners,

My name is Philip Bollhoefer, and I serve as Vice President of Food and Beverage for Parks Hospitality Group. I respectfully oppose the proposed increase in minimum liquor pricing.

Hospitality is one of North Carolina's largest economic drivers, and food and beverage operations play an important role in the experience we provide to visitors, convention groups, and local residents.

Hotels and restaurants are already managing significant increases in labor, food, insurance, utilities, and property-related expenses. Increasing liquor prices would add another state-imposed cost at a time when operators are already working hard to maintain quality, value, and profitability.

North Carolina's current ABC pricing structure already creates challenges for hospitality businesses. Unlike many other states, operators do not have access to meaningful volume discounts, purchasing incentives, or other pricing benefits that recognize the amount of product being purchased. This makes it more difficult for North Carolina businesses to remain competitive before any additional increase is considered.

I am especially concerned about the impact this would have on Western North Carolina. The region continues to struggle with the economic effects of Hurricane Helene, and many hospitality businesses are still working to recover lost revenue, rebuild demand, and support their employees. Additional ABC price increases, on top of the inflation we are already contending with, would make it more difficult to continue operating existing businesses and could make future development and investment in the region less likely.

This proposal would ultimately affect more than hotel and restaurant operators. It would impact tourism, conventions, local events, employment, and the overall competitiveness of North Carolina's hospitality industry.

I encourage the Commission to consider the cumulative impact of these increases on businesses that are already navigating an exceptionally challenging operating environment. I respectfully ask that you reject the proposed increase in minimum liquor pricing.

Thank you for your time and thoughtful consideration.

Sincerely,

Philip Bollhoefer

....

Philip Bollhoefer

Vice President of Food and Beverage

Parks Hospitality Group

Suite 1600

Raleigh, NC 27609

[phone redacted] main

parkshotels.com

Comment 10 — Ryan Fender

Hilton Garden Inn Asheville South — General Manager · Asheville, NC · Opposed

July 23, 2026

North Carolina Alcoholic Beverage Control Commission Opposition to Proposed Increase in Minimum Liquor Pricing

Dear Commissioners,

My name is Ryan Fender, and I am the General Manager of Hilton Garden Inn Asheville South. I respectfully oppose the proposed increase in minimum liquor pricing.

Hospitality is one of North Carolina's largest economic drivers, and food and beverage operations are essential to providing visitors with a positive experience.

Today's travelers have more choices than ever before. Rising operating costs—including higher liquor prices—make it increasingly difficult to remain competitive while delivering the quality and value our guests expect.

Hotels and restaurants already face higher labor expenses, food costs, insurance premiums, utilities, and property expenses. Adding another state-imposed increase on alcoholic beverages only compounds these financial pressures.

This proposal ultimately impacts more than business owners. It affects tourism, conventions, local events, and the overall competitiveness of North Carolina's hospitality industry.

As the General Manager of a hotel with on-site food and beverage operations, I see firsthand how rising costs impact our ability to provide value to our guests while remaining competitive. I encourage the Commission to carefully consider the cumulative impact of additional cost increases on businesses that are still navigating an exceptionally challenging economic environment.

Thank you for your thoughtful consideration. I respectfully ask that you reject the proposed increase in minimum liquor pricing.

Sincerely,

J Ryan Fender

General Manager

[A picture containing font, graphics, text, logo Description automatically generated]

Hilton Garden Inn Asheville South

9 Rocky Ridge Rd.

Asheville, NC 28806.

Hotel: [phone redacted]

www.ashevillesouth.hgi.com

Comment 11 — Troy Ferguson

Homewood Suites by Hilton Asheville/Tunnel Rd — GM · Asheville, NC · Opposed

Dear Commissioners,

My name is Troy Ferguson, the General Manager of the Homewood Suites by Hilton Asheville/Tunnel Road. I respectfully oppose the proposed increase in minimum liquor pricing.

Hospitality is one of North Carolina's largest economic drivers, and food and beverage operations are essential to providing visitors with a positive experience.

Today's travelers have more choices than ever before, and rising costs everywhere are already limiting leisure travel. Rising operating costs—including higher liquor prices—make it increasingly difficult to remain competitive while delivering the quality and value our guests expect.

Hotels and restaurants already face higher labor expenses, food, insurance costs, utilities, and property expenses. Adding another state-imposed increase on alcoholic beverages only compounds these financial pressures.

This proposal ultimately impacts more than business owners. It affects tourism, conventions, local events, and the overall competitiveness of North Carolina's hospitality industry.

I encourage the Commission to carefully consider the cumulative impact of additional cost increases on businesses that are still navigating an exceptionally challenging economic environment.

Thank you for your thoughtful consideration. I respectfully ask that you reject the proposed increase in minimum liquor pricing.

Thank You,

TROY FERGUSON (he/him/his)

General Manager

Homewood Suites by Hilton Asheville/Tunnel Road 88 Tunnel Road Asheville, NC 28805

[Description: Description: 2011-06-08 09.41.15.jpg]

Comment 12 — Jonathan Craven

DHM Hotels (Radical Hotel; Zelda Dearest) — Area GM · Asheville, NC · Opposed

North Carolina Alcoholic Beverage Control Commission

RE: Opposition to Proposed Increase in Minimum Liquor Pricing

Dear Commissioners,

My name is Jon Craven, Area General Manager with The Radical Hotel and Zelda Dearest in Asheville, NC. I respectfully oppose the proposed increase in minimum liquor pricing.

Hospitality is one of North Carolina's largest economic drivers, and food and beverage operations are essential to providing visitors with a positive experience.

Today's travelers have more choices than ever before. Rising operating costs—including higher liquor prices—make it increasingly difficult to remain competitive while delivering the quality and value our guests expect.

Hotels and restaurants already face higher labor expenses, food, insurance costs, utilities, and property expenses. Adding another state-imposed increase on alcoholic beverages only compounds these financial pressures.

This proposal ultimately impacts more than business owners. It affects tourism, conventions, local events, and the overall competitiveness of North Carolina's hospitality industry.

I encourage the Commission to carefully consider the cumulative impact of additional cost increases on businesses that are still navigating an exceptionally challenging economic environment.

Thank you for your thoughtful consideration. I respectfully ask that you reject the proposed increase in minimum liquor pricing.

Sincerely,

Jon Craven

[A logo for a hotel AI-generated content may be incorrect.][A logo for a hotel AI-generated content may be incorrect.] Jon Craven

Area General Manager

The Radical Hotel, Tapestry Collection by Hilton Zelda Dearest, Small Luxury Hotels of the World

Comment 13 — Celia Worley

Hampton Inn & Suites Asheville Airport (South Asheville Hotel Assoc.) — GM · Asheville, NC · Opposed

July 23, 2026

North Carolina Alcoholic Beverage Control Commission

RE: Opposition to Proposed Increase in Minimum Liquor Pricing

Dear Commissioners,

My name is Celia Worley, General Manager of Hampton Inn & Suites-Asheville Airport with South Asheville Hotel Associates, LLC. I respectfully oppose the proposed increase in minimum liquor pricing.

Hospitality is one of North Carolina's largest economic drivers, and food and beverage operations are essential to providing visitors with a positive experience.

Today's travelers have more choices than ever before. Rising operating costs—including higher liquor prices—make it increasingly difficult to remain competitive while delivering the quality and value our guests expect.

Hotels and restaurants already face higher labor expenses, food, insurance costs, utilities, and property expenses. Adding another state-imposed increase on alcoholic beverages only compounds these financial pressures.

This proposal ultimately impacts more than business owners. It affects tourism, conventions, local events, and the overall competitiveness of North Carolina's hospitality industry.

I encourage the Commission to carefully consider the cumulative impact of additional cost increases on businesses that are still navigating an exceptionally challenging economic environment.

Thank you for your thoughtful consideration. I respectfully ask that you reject the proposed increase in minimum liquor pricing.

Sincerely,

Celia Worley

General Manager

Hampton Inn & Suites Asheville Airport

18 Rockwood Rd, Fletcher NC 28732

Hampton by Hilton

exploreasheville.com

Comment 14 — Kyle Highberg

Biltmore Farms — VP Hospitality · Asheville, NC · Opposed · Submitted as a document; the document is the comment

Reproduced as received: Minimum Pricing Letter - 7.23.26 - Highberg.pdf

July 23, 2026

North Carolina Alcoholic Beverage Control Commission

RE: Opposition to Proposed Increase in Minimum Liquor Pricing

Dear Commissioners,

My name is Kyle Highberg, Vice President of Hospitality at Biltmore Farms, I respectfully oppose the proposed increase in minimum liquor pricing.

Hospitality is one of North Carolina's largest economic drivers, and food and beverage operations are essential to providing visitors with a positive experience.

Today's travelers have more choices than ever before. Rising operating costs—including higher liquor prices—make it increasingly difficult to remain competitive while delivering the quality and value our guests expect.

Hotels and restaurants already face higher labor expenses, food, insurance costs, utilities, and property expenses. Adding another state-imposed increase on alcoholic beverages only compounds these financial pressures.

This proposal ultimately impacts more than business owners. It affects tourism, conventions, local events, and the overall competitiveness of North Carolina's hospitality industry.

I encourage the Commission to carefully consider the cumulative impact of additional cost increases on businesses that are still navigating an exceptionally challenging economic environment.

Thank you for your thoughtful consideration. I respectfully ask that you reject the proposed increase in minimum liquor pricing.

Sincerely,

Kyle Highberg
Vice President
Biltmore Farms

Comment 15 — Liza & Clarke Merrell

81 Hospitality Group — Owners · Morehead City, NC · Opposed · Submitted as a document; the document is the comment

Reproduced as received: 81H ABC Letter.pdf

July 22, 2026

North Carolina Alcoholic Beverage Control Commission

RE: Opposition to Proposed Increase in Minimum Liquor Pricing

Dear Chairman Bauer and Commissioners,

We are the owners of several independent restaurants, as well as a catering company and wedding venue in North Carolina. Together, our businesses employ a significant number of North Carolinians and serve thousands of guests each year through everyday dining, weddings, corporate events, charitable fundraisers, and community celebrations.

We respectfully urge the Commission to reject the proposed increase in minimum liquor pricing.

As a business owner operating across multiple sectors of the hospitality industry, we see firsthand how rising costs ripple through every aspect of our operations. Food costs remain elevated, labor expenses continue to increase, insurance premiums have climbed dramatically, and utilities and property costs show little sign of easing. Our businesses have worked diligently to absorb these increases whenever possible to keep dining out and celebrating life's milestones affordable for our customers.

The proposed increase in minimum liquor pricing would affect far more than our restaurant bars. It would also increase the cost of catered events, weddings, rehearsal dinners, nonprofit galas, and corporate functions. Couples are already facing record-high wedding costs, and many are scaling back their celebrations or reducing their guest counts to stay within budget. Additional increases in beverage costs make it even more difficult for venues and caterers to provide the value and service our clients expect.

Alcohol sales are an important component of a financially healthy hospitality business. Revenue from beverage service helps offset rising operational costs, supports employee wages, and allows us to continue investing in our facilities and guest experience. Increasing the minimum price of liquor reduces that flexibility and leaves businesses with little choice but to absorb the added expense or pass it along to our customers.

Independent hospitality businesses are significant economic engines in North Carolina. We purchase from local vendors, employ local residents, support charitable organizations, and help attract visitors who contribute to surrounding hotels, retailers, and other small businesses. Policies that unnecessarily increase operating costs make it more difficult to continue investing in our employees, expand our businesses, and strengthen the communities we serve.

We appreciate the Commission's responsibility to oversee North Carolina's alcohol system, but we respectfully believe this proposal would place an unnecessary financial burden on responsible operators without providing a meaningful benefit to consumers or the hospitality industry.

For these reasons, we respectfully ask the Commission to reject the proposed increase in minimum liquor pricing.

Thank you for your time and thoughtful consideration.

Sincerely,

Liza & Clarke Merrell
Owners, 81 Hospitality Group

81 Hospitality Group
81hospitality.com
801 Arendell St.
Morehead City NC 28557

Page 2 of 2

Comment 16 — Samantha Luu, MPH

Campus & Community Coalition — Director · Chapel Hill, NC · In support

Dear Ben,

After consulting with a couple of experts and the literature, I wanted to follow up with a few thoughts on minimum pricing. I hope this is helpful, and please let me know if I need to clarify any of these. I appreciate you taking in this comments.

In addition, I saw that Dr. Marissa Esser responded to you; I hope you both have a chance to connect. She would be an excellent expert consult on this.

1. Public health and safety impact

* Product price is one of the environmental variables that greatly influences alcohol consumption; in particular, when product price increases, we see a decrease in higher-risk consumption behaviors (ex. excessive drinking, binge drinking, underage drinking) and associated negative impacts (NC DHHS)

* Minimum Pricing policy generally would be positively influential for public health and safety; however, the pricing strategy and price itself matter and the latter is heavily dependent on local context (see also #4)

* Minimum Unit Pricing (MUP, where a minimum cost per standard drink is established) is more effective than General Minimum Pricing (GMP, where a minimum cost per container size regardless of proof is established); either would have a positive public health impact compared to no Minimum Pricing policy

* Public health and safety impact can be interpreted broadly and should include myriad impacts to the drinker themselves (ex. cancer, liver disease) and harms to others (ex. impaired driving, fetal alcohol syndrome, excess cost burdens); additionally, the societal cost savings of such a policy should also be considered (ex. NC DHHS cites research that shows that excessive alcohol use costs NC billions of dollars in a single year)

2. Impact on alcohol sales and overall NC market

* Any Minimum Pricing policy should account for cross-price elasticity, meaning that raising the price of one type of alcohol product may change consumption patterns of other products, so a study should account for a variety of products even if the minimum price policy only applies to a single class of products

* Raising the price of one type of product does not mean an equal loss of revenue for a business

3. Commission's legal authority to act

4. Implementation, logistics, and other relevant issues

* The type of Minimum Pricing policy matters (i.e. MUP vs GMP), however, either would have a positive public health impact

* In setting the policy strategy and actual price increase, a robust analysis using local data and context should be performed to understand the impact of a price increase and what price increase would bring about meaningful change

Best,

Samantha

--

Samantha Luu, MPH (She/Her)

Director | Campus & Community Coalition (CCC)

o: 128 E. Franklin St, Suite 240, Chapel Hill, NC 27514

Comment 17 — Rev. Mark Creech

Return America — Director of Government Relations · NC · In support · Submitted as a document; the document is the comment

Reproduced as received: Statement Regarding Minimum Base Pricing for Spirituous Liquor - Letterhead.docx

RETURN AMERICA

Dr. Ron Baity
President

Rev. Mark Creech
Government

Statement Regarding Minimum Base Pricing for Spirituous Liquor

The North Carolina Alcoholic Beverage Control Commission is to be commended for studying the possible establishment of a minimum base-pricing policy for spirituous liquor.

A reasonable and uniform statewide system of minimum base pricing merits support, provided that the policy is carefully designed to advance the public-health and public-safety purposes of North Carolina's control system.

Alcohol is not an ordinary commodity. Although its lawful sale may be permitted, its misuse carries substantial consequences for individuals, families, workplaces, highways, and communities. For that reason, alcohol policy should not be governed solely by the desire to increase sales, expand consumer convenience, or generate additional revenue. The state's first responsibility should remain the protection of the public.

North Carolina has also rightly recognized, for generations, that spirituous liquor warrants a different degree of control than beer and wine. Distilled spirits contain a substantially higher concentration of alcohol and can produce intoxication more rapidly and in smaller quantities. While the misuse of any alcoholic beverage can cause serious harm, the distinctive potency of spirituous liquor justifies a more cautious regulatory approach. The state should not abandon that longstanding distinction by treating liquor as though it were no different from lower-alcohol beverages sold through ordinary retail channels.

The relationship between price, consumption, and alcohol-related harm is supported by a substantial body of evidence. A 2003 natural experiment published in the journal *Addiction* found that spirits consumption in Switzerland increased by 28.6 percent following a substantial reduction in the price of distilled liquor. The increase occurred while beer and wine consumption did not change significantly.

A 2023 evaluation published in *The Lancet* estimated that Scotland's minimum-unit-pricing policy was associated with a 13.4 percent reduction in deaths wholly attributable to alcohol and a 4.1 percent reduction in alcohol-related hospital admissions. More recently, a 2025 rapid review published in the *International Journal of Drug Policy* examined 37 real-world studies and concluded that minimum-pricing policies generally reduce alcohol consumption and related harm, particularly among heavy drinkers and economically vulnerable populations.

The design, setting, and results of individual studies differ, and no single policy should be adopted without careful consideration of North Carolina's particular circumstances. Nevertheless, the evidence as a whole supports the conclusion that the price of high-strength alcohol is an appropriate and important consideration in responsible alcohol-control policy.

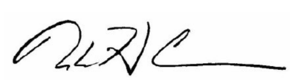
Exceptionally inexpensive spirituous liquor may encourage heavier consumption, make high-alcohol products more readily available to vulnerable populations, and contribute to the social costs associated with alcohol abuse. A reasonable minimum base price could help ensure that distilled spirits are not marketed primarily through unusually low prices that encourage volume consumption.

Any such policy should be uniform throughout the state, transparent in its application, and periodically reviewed to determine whether it is producing measurable public-health benefits without creating unnecessary complications for consumers, local ABC boards, the hospitality industry, or other legitimate businesses. The price should be based on sound evidence and should not be set merely to increase government revenue.

North Carolina's ABC system was created as a system of control, not alcohol promotion. A carefully constructed minimum base-pricing policy would be consistent with that purpose if it reduces harmful consumption, protects communities, and preserves uniform and responsible administration across the state.

For these reasons, the Commission should adopt a reasonable, evidence-based, and uniformly applied minimum base-pricing policy for spirituous liquor. Such a policy would preserve North Carolina's longstanding recognition that distilled spirits require a higher degree of control than beer and wine, while helping protect individuals, families, and communities from the consequences of harmful alcohol consumption.

Respectfully Submitted,



Rev. Mark Creech

Director of Government Relations
Return America

Comment 18 — Francis Fiordalisi

Individual consumer · NC · Opposed

Dear Members of the North Carolina ABC Commission, I am writing to express my strong opposition to the proposed implementation of minimum pricing for spirituous liquor in North Carolina.

The current ABC system already places North Carolina among the most heavily regulated states when it comes to the sale of distilled spirits. Introducing a government-mandated price floor would further limit competition, reduce consumer choice, and increase costs for residents, restaurants, bars, and small businesses across the state. The Commission is currently studying the possibility of establishing baseline pricing for liquor throughout North Carolina.

A competitive free market—not government-controlled pricing—is the best mechanism for determining fair prices. Competition encourages efficiency, rewards innovation, and allows retailers to compete based on price, selection, and customer service. Artificially preventing businesses from discounting products benefits neither consumers nor responsible retailers. Instead, it protects an already insulated system from market forces.

North Carolina is one of the few remaining control states where government entities dictate nearly every aspect of liquor distribution and retail pricing. While regulation has an important role in ensuring public safety and preventing underage sales, it should not extend to fixing prices or eliminating healthy market competition. Those are functions that should be left to consumers and businesses.

Increasing prices through government policy will disproportionately impact working families and responsible consumers who are already dealing with rising costs across nearly every aspect of daily life. Restaurants, hospitality businesses, and tourism-related industries would also bear additional costs that could make North Carolina less competitive compared to neighboring states.

Rather than expanding government control through minimum pricing, I encourage the Commission and our elected officials to begin modernizing North Carolina's alcohol laws by moving toward a competitive retail marketplace. Many other states have demonstrated that private retail sales can coexist with strong regulation, responsible licensing, and effective enforcement while providing greater convenience, broader product selection, and competitive pricing. Recent discussions around modernizing North Carolina's alcohol laws reflect growing interest in reducing the regulatory burden while maintaining appropriate oversight.

Government should regulate for safety—not dictate prices or shield monopolistic systems from competition.

I respectfully urge the Commission to reject the proposed minimum pricing policy and instead support reforms that promote consumer choice, encourage competition, and move North Carolina toward a modern, free-market approach to alcohol sales.

Thank you for your consideration and for providing the public an opportunity to comment.

Sincerely,

Francis C. Fiordalisi

Comment 19 — Charlie Rodman

Individual consumer · NC · Opposed

To whom it may concern,

I oppose the proposed legislation imposing a minimum price on liquor. Although I scarcely, if ever, shop for products that would be affected by this change, I find it to be grossly anti-competitive and anti-consumerist. Such an imposition, without clear and direct reinvestment into the community from any increase in pricing is overtly against the interests of self-regulating adults and reads as a direct overreach of government into the affairs of private citizens.

Given the contemptuous view the citizenry already has towards the monopolized ABC liquor system in our state, further introductions of anti-competitive measures to drive up prices - particularly at a time when inflation is hitting working citizens hardest - must be avoided.

With regards,

Charles Rodman

Comment 20 — Dan Rolls

Individual consumer · NC · Opposed

Dear Members of the North Carolina ABC Commission,

I am writing to express my strong opposition to the proposed implementation of minimum pricing for spirituous liquor in North Carolina.

The current ABC system already places North Carolina among the most heavily regulated states when it comes to the sale of distilled spirits.

Introducing a government-mandated price floor would further limit competition, reduce consumer choice, and increase costs for residents, restaurants, bars, and small businesses across the state. The Commission is currently studying the possibility of establishing baseline pricing for liquor throughout North Carolina.

A competitive free market—not government-controlled pricing—is the best mechanism for determining fair prices. Competition encourages efficiency, rewards innovation, and allows retailers to compete based on price, selection, and customer service. Artificially preventing businesses from discounting products benefits neither consumers nor responsible retailers. Instead, it protects an already insulated system from market forces.

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Government should regulate for safety—not dictate prices or shield monopolistic systems from competition.

I respectfully urge the Commission to reject the proposed minimum pricing policy and instead support reforms that promote consumer choice, encourage competition, and move North Carolina toward a modern, free-market approach to alcohol sales.

Thank you for your consideration and for providing the public an opportunity to comment.

Sincerely,

Daniel Rolls

Mooresville, NC

Comment 21 — John Colvin

Individual consumer · NC · Opposed

Dear Members of the North Carolina ABC Commission,

I am writing to express my strong opposition to the proposed implementation of minimum pricing for spirituous liquor in North Carolina.

The current ABC system already places North Carolina among the most heavily regulated states when it comes to the sale of distilled spirits. Introducing a government-mandated price floor would further limit competition, reduce consumer choice, and increase costs for residents, restaurants, bars, and small businesses across the state. The Commission is currently studying the possibility of establishing baseline pricing for liquor throughout North Carolina.

A competitive free market—not government-controlled pricing—is the best mechanism for determining fair prices. Competition encourages efficiency, rewards innovation, and allows retailers to compete based on price, selection, and customer service. Artificially preventing businesses from discounting products benefits neither consumers nor responsible retailers. Instead, it protects an already insulated system from market forces.

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Increasing prices through government policy will disproportionately impact working families and responsible consumers who are already dealing with rising costs across nearly every aspect of daily life. Restaurants, hospitality businesses, and tourism-related industries would also bear additional costs that could make North Carolina less competitive compared to neighboring states.

Rather than expanding government control through minimum pricing, I encourage the Commission and our elected officials to begin modernizing North Carolina's alcohol laws by moving toward a competitive retail marketplace. Many other states have demonstrated that private retail sales can coexist with strong regulation, responsible licensing, and effective enforcement while providing greater convenience, broader product selection, and competitive pricing. Recent discussions around modernizing North Carolina's alcohol laws reflect growing interest in reducing the regulatory burden while maintaining appropriate oversight.

Government should regulate for safety—not dictate prices or shield monopolistic systems from competition.

I respectfully urge the Commission to reject the proposed minimum pricing policy and instead support reforms that promote consumer choice, encourage competition, and move North Carolina toward a modern, free-market approach to alcohol sales.

Thank you for your consideration and for providing the public an opportunity to comment.

Sincerely,

John Colvin

Concord nc 28027

Comment 22 — Becky Ruffolo

Individual consumer · NC · Opposed

I do not want to see increases in the cost of alcohol. Increasing the price of alcohol is unnecessary, unwanted, and puts additional costs onto consumers at a time when household budgets are already stretched. Increasing costs would cause people to purchase less and to go to other neighboring states to purchase their alcohol.

My vote is NO to increasing the base price of alcohol in NC.

Thank you,

Becky

Comment 23 — Anne Barrett

Individual consumer · NC · Opposed

Please do not pass this into law. It will have an epidemic affect on the state. It will cost NC countless lost of income.

Comment 24 — Geoff Santoliquido

Individual consumer · Cary, NC · Opposed

Dear Members of ABC Commission:

Please discard the idea of establishing minimum prices for liquor. You're going to harm consumers, particularly those with lower incomes. It's plainly unfair.

Geoffrey Santoliquido

Cary NC

Sent from AT&T Yahoo Mail on Android

Comment 25 — C. L. Nelson

Individual consumer · Hickory, NC · Opposed

I oppose a minimum price for spirits. I have seen nothing that suggest this will be good for the consumer or hospitality industry. I also would like to suggest we privatize the spirt industry in order to create better selection and competitive pricing like our surrounding states.

Best regards

C L Nelson

Hickory NC

Comment 26 — A. R. Huber

Individual consumer (no industry ties) · NC · Opposed

I understand that the NC Alcoholic Beverage Control Commission is currently

considering whether to set minimum prices on distilled spirits.

As an individual concerned citizen not associated in any way with any company

or business involved in making, distributing, or selling alcoholic beverages of

any kind, I am strongly opposed to the Commission setting any prices at all

on alcoholic beverages, but especially not minimum prices.

My reasons for this are the following.

1. Governments should not be setting prices on consumer items.

The only valid cases for this are utilities and other natural monopolies,

and that should be limited to maximum prices, not minimum prices.

2. Minimum prices can raise costs to consumers.

3. Minimum prices can reward inefficient producers and protect poor businesses.

4. Setting prices will require all kinds of rules, regulations, exceptions,

and red tape, and increased bureaucracy.

5. Enforcement will be complicated, uneven, and costly.

In summary, minimum prices on distilled spirits are a bad idea.

Please reject any such notion.

Andrew R. Huber

Comment 27 — Tom Macie

Individual consumer · Cary, NC · Opposed

To Whom it May Concern:

Please don’t implement a new pricing floor at ABC’s.

Sincerely,

-Tom Macie

Cary, NC

Comment 28 — Karl Beil

Individual consumer · NC · Opposed

Good morning.

This morning I read an article in the Charlotte Observer about the potential for minimum base pricing being implemented in NC. For a long time I have been a defender of NC's ABC system because it ensured, for the most part, better prices than surrounding states. This, despite the fact that the ABC system allows government to control what spirits can be bought in NC. Now your are considering implementing a minimum base price on spirits? You need to stop the clear and obvious grab for more money. Government is not about profit. Government is about serving the public. Intentionally driving up the cost of anything, is not serving the public. It is serving the ABC systems bank accounts.

I urge you to not implement minimum base pricing. Doing so will only encourage people to buy outside NC and will encourage people to buy from the black market.

Thank you,

Karl Beil

Comment 29 — Alex Markowkin

Individual consumer · NC · Opposed

No. Liquor sales should be privatized in NC. Free market will set the prices without government intervention.

Comment 30 — James Goulding

Individual consumer · NC · Opposed

With the price of gas and groceries sky high right now, this is just an apply for the state or federal whoever is in charge, to make more money. Please do not do this. It is not going to cut down a liquor usage. it will just make it harder for everyone.

I know what is sold at the ABC stores is not a necessity. However, it is just one more thing the government is trying to control.

Let’s put more effort into fixing the whole general economy.

Thank you

Comment 31 — Denna (pneumos)

Individual consumer · NC · Opposed

Going out to restaurants pretty much precludes having a cocktail. The cocktails, in some incidents, cost more than the entrees.

If placing a minimum price at the ABC would increase the price of spirits, many restaurants will probably go out of business. Restaurants make a large part of their margins from cocktail sales. They are so high, I don't participate any longer the way I used to.

Denna Weston

Comment 32 — Eric Lamb

Individual consumer · NC · Opposed

I recently learned of your proposal to consider implementing a minimum price for certain liquors in North Carolina. After doing some research on the idea, I can't determine that this has any measurable benefit for consumers, and I strongly recommend you reject this proposal.

North Carolina's liquor laws are rigid enough, to the point some would characterize them as uncompetitive. Restricting minimum pricing would only reinforce that perception.

Our citizens have suffered enough price inflation In recent years as it is. There is no compelling reason to pile on with these additional price controls.

Thanks,

Eric Lamb

--

Eric Lamb

Comment 33 — Kim Hammer

Bittersweet & Johnson St. Yacht Club (Raleigh cocktail bars) — Owner · Raleigh, NC · Opposed

RE: Opposition to Proposed Increase in Minimum Liquor Pricing

Dear Chairman Bauer and Commissioners,

I own Bittersweet and Johnson Street Yacht Club, both independent cocktail bars in Raleigh that employ over 45 North Carolinians and welcomes thousands of guests every year.

Our business depends on offering high-quality cocktails at prices our customers can afford. The proposed increase in minimum liquor pricing directly impacts our ability to do that.

Unlike many costs we can negotiate or manage internally, liquor pricing is dictated by state policy. Every increase affects our menu pricing and ultimately our guests.

North Carolina's hospitality industry has worked incredibly hard to recover from unprecedented economic challenges. While business has improved, margins remain extremely tight. Additional mandated cost increases make it harder for small businesses like mine to invest in employees, expand operations, and continue contributing to our local economy.

This proposal comes at a time when consumers are increasingly cautious about discretionary spending. Higher cocktail prices may seem insignificant individually, but collectively they discourage guests from dining out, reducing visits and spending throughout the hospitality industry.

I respectfully ask the Commission to reject this proposal and avoid placing additional financial burdens on North Carolina's restaurants, bars, and consumers.

Thank you for your service and consideration.

Respectfully,

Kim Hammer

Owner

Bittersweet

Document submitted with Comment 33 — Letter of Kim Hammer, Bittersweet and Johnson Street Yacht Club, July 28, 2026

Reproduced as received: Bittersweet Letter- Minimum Pricing 2026.docx

July 28, 2026

North Carolina Alcoholic Beverage Control Commission

RE: Opposition to Proposed Increase in Minimum Liquor Pricing

Dear Chairman Bauer and Commissioners,

I own Bittersweet and Johnson Street Yacht Club, both independent cocktail bars in Raleigh that employ over 45 North Carolinians and welcomes thousands of guests every year.

Our business depends on offering high-quality cocktails at prices our customers can afford. The proposed increase in minimum liquor pricing directly impacts our ability to do that.

Unlike many costs we can negotiate or manage internally, liquor pricing is dictated by state policy. Every increase affects our menu pricing and ultimately our guests.

North Carolina's hospitality industry has worked incredibly hard to recover from unprecedented economic challenges. While business has improved, margins remain extremely tight. Additional mandated cost increases make it harder for small businesses like mine to invest in employees, expand operations, and continue contributing to our local economy.

This proposal comes at a time when consumers are increasingly cautious about discretionary spending. Higher cocktail prices may seem insignificant individually, but collectively they discourage guests from dining out, reducing visits and spending throughout the hospitality industry.

I respectfully ask the Commission to reject this proposal and avoid placing additional financial burdens on North Carolina's restaurants, bars, and consumers.

Thank you for your service and consideration.

Respectfully,

Kim Hammer
Owner
Bittesweet

Comment 34 — Ross Donnelly

Individual consumer · Apex, NC · Opposed

Difficult to see how minimum liquor prices benefit anyone but the ABC Commissioners. I strongly support privatization of all liquor sales, but I doubt the Commissioners would ever give up their incomes.

Ross Donnelly

Apex, NC 27502

Comment 35 — Brian Bunting

Free Our Spirits NC (advocacy) — Representative · NC · Opposed

Dear Members of the North Carolina ABC Commission,

I am writing as a North Carolina consumer to respectfully urge you to reject any proposal establishing floor pricing for spirituous liquor.

North Carolina already has a highly regulated pricing system. Adding a minimum price that prevents discounts would only increase costs for consumers while reducing competition and choice. Responsible adults should be allowed to benefit from legitimate sales, not be required to pay artificially higher prices.

I support responsible regulation and public safety, but I do not believe floor pricing is the right approach. I respectfully ask the Commission to prioritize consumers and reject this proposal.

Thank you for your time and consideration.

Sincerely,

Brian Bunting

Comment 36 — John Duren

Individual consumer · Raleigh, NC · Opposed

I have lived in several states and the liquor prices and selections available in North Carolina's ABC stores is the worst of any place I have been. Setting minimums is likely to increase the exorbitant prices consumers already pay. The ABC stores should be replace with competitive private retail options.

John Duren

Raleigh NC

Comment 37 — Addiction Professionals of NC (APNC) — Jarrett Patrick

Statewide addiction-treatment professional association · NC · In support

Hi Ben,

Attached are APNC's comments (due tomorrow, 7/22) on the minimum base pricing study being conducted by the ABC Commission. Thank you for the opportunity to weigh in. Please let us know if you have any questions or need anything further from us.

Best,

Jarrett

Document submitted with Comment 37 — Written comments of Addiction Professionals of North Carolina, July 21, 2026

Reproduced as received: APNC ABC Minimum Pricing Comments.pdf

Addiction Professionals of North Carolina
3725 National Drive, Suite 222
Raleigh, NC, 27612
apnc.org

July 21, 2026

Ben Popkin
North Carolina ABC Commission
ben.popkin@abc.nc.gov

RE: Minimum Base Pricing Study for Spirituous Liquor Sold Through NC ABC Stores

On behalf of Addiction Professionals of North Carolina (APNC), thank you for the invitation to submit written comment on the Commission's study of minimum base pricing for spirituous liquor sold through NC ABC stores. APNC is a statewide membership association representing substance use disorder and addiction treatment professionals across North Carolina. Our members include licensed clinical addiction specialists, certified peer support specialists, counselors, and behavioral health providers who work daily with individuals experiencing the most severe consequences of alcohol use. APNC's comments focus on the areas of the study most directly informed by our members' clinical experience: the prevention benefit for youth, the broader public health case for minimum pricing, effects on vulnerable populations, and how a threshold should be set.

1. Minimum pricing reduces the cheap alcohol supply that reaches minors, even though retailers don't sell to them directly.

We anticipate that some commenters will note that licensed retailers already do not sell to minors, and of course that is true. But the relevant question for this study is not whether a retailer will sell directly to a minor; it is how price shapes the alcohol that ends up in the hands of underage drinkers through other channels, including proxy purchases, older peers, and access at home. Research consistently shows that younger drinkers are more price-conscious than older adults and disproportionately seek out the cheapest available products.[1] Because minimum pricing is specifically designed to eliminate the very cheapest, highest-proof options from the market, it reduces the pool of low-cost alcohol available to be diverted to minors in the first place. In one peer-reviewed study of young adult drinkers, a targeted minimum price on high-proof beverages reduced youth alcohol intake by approximately 28 percent.[2] We see minimum pricing as an additional, evidence-based layer of prevention that compounds with existing age-verification requirements rather than substituting for them.

[1] "An Evaluation of the Impact of a National Minimum Unit Price on Alcohol Policy on Alcohol Behaviours," *Journal of Public Health* (Oxford Academic, 2025), https://academic.oup.com/jpubhealth/article/47/1/e94/7907893
[2] "Impact of Minimum Unit Pricing on Youth Alcohol Consumption, *Health Policy and Planning* (Oxford Academic, 2022), https://academic.oup.com/heapol/article/37/6/760/6555781

APNC Programs

North Carolina Training & Technical Assistance Center

Addiction Professionals of North Carolina

Addiction Professionals of North Carolina
3725 National Drive, Suite 222
Raleigh, NC, 27612
apnc.org

2. Delaying the age of first drink lowers lifetime alcohol use disorder risk, and price is one of the few levers that affects that timing.

A substantial body of research links the age at which a person takes their first drink to their lifetime risk of alcohol use disorder. Data from the National Institute on Alcohol Abuse and Alcoholism's National Longitudinal Alcohol Epidemiologic Survey found that individuals who begin drinking before age 15 are four times more likely to develop alcohol dependence during their lifetime than those who begin drinking at age 21.[3] Every year that a young person's first drink is delayed measurably reduces their lifetime risk. This is a central reason APNC views minimum pricing favorably: it is not a policy aimed at limiting how adults choose to enjoy alcohol responsibly, but a targeted, evidence-based tool that raises the cost of the specific products most associated with underage and high-risk consumption, while leaving the market for moderately priced products largely undisturbed. Price sensitivity is one of the few levers available to the Commission that can influence this outcome at a population level.

3. Vulnerable and high-risk populations stand to benefit most from a price floor.

Individuals with severe alcohol use disorder, individuals experiencing homelessness, and justice-involved populations are disproportionately affected by the availability of cheap, high-proof spirits, and are also among those least reached by consumption-side interventions such as treatment access alone. A price floor reaches this population directly because it changes the cost of the product itself. Our members report that inexpensive, high-proof spirits are disproportionately represented among the cases they see with the most severe outcomes, including repeated emergency department visits, high-acuity treatment admissions, and relapse following discharge. We would welcome the opportunity to connect the Commission directly with treatment providers who can speak to these patterns in more detail.

4. On setting a specific threshold, we encourage the Commission to look to modeled and real-world examples from comparable markets.

The Commission's study specifically asks how a threshold should be structured to maximize health benefit. We recommend the floor be set per standard drink or per unit of alcohol, rather than per bottle, so that it targets high-proof, low-cost products specifically. On magnitude, a 2024 modeling study using an off-premises spirits market in Michigan, a comparable US state market, found that a 45-cent minimum price per standard drink reduced total alcohol per capita consumption by 3.9 percent and was projected to prevent several hundred alcohol-attributable deaths annually in that state, with a smaller but still meaningful effect at a 40-cent floor.[4] We

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[3] Bridget F. Grant and Deborah A. Dawson, "Age of Drinking Onset Predicts Future Alcohol Abuse and Dependence," *National Institute on Alcohol Abuse and Alcoholism*, news release, https://www.niaaa.nih.gov/news-events/news-releases/age-drinking-onset-predicts-future-alcohol-abuse-and-dependence

[4] "Estimating the Effects of Hypothetical Alcohol Minimum Unit Pricing Policies on Alcohol Use and Deaths: A State Example," *Journal of Studies on Alcohol and Drugs* (2024), https://jsad.com/doi/10.15288/jsad.22-00274

Addiction Professionals of North Carolina
3725 National Drive, Suite 222
Raleigh, NC, 27612
apnc.org

would encourage the Commission to model a range of per-standard-drink thresholds against North Carolina's own spirits pricing data to identify the level that meaningfully affects the lowest-priced products without materially affecting the moderately priced products most adults purchase. We would also recommend a mechanism for periodic adjustment, since a fixed dollar threshold erodes in effectiveness over time as prices rise.

5. Regardless of the Commission's final recommendation on pricing, APNC urges continued and expanded investment in community-based prevention.

A price floor is one tool in a much larger public health strategy. Its impact will be strongest, and most durable, if it is paired with sustained investment in prevention coalitions, school- and community-based education, and the treatment infrastructure that catches people before and after risk escalates. We would respectfully urge the Commission, and the state agencies and General Assembly that act on its recommendations, not to treat minimum pricing as a substitute for that investment, but as a complement to it. APNC and our network of statewide prevention partners stand ready to work with the Commission to ensure that any policy change in this space is paired with continued, and ideally expanded, funding for the prevention and treatment continuum that keeps North Carolinians healthy long before intervention is needed.

APNC appreciates the Commission's thorough approach to this study and its inclusion of public health voices in the record. Our member organizations are on the front lines of the addiction treatment and recovery system in North Carolina, and we welcome the opportunity to work with the Commission to ensure that any minimum pricing policy is structured to achieve the greatest possible health benefit while allowing adults of legal drinking age to continue enjoying alcohol responsibly. We would be glad to provide a more in-depth briefing if that would be useful to the Commission's continued work on this topic. Please contact Sara Howe, Chief Executive Officer, at showe@apnc.org with any questions or for further discussion.

Sincerely,

Sara Howe
Chief Executive Officer
Addiction Professionals of North Carolina
showe@apnc.org

APNC Programs

North Carolina Training & Technical Assistance Center

Comment 38 — NC Alliance for Health — Marianne

Statewide public-health coalition (20+ years) · NC · In support

The North Carolina Alliance for Health would like to submit the following comment:

As the NC ABC Commission evaluates the potential impacts of establishing minimum baseline prices, the North Carolina Alliance for Health encourages the Commission to consider the substantial body of evidence demonstrating that alcohol affordability is a key driver of both alcohol consumption and harm related to alcohol consumption. For more than twenty years, the North Carolina Alliance for Health has advocated for pragmatic, evidence-based solutions to improve the health of North Carolinians.

North Carolina's ABC system recognizes that alcohol is not an ordinary consumer product and our control system is designed to balance consumer access with public health and safety. Research conducted over several decades has consistently found that lower alcohol prices are associated with increased alcohol consumption, particularly among youth and young adults. Greater alcohol consumption contributes to preventable injuries, impaired driving, violence, chronic disease, and premature death.

In 2024, there were more than 5,600 deaths and 68,000 emergency department visits due to alcohol use in North Carolina according to the North Carolina Alcohol and Related Harms data. At the same time, it is also estimated that we lost $14.6 billion in productivity due to alcohol use. These show highest alcohol-related harms to date in North Carolina compared to previous years.

Minimum pricing policies specifically target the least expensive alcohol products, which are disproportionately purchased by heavy drinkers and young people. Evidence from communities that have implemented minimum pricing demonstrates reductions in alcohol purchases and alcohol-related hospitalizations and deaths, while having little effect on moderate consumers.

As the Commission considers its options, the North Carolina Alliance for Health encourages it to consider the public health and safety of North Carolinians, evaluating any pricing policy for its potential to reduce alcohol-related injuries, chronic disease, and healthcare costs in addition to the potential economic impact.

--

Marianne Hedrick Weant, DrPH, MSPH, MA

Director of Programs

North Carolina Alliance for Health

Durham, North Carolina 27703

www.ncallianceforhealth.org

[www.ncallianceforhealth.org]

Comment 39 — Pat Oglesby

Center for New Revenue (tax-policy commentator) · NC · In support

Dear Ben,

Although minimum unit pricing for cannabis leaves me cold, the reasons I oppose it for cannabis don't apply for alcohol. So I tend to think minimum unit pricing for liquor makes sense.

All my best,

Pat

++

Why minimum unit pricing for cannabis leaves me cold https://newrevenue.org/2017/09/06/why-minimum-unit-pricing-for-cannabis-leaves-me-cold/

Minimum unit pricing – charging a minimum price for temptation goods – appeals to some students of cannabis legalization.

To me, government monopoly or high taxes can work better to serve policy goals. I'm just starting to think about this, and looking for pushback.

1. The successes claimed for minimum unit pricing often involve loss leaders – where temptation goods are sold at a low price so as to bring customers in to buy goods that produce more profit for the seller. To the extent that cannabis commerce is isolated, that problem goes away. Most cannabis retailers in the United States sell little other than cannabis. They may sell pipes, papers, and T-shirts, but none sell alcohol. I don't know of any that sell food (other than cannabis-infused food) or household goods. So any price-cutting that cannabis sellers do today goes pretty much straight to the bottom line. Sellers are hardly making up for the loss by selling non-cannabis products.. A well-regulated cannabis market lets cannabis seller sell nothing or almost nothing but cannabis, I think.

Here's why I think any success of MUP is in large part a response to loss leaders. In the U.K., "Supermarkets have contributed to this increasing affordability by engaging in aggressive cost-cutting of alcohol, sometimes selling alcohol as a loss leader and/or below the cost of duty alone." https://www.ncbi.nlm.nih.gov/pmc/articles/PMC3966757/.

See also https://www.google.com/url?sa=t&rct=j&q=&esrc=s&source=web&cd=4&ved=0ahUKEwjCsaerk67TAhUqsVQKHaI3CFcQFgg2MAM&url=http%3A%2F%2Feurocare.org%2Fcontent%2Fdownload%2F13962%2F76714%2Fversion%2F1%2Ffile%2FAAI%2Bminimum-pricing-fact-sheet.pdf&usg=AFQjCNGLOafOzdrj7UioyILtd84U9O3j-g, downloadable pdf from www.alcoholireland.ie, "The national charity for alcohol-related issues," which has this: "Large multiple retailers can sell deeply discounted alcohol as a draw to attract customers – an increase in tax can easily be absorbed and off-set by increasing the prices of other goods." But see https://www.theguardian.com/society/2017/jul/29/big-tobacco-manipulating-cigarette-prices-to-thwart-anti-smoking-tax?CMP=Share.

Minimum unit pricing for cigarettes, often sold in convenience stores, also seems a response to loss leaders in the United States. Indeed, tobacco sales are huge for such stores: "According to the National Association of Convenience Stores (NACS) State of the Industry (SOI) data projections, cigarettes and OTP [other tobacco products] comprised 36% of in-store sales in 2016, ahead of foodservice (21.7%), packaged beverages (15%) and center of the store sales (9.8%)." https://www.cstoredecisions.com/2017/06/20/cig-arettes-remain-top/

1. The profits from minimum unit pricing go into the hands of cannabis sellers. The argument that those profits are no problem goes this way: Minimum unit pricing "doesn't affect merchants much — they don't make [extra] profit on it because while prices go up sales volume goes down." Maybe so, for gross profit. (Maybe not even then – I'm not sure the balance works that way.) But even if so, they make the same gross profit with less inventory, and less capital in use. That sends ROI – return on investment – up. That increase creates an incentive to sell the product that policy disfavors. Sellers can use non-price lures to attract buyers to goods whose price has a floor. That is, high gross margins push sellers to advertise the bad products (if laws let them) – or at least to display them prominently, or to push via word of mouth.

Indeed, the Tennessee convenience store lobby supports "minimum mark-up" legislation for cigarettes aimed at the goal that minimum unit pricing seeks. https://www.tfca.info/minimum-mark-up-for-ciga-rettes

1. The popularity of minimum unit pricing for alcohol in the United Kingdom arises in part because "de-volved administrations there (the Scottish Parliament and the Wales and Northern Ireland Assemblies) who have no powers over commodity taxation. The UK Government in Westminster is less bothered about MUP because they can affect price through taxes – the devolved administration only hope of regulating through pricing is to create their own MUPs." I hear this via email from Henry Yeomans, Assistant Professor at the University of Leeds (U.K.) and author of a thoughtful though paywalled article on minimum unit pricing, "Regulating drinking through alcohol taxation and minimum unit pricing: A historical perspective on alcohol pricing interventions," http://onlinelibrary.wiley.com/doi/10.1111/rego.12149/abstract.

In the United States, our "devolved administrations" — states and even localities — can tax. So I'm curious about why some states impose MUP for cigarettes. I suspect it's the loss leader problem, which need not be present for cannabis. (Either state taxes or state MUPs can be undermined by interstate shipments.)

4. Taxes and government stores help fund our common endeavor, government. Minimum unit pricing doesn't. Henry Yeomans emailed this: "In the UK, it is certainly true that MUP is designed as a way to stop large retailers using alcohol as loss leader. It is also partially designed to limit the sort of substitution that can occur if a high tax only applies to certain drinks." That is, in that case (which is not every case), mini-mum unit pricing corrects a distortion or an error in the taxation scheme. Why not correct the error di-rectly?

+++

Lots to think about.

Patrick Oglesby

Call or text [phone redacted]

Chapel Hill NC 27514-6733

NC Law License #7944

Center for New Revenue

Www.newrevenue.org

Comment 40 — Rosalind R. Stewart, General Manager, High Point ABC Board

Local ABC board · High Point, NC · Concerns; recommends further study before implementation

Received August 10, 2026, by email to Greg Stallings and Chairman Bauer, copied to Commission staff; forwarded to the Office of the General Counsel August 11, 2026. Reproduced in relevant part; contact details and the Commission's reply are retained in the study file.

Unfair increase on minority businesses. "The largest increase is for Tequila. Many of our largest tequila mixed beverage customers are Mexican restaurants and minority owned. Most of our restaurants purchase a brand that is $7.95 which under the proposed change would increase to $10.95. That is nearly a 38% increase." The comment reports running several mixed-beverage orders: one order totalling $3,537.10 at current prices would be $4,067.30 under the proposal, with the economy tequila component rising from $2,106.00 to $2,646.00 — "17-cent a drink or 37.74%, higher than the 11-cent average quoted in your analysis" — and estimates $6,000 to $8,000 a year more for that customer. Well-brand increases are given as vodka 20.2%, rum 0%, gin 23.26%, tequila 37.74%.

Burden on lower-income consumers. "I am concerned that only lower income shoppers will feel the price increase. Persons who can only afford El Toro will face a nearly 40% increase while shoppers who can afford luxury or moderate brands will feel no impact. This feels like a 'poverty tax' especially in the economic climate we are experiencing." The comment cites North Carolina's minimum wage of $7.75, unchanged since 2009, against Virginia's $12.77 rising to $15.00 by January 2028 and Oregon's $14.55–$16.80; and North Carolina median household income of $72,000 with a 12.5% poverty rate against Virginia's $93,000 and 9.7%.

A "real" impact on over-drinking and addiction? "Because the minimum price is not uniform, will raising the tequila minimum to $10.95 have any impact on overindulging? … Is it more likely that someone intent on overindulging or that is suffering from an alcohol addiction will simply move to a lower priced category? Instead of the 80-proof tequila at $10.95, they can still purchase an 80-proof whiskey at $7.95 or an 80-proof vodka for $5.95." The comment notes that Scotland's minimums sit within about a pound of one another across categories (whisky £18.20, vodka £17.06, tequila £18.20), which "may have skewed the data when comparing to the wider range of pricing in the North Carolina proposal," and that Oregon's single base price of $8.95 "prevents category shopping for lower pricing unlike the North Carolina plan."

More relevant study needed. “I agree that a substantial change in our pricing model should be backed by empirical evidence. In my opinion, the change should not be made until we have a study that addresses North Carolina specifically. This change is too important to be based on foreign studies that do not take into consideration the unique history and system in North Carolina.”

Clarification on numbers. The comment identifies an arithmetic error in the Commission’s public explanatory material, which stated that 5,600 alcohol-attributable deaths a year equate to 159 a day: “This may be a typo since 5600 … deaths a year would be 15.3 deaths a day.” The comment is correct. The figure does not appear in this report.

Alternative option. The comment proposes a prospective-only application: “could the state institute the minimum pricing effective February 1, 2027, and not allow any new products to be listed that do not meet the minimum price? Any products that are below the price would need to meet the lower price within three years of the effective date,” on the model of the prospective approach taken to ABC board employment at G.S. 18B-700(k). “This would serve the public policy goal as well as giving consumers, suppliers, and boards a chance to prepare for these significant changes.”

Staff response. The category-substitution point, the distributional point and the prospective-application proposal are addressed at Section IV.E of the staff study report. The recommendation that North Carolina–specific study precede implementation is reflected in Recommendation 1.

K.2 Industry submissions

Logged outside the numbered public comment record and addressed in the analysis at Appendix F-1.

K.2.1 Joint memorandum of law — NC Restaurant & Lodging Association and Sazerac Company

Submitted July 28, 2026 by E. Hardy Lewis, Blanchard, Miller, Lewis & Isley, P.A., counsel for Sazerac Company · Opposed · Reproduced in full. The exhibits accompanying the memorandum are separately bound and retained in the study file.

BEFORE THE

NORTH CAROLINA ALCOHOLIC BEVERAGE CONTROL COMMISSION

RALEIGH, NORTH CAROLINA

****

IN RE:

COMMISSION CONSIDERATION OF MINIMUM BASE PRICING POLICY FOR

CERTAIN SPIRITUOUS LIQUOR PRODUCTS SOLD IN NORTH CAROLINA

****

MEMORANDUM OF LAW SUBMITTED BY

NORTH CAROLINA RESTAURANT & LODGING ASSOCIATION

AND SAZERAC COMPANY

I. INTRODUCTION

The North Carolina Restaurant and Lodging Association ("NCRLA") and Sazerac Company, Inc. ("Sazerac") respectfully submit this joint memorandum of law to the North Carolina Alcoholic Beverage Control Commission ("Commission") in advance of the Commission's consideration of a minimum pricing policy for budget category spirits products sold to the Commission by Sazerac and purchased from the Commission by NCRLA's members. In addition to the legal problems discussed in this memorandum, NCRLA and Sazerac oppose the adoption of minimum pricing on policy grounds – including but not limited to the following:

1. Minimum pricing purports to be aimed at curbing overconsumption – a problem that no one believes exists in North Carolina; and 2. Even if an overconsumption problem existed, raising the prices of budget category brands is an ineffective solution to such a problem.

This "solution" also unfairly burdens and stigmatizes lower income and budget consumers, despite a lack of research showing that overconsumption is a class-specific issue.

The Commission's proposed minimum pricing plan, however, is more than just bad public policy. As this memorandum will demonstrate, it is clearly unlawful. As an initial matter, the "Minimum Base Pricing Policy," (as Chairman Bauer has called it) is a "policy, guideline, or other interpretive statement that meets the definition of a rule" as provided in G.S. § 150B-2(8a) (emphasis supplied). As such, it must be adopted in compliance with the rulemaking procedure provided in Chapter 150B (the NC Administrative Procedure Act), as discussed in more detail below.

More importantly, the Minimum Base Pricing Policy is ultra vires, that is, it is beyond the legal authority granted the Commission under the law. The legislature has reserved to itself the task of establishing, through a detailed mechanism provided in G.S. 18B-804, policy for setting prices of spirits in North Carolina. The policy does not make room for the Commission to step into the pricing function and make changes in pursuit of its own separate policy. If the Commission genuinely believes an overconsumption problem exists in North Carolina, it must either craft a solution outside of the pricing issue or seek redress in the General Assembly. It has no authority to pursue any policy – either a rule or some non-rule agency guideline – outside the parameters provided in G.S. 18B-804.

II. BACKGROUND

On 13 March 2026 Chairman Bauer published what appears to be an open letter to "Brokers and Suppliers" announcing that the Commission "will implement base pricing for spirituous liquor products, effective August 1, 2026." 1 Notably, the letter was not directed to Mixed Beverage permittees, despite that they would be the first entities forced to pay the higher prices that are the goal of the "base pricing" policy. The letter had an appended second page titled "NC ABC Base Pricing" establishing minimum retail prices for twelve categories of product, including different package sizes within each category. The letter directed suppliers to use the ABC Pricing System portal to raise their prices to ABC on affected brands such that, after applying all other components of the sale price mechanism provided in G.S. § 18B-804(b), the retail price would be compliant with the new minimum pricing policy.

At this point the Commission contemplated no further action would be necessary to implement the new policy. The policy had been established through a simple letter from the Chairman to some, but far from all, of the affected industry members. No rulemaking procedure had been announced. It had not even been put on an agenda for consideration and a vote that included the other two members of the Commission. It was a fait accompli.

On 6 May 2026 undersigned counsel, on behalf of Sazerac, sent a letter to Chairman Bauer opposing the adoption and implementation of the minimum pricing policy. 2 In the letter, Sazerac, citing its generations-long mutually successful and cordial relationship with the Commission, but took issue with a policy that has the intended effect of raising prices to North Carolinians. In addition to pointing out

1 A copy of this letter is attached as Exhibit 1 to this memorandum.

2 A copy of this letter is attached as Exhibit 2 to this memorandum.

the legal problems in the policy described above, the letter also noted that the "policy," inasmuch as it was never voted on by the entire Commission, was of no legal effect.

Shortly after the letter was delivered to the Commission, Chairman Bauer telephoned the undersigned to discuss the matter. The Chairman was characteristically professional and courteous, but by the end of the call the disagreement had not been resolved. Thus, on 13 May 2026, undersigned counsel, on behalf of Sazerac, wrote a letter to the Chairman to inform him that Sazerac, to avoid having its products delisted, would increase its prices to ABC to comply with the policy. 3 The letter noted that such changes were being made under protest, with renewed objection to the policy and reservation of all rights.

On 14 May 2026, Chairman Bauer sent undersigned counsel a letter 4 responding to Exhibits 2 and 3. In it the Chairman explained his disagreement with the legal arguments regarding rulemaking and the Commission's price-setting authority, but conceded that the policy should be voted on by the entire Commission.

On 27 May 2026, Chairman Bauer published an open letter to "Brokers and Suppliers" 5 providing notice that the Commission had placed the minimum pricing policy on the agenda for its 10 June 2026 meeting. No similar notice was directed to other industry members or interested parties. At the 10 June 2026 meeting, the

3 A copy of this letter is attached as Exhibit 3 to this memorandum.

4 A copy of this letter is attached as Exhibit 4 to this memorandum.

5 A copy of this notice is attached as Exhibit 5 to this memorandum.

Commission elected not to vote on the matter, but instead directed its staff to conduct a study of the overconsumption issue and to provide it to the Commission and the public in advance of the August 2026 monthly meeting. The Commission also invited submissions from interested parties. The ABC website provided that such submissions must be emailed to the Commission "prior to July 29, 2026."

As of the date of this memorandum, the supposed public health study ordered by the Commission has not been made public. Many facts concerning the minimum pricing policy remain obscure. For example, industry members have not been informed about what action, if any, the Commission would take regarding distillers that do not raise product prices to ABC to bring them into compliance with the policy. Will the product be delisted? Or will the applicable category markup be adjusted by ABC to bring the retail price into compliance? These and many other unanswered questions concerning the structure and operation of the minimum pricing policy would have been addressed in a proper rulemaking procedure as provided by Article 2A of Chapter 150B.

III. THE MINIMUM PRICING POLICY IS A “RULE” AND MUST BE ADOPTED

IN ACCORDANCE WITH ARTICLE 2A OF CHAPTER 150B.

A recent decision of the North Carolina Supreme Court reestablished the public policy that undergirds the rulemaking process:

With certain exceptions, the North Carolina Administrative Procedure Act (“APA”) mandates that administrative agencies provide the public with notice and an opportunity to comment on proposed rules. The APA’s rulemaking process is not a pointless bureaucratic exercise. It represents an important check on the regulatory power of administrative agencies. The public notice and comment requirements of the APA discourage the arbitrary use of regulatory power by exposing agency rulemaking to public scrutiny. N.C. Dept. of Env’t Quality v. N.C. Farm Bureau Fed’n, Inc., 388 N.C. 366, 367, 921 S.E. 2d 121, 123 (2025). This policy is reinforced by statute: “An agency shall not seek to implement or enforce against any person a policy, guideline, or other interpretive statement that meets the definition of a rule contained in G.S. § 150B- 2(8a) if the policy, guideline, or other interpretive statement has not been adopted as a rule in accordance with this Article.” G.S. § 150B-18.

The APA defines a “rule” as having two elements: (1) “[a]ny agency regulation, standard, or statement of general applicability” (2) “that implements or interprets an enactment of the General Assembly[,]” and then sets out a lengthy list of exceptions to the definition. N.C. Gen. Stat. (“G.S.”) § 150B-2(8a). This memorandum first will consider the applicability of the definition to the minimum pricing policy before turning to the exceptions.

The minimum pricing policy sets a minimum price by category 6 – bourbon, tequila, etc. – that applies to every distiller and every product within that category, statewide, prospectively. The policy does not resolve a dispute with a named party. Rather, it establishes a threshold that governs an open-ended class of future transactions. It is difficult to imagine a more apt example of a “regulation, standard, or statement of general applicability.”

6 See Exhibit 4, page 1, discussing “[s]etting category-specific markups that functionally establish

baseline retail prices[.]”

Regarding the second element of the definition, it is important to note that, as cited in Footnote 6 above, the Commission claims its authority to implement a minimum pricing policy flows from the pricing statute itself, which directs the Commission to apply “[a] markup for local boards as determined by the Commission.” G.S. § 18B-804(b)(3). Clearly, then, the minimum pricing policy does not simply apply existing law mechanically. To justify itself, the policy interprets § 18B-804(b)(3)'s undefined "markup" language to authorize a minimum price mechanism the text never spells out. That is textbook "interpret[ation] of an enactment." Both elements are satisfied, leaving only the question of whether one of the thirteen exclusions from the "rule" definition apply here.

It would be difficult to construct a plausible argument for applying essentially any of the exclusions to the minimum pricing policy, but because there has been no provision made for responsive briefing, this memorandum will attempt to anticipate arguments that might be advanced by opposing counsel by considering two of the exclusions. The Commission may take the position that the policy falls under the § 150B-2(8a)(c) exclusion, providing that "rule" does not include "[n]onbinding interpretative statements within the delegated authority of an agency that merely define, interpret, or explain the meaning of a statute or rule." This language echoes the definition of "Policy" provided elsewhere in the statute. G.S. § 150B-2(7a). The minimum pricing policy, however, is far from informal, non-binding guidance. By setting a retail price floor through implementation of category-based markups, it imposes an untenable choice on distillers who wish to exercise the autonomy granted them in § 18B-804(b)(1): either raise prices of non-compliant products such that they meet the base price threshold after application of the other pricing components in G.S. § 18B-804(b), or do not raise prices and await such consequences as may follow.

The Commission has not announced how it will treat products from distillers that have not adjusted prices to achieve compliance, but there appear to be two plausible alternatives. The Commission could delist the product and remove it from the ABC system. On the other hand, the Commission could apply a unique, punitive markup sufficient to bring the retail price into compliance. The latter alternative, however, would be an unlawful departure from the category-based markup scheme and thus subject to further legal challenge. That leaves delisting as the likely outcome. It also makes plain that this is not non-binding under any normal reading, given the direct, mandatory consequences for non-compliant distillers.

The Commission also may argue for application of the exclusion for "[s]tatements of agency policy made in the context of another proceeding, including... [o]rders establishing or fixing rates or tariffs." G.S. § 150B-2(8a)(e)(2). The plain language of the exclusion, however, contemplates the existence of an alternative "proceeding" that substitutes as an equivalent adjudicative process for Chapter 150B rulemaking. For example, the exclusion would apply to North Carolina insurance rate cases because the General Assembly has provided a rigorous process involving an institutional adversary (NC Rate Bureau) litigating against the NC Department of Insurance, a public comment period, and a formal, public evidentiary hearing. See generally, N.C. Gen. Stat. Chapter 58, Article 36. "The Administrative Procedure Act is a statute of general applicability and does not apply where the legislature has provided for a more specific administrative procedure to govern a state agency." Cabarrus Cty. Bd. of Educ. V. Dep't of State Treasurer, 261 N.C. App. 325, 336, 821 S.E.2d 196, 204 (2018). Here, no "more specific administrative procedure" is provided in Article 8 or elsewhere in Chapter 18B. Thus, the agency must comply with the procedure provided in Chapter 150B.

The Cabarrus Board case cited above offers some helpful parallels to the current dispute. In it the Court of Appeals scrutinized a statutory "contribution- based benefit cap" established in 2014 for certain employees whose State salaries had greatly increased in the latter years of their State employment. Id. at 327, 821 S.E.2d at 199. The cap is codified in G.S. § 135-5(a3), and for individual retirees is determined by a formula in the statute based primarily on the retiree's accumulated contributions and what an annuity equal to that contribution would cost. The final step in the statutory formula is to "[m]ultiply the annuity amount... by the contribution-based cap factor." G.S. § 135-5(a3). The instruction in the statute is: "The Board of Trustees shall adopt a contribution-based benefit cap factor recommended by the actuary, based upon actual experience, such that no more than three-quarters of one percent (0.75%) of retirement allowances are expected to be capped." Id.

Thus, in G.S. § 135-5(a3) we see a comprehensive calculus for determining the benefit cap, much as G.S. § 18B-804 provides for pricing of spirits. Within each calculus the statute provides one or more factors that may fluctuate from time to time as determined by the governing agency. In Cabarrus Board, the defendant Department of State Treasurer argued that it should not be forced to engage in Chapter 150B rulemaking to change the cap factor, arguing among other things that because the amount of the factor was required to be recommended by the actuary, the General Assembly did not intend that such ministerial decisions be subject to the scrutiny inherent in rulemaking proceedings. Cabarrus Board, supra at 338-39, 821 S.E.2d at 206.

In rejecting the Treasurer's arguments, the Court of Appeals noted the lack of any "separate procedure for rulemaking purposes," and concluded that "we presume the General Assembly enacted (the benefit cap statute) with full knowledge of the relevant provisions of the APA, and intended for those provisions to apply to (the cap statute) absent express legislation to the contrary." Id. at 341, 821 S.E.2d at 208. Likewise, the North Carolina General Assembly has amended G.S. § 18B-804 many times, including as recently as this month (S.L. 2026-31, s. 14(d)). The legislature has not exempted the pricing statute from application of the APA and, as noted in Cabarrus Board, it knows how to do so.

The holding of the Court of Appeals in Cabarrus Board casts a new light on the Chairman's statement in his 14 May 2026 response letter contending that "[t]he Commission regularly adjusts pricing inputs – including markup and rounding – at its pricing-cycle meetings without invoking formal rulemaking, and has done so consistently for many years." Exhibit 4, at p. 2. The Chairman here conflates two very different things. Whether or not these pricing-cycle meetings, which involve routine, mechanical recalculation of an existing formula (e.g., updating freight costs, rounding to match a fixed methodology) amount to rulemaking, those functions bear little resemblance to what this case is about. The adoption of a new category-differentiated markup structure designed to produce price floors is a new interpretive policy of general applicability – exactly what G.S. § 150B-2(8a) captures, and precisely what distinguishes this from the "many years" of routine adjustments the Chairman offers as justification. 7 Even if the minimum pricing policy were a legitimate exercise of the Commission's legislatively granted authority, such a policy would require a full Chapter 150B rulemaking procedure. As argued below, however, even a rulemaking would not be sufficient to save the minimum pricing policy, because such authority does not exist.

IV. THE COMMISSION DOES NOT HAVE THE LEGAL AUTHORITY TO

ADOPT A MINIMUM PRICING POLICY.

The Commission proposes the adoption of a "policy establishing minimum base pricing for certain spirituous liquor products sold in North Carolina." See

7 To be sure, in making this point, Sazerac and NCRLA do not concede that the pricing-cycle

meetings are themselves exempt from rulemaking. The APA provides a lengthy list of agencies declared exempt from all or part of the APA, including exemptions from rulemaking. N.C. Gen. Stat. § 150B-1(d). The Commission is, in fact, provided an exemption from rulemaking “with respect to approval of alcoholic beverages to be sold in local ABC stores through the State warehouse and by special order pursuant to Article 8 of Chapter 18B of the General Statutes.” N.C. Gen. Stat. § 150B- 1(d)(31). Nowhere in that sub-section, which expressly includes specific aspects of Chapter 18B, Article 8 within the scope of its exemption, does the General Assembly mention “pricing-cycle” functions as being exempt. The holding in Cabarrus Board may serve a cautionary purpose here.

Exhibit 5 (Chairman’s Notice of Commission Consideration of Minimum Base Pricing Policy). But where can the authority to adopt such a policy be found in the laws of North Carolina? “The General Statutes of the State must justify any authority which administrative agencies purport to exercise.” Whittington v. N.C. Dep’t of Human Resources, 100 N.C. App. 603, 614, 398 S.E.2d 40, 46 (1990) (citing Insurance Co. v. Lanier, Com’r of Insurance, 16 N.C. App. 381, 384, 192 S.E.2d 57, 59 (1972)).

Regarding the statutory authority granted to the Commission, we must begin at G.S. § 18B-203, titled “Powers and duties of the Commission,” which contains a clear statement directing the Commission to “[s]et the prices of alcoholic beverages sold in local ABC stores as provided in Article 8.” G.S. § 18B-203(a)(3). Because this directive is silent as to whether the Commission may pursue its own policy objectives through the pricing mechanism, we must look to Article 8 to determine whether the authority is expressly granted there.

Article 8, “Operation of ABC stores,” contains one section devoted to alcoholic beverage pricing. Section 18B-804 first establishes a policy of uniform statewide pricing for spirits sold in ABC stores and permitted distilleries. G.S. § 18B-804(a). Subsection (b) contains the detailed pricing mechanism for spirits mentioned previously. Its centrality to this dispute merits inclusion of the entire text:

(b) Sale Price of Spirituous Liquor. – The sale of spirituous liquor, including antique spirituous liquor, sold at the uniform State price shall consist of the following components:

(1) The distiller’s or the antique spirituous liquor seller’s price.

(2) The freight and bailment charges of the State warehouse as determined by the Commission.

(3) A markup for local boards as determined by the Commission.

(4) The tax levided under G.S. 105-113.8(c), which shall be levied on the sum of subdivisions (1), (2), and (3).

(5) An additional markup for local boards equal to three and one-half percent (3 ½%) of the sum of subdivisions (1), (2), and (3).

(6) The charge of one cent (1 c) on each bottle containing 50 milliliters or less and five cents (5 c) on each bottle containing more than 50 milliliters. For any nonbottled product, a charge of one cent (1 c) on each stock keeping unit containing not more than 50 milliliters and five cents (5 c) on each stock keeping unit containing more than 50 milliliters.

(6a) The bailment surcharge.

(6b) An additional charge for local boards of one cent (1 c) on each bottle containing 50 milliliters or less and five cents (5 c) on each bottle containing more than 50 milliliters. For any nonbottled product, a charge of one cent (1 c) on each stock keeping unit containing not more than 50 milliliters and five cents (5 c) on each stock keeping unit containing more than 50 milliliters.

(7) A rounding adjustment, the formula of which may be determined by the Commission, so that the sale price will be divisible by five. The rounding adjustment to the total transaction amount under G.S. 18B-804A 8 are disregarded for purposes of calculating distributions under subsections (b) and (c) of this section.

(8) If the spirituous liquor is sold to a mixed beverage permittee or mobile bar services permittee for resale in mixed beverages, a charge of twenty dollars ($20.00) on each four liters and a proportional sum on lesser quantities. This subdivision shall not apply to premixed cocktails sold to a mixed beverage permittee in a closed package for resale in or from the closed package, and a mixed beverages tax stamp shall not be required on these closed packages.

(9) If the spirituous liquor is sold to a guest room cabinet permittee for resale, a charge of twenty dollars ($20.00) on each four liters and a proportional sum on lesser quantities.

8 G.S. § 18B-804A is a new section covering rounding of transactions to account for the

discontinuance of pennies by the Treasury. S.L. 2026-31, § 14(b). It was enacted by the General Assembly on 2 July 2026.

The pricing mechanism provided in G.S. § 18B-804(b) is a comprehensive statement by the General Assembly on pricing policy in North Carolina. The mechanism consists of eleven components that comprise a closed list; that is, the subsection mandates application of all eleven components ("shall consist of the following components"). It does not allow for the application of fewer than those eleven components, and does not allow for the Commission to supply additional components based on its own policy preferences.

Only three of the eleven components require any Commission involvement at all. Subsection (b)(2) directs the Commission to determine the freight and bailment charges of the State warehouse – a bookkeeping task. Subsection (b)(3) directs the Commission to determine a markup for local boards, which is first applied to "the expenses, including salaries, of operating the local ABC system." G.S. § 18B- 805(b)(1). Both of these markups are cost-recovery/revenue-sharing mechanisms, not open-ended policy levers.

The third component allowing for Commission involvement provides for a rounding adjustment to make prices divisible by five. G.S. § 18B-804(7). It allows the Commission to determine the formula for the rounding adjustment, and clearly is not intended to be used in furtherance of agency policy goals.

In neither the specific pricing statute nor the general powers statute does the General Assembly confer any authority to the Commission allowing it to pursue its own policies regarding overconsumption by the public. The legislature clearly knows how to provide specific grants of such authority. Indeed, in the general powers statute it authorizes the Commission to "[p]rovide for the distribution and posting of warning signs to local ABC boards regarding the dangers of alcohol consumption during pregnancy as required under G.S. § 18B-808." G.S. § 18B-203(a)(18). The presence of this provision shows legislative intent regarding one limited aspect of public policy, leading to the conclusion that other aspects were intentionally omitted from the statute. “One of the long-standing rules of interpretation and construction in this state is expressio unius est exclusio alterius, the expression of one thing is the exclusion of another.” Mangum v. Raleigh Board of Adjustment, 196 N.C. App. 249, 255, 674 S.E.2d 742, 747 (2009). Just as noted regarding § 18B-804 above, § 18B-203 has been amended many times over its nearly 90 year existence, including last year. S.L. 2025-51, s. 4(a). And as is the case with § 18B-804, § 18B-203 contains not one word tending to suggest the Commission has express authority to initiate a minimum pricing scheme to pursue a public health goal.

The Commission, at least as expressed in Chairman Bauer’s letter to undersigned counsel dated 14 May 2026, argues that “[s]etting category-specific markups that functionally establish baseline retail prices is... well within the Commission’s express pricing authority, and is reasonably implied as well from G.S. § 18B-203(b).” Exhibit 4, p. 1. The claim appears to be that because § 18B-804(b)(3) allows the Commission to determine a markup for local boards, the Commission is free to pursue its own policy through the adjustment of that mechanism so long as it does not directly exercise authority over other components of the pricing statute.

As observed in Section III above, however, the letter (which is the most detailed account yet provided of how the minimum pricing policy will work) does not explain how the setting of a category-specific markup will achieve the baseline pricing without coercing compliance from distillers in the form of artificially inflating the number used in § 18B-804(b)(1), i.e., the distiller’s price. Chairman Bauer contends in his response that “the distiller’s price remains the first input,” but that elides the crucial point, which is that distillers must, on pain of having their products delisted, surrender their ability to set their own prices to the Commission.

The Commission, as Chairman Bauer apparently concedes, has no textual authority at all over the “distiller’s price” component of the pricing mechanism. The minimum pricing policy, however, by implementing a formula such that a distiller’s only lawful path to shelf placement is changing a component the statute gives the Commission no authority to control, is a functional exercise of authority the Commission was never granted. It is the Commission indirectly making a decision the legislature assigned to someone else.

The Whittington case cited at the beginning of this section is instructive regarding the search for statutory authority to justify an agency’s pursuit of policy. Whittington arose in the 1980s in the context of controversial regulations pertaining to state-funded abortions promulgated by the Social Services Commission of the N.C Department of Health and Human Services (“HHS”). Whittington, supra at 604, 398 S.E.2d 40, 41 (1989). Plaintiffs challenged the two rules, contending they were ultra vires, that is, beyond the administrative authority granted to the agency by statute. Id.

Whittington, like the present case, involved a general rulemaking grant (§ 143B-153) authorizing the agency to “adopt such rules and regulations that may be necessary and desirable for the programs administered by [HHS] as provided in Chapter 108A[.]” Id. at 607, 398 S.E.2d at 42. It also involved a detailed, subject- specific enactment providing that authority to make rules concerning the State Abortion Fund (“Fund”) is reserved to the General Assembly (S.L. 1985-479, § 93, on the Fund). Id. at 607-08, 398 S.E.2d at 43. The rules being challenged related to the counseling services provided to persons eligible for the Fund, but had been promulgated by the Social Services Commission under the general grant statute cited above. Id. at 605-06, 398 S.E.2d at 41-42. Defendant HHS argued, like the Commission in the present dispute, that the challenged rules were authorized under the general authority granted to HHS and the Social Services Commission in Chapter 143B, as well as supported by implied authority. Id. at 610, 398 S.E.2d at 44.

The Court of Appeals affirmed the trial court's order granting summary judgment and striking the rules as ultra vires. Judge (later Justice) Orr's opinion begins with consideration of basic conventions of statutory interpretation that are relevant to this dispute:

It is only when the language of a statute is unclear or ambiguous that a court should attempt to interpret the language of a statute in accordance with what the court presumed the Legislature intended. In enacting a law, we must presume that the Legislature acted with full knowledge of prior and existing law. Finally, statutes relating to the same subject should be construed in pari materia, in such a way as to give effect, if possible, to all provisions without destroying the meaning of the statutes involved. Id. at 606, 398 S.E.2d at 42 (citations omitted).

Turning its consideration to the rules and authorizing statutes at issue, the Court of Appeals determined that the record did not provide evidence of legislative intent to grant specific authority to promulgate the rules, concluding with the by- now familiar, "[h]ad the Legislature desired to carve an exception... to permit the [agency] to promulgate rules, it could have done so.... Had the Legislature intended to leave room for additional future rules, such as the rules in the present case, it could have done so." Id. at 613, 398 S.E.2d at 46.

The opinion finally turns to the issue of implied authority, with the agency contending that the "administrative authority of an agency is to be broadly construed, consistent with the modern trend to permit agencies reasonable discretion to carry out their charter purposes." Id. at 614, 398 S.E.2d at 46. Rejecting the claim, the Court of Appeals concluded that "administrative agencies have those powers expressly vested by statute, and those implied powers reasonably necessary for the agency to function properly. In our case, there is no such grant of authority from which we may infer any rule-making authority[.]" Id.

The Commission's claim to holding express authority under its general grant in G.S. § 18B-203 is identical to the defendant agency's contention rejected in Whittington. The Commission also claims to have discovered specific authority in the pricing statute, but a clear-eyed review of the pricing mechanism, considered in pari materia with the rest of Article 8, reveals no support for the idea that § 18B- 804 was intended as a lever for the pursuit of public policy. Finally, following the Whittington reasoning, courts must only recognize implied powers when such powers are necessary to the proper functioning of the agency. Having been unable to divine an express authority from the black and white of the statutes, the Commission cannot seriously contend that the power to pursue a brand new policy establishing minimum pricing, whether the objective is public health or revenue generation, is somehow remotely connected to its ability to function properly.

V. CONCLUSION

Sazerac and the North Carolina Restaurant & Lodging Association appreciate the Commission's consideration of their legal position on the minimum pricing policy. Based upon the arguments presented and the authorities cited, they respectfully request that the Commission vote against the adoption of the policy.

Respectfully submitted, this 28th day of July, 2026.

BLANCHARD, MILLER, LEWIS & ISLEY, P.A.

____/s/ E. Hardy Lewis______________

E. Hardy Lewis

hlewis@bmlilaw.com 1117 Hillsborough Street Raleigh, NC 27603 919.747.8107 919.755.3994 (f) Attorneys for Sazerac Company, Inc. and North Carolina Restaurant & Lodging Association

K.2.2 Letter of Luxco to Governor Josh Stein

Dated July 1, 2026 · Supportive of the Commission's pricing authority; expressly takes no position on any specific pricing outcome or methodology · Reproduced as received.

July 1, 2026

The Honorable Josh Stein
Governor of North Carolina
20301 Mail Service Center
Raleigh, North Carolina 27699-0301

Dear Governor Stein:

I am writing to express my support for the continued authority of the North Carolina Alcoholic Beverage Control Commission to establish and administer pricing policies for spirituous liquor sold through the state's ABC system.

This perspective reflects our independent view regarding the role of the Commission within North Carolina's statutory framework. It is not intended to advocate for, influence, or comment on any specific pricing outcomes, methodologies, or policy proposals.

North Carolina law establishes a uniform system for regulating alcoholic beverages, and the Commission's pricing authority is a core component of that structure. Maintaining a clear allocation of responsibility for pricing within the agency charged with administering the ABC system supports consistency, accountability, and orderly operation across local ABC boards.

A statewide framework administered by the Commission helps ensure that spirituous liquor is sold under transparent and predictable rules for all stakeholders, including local boards, licensees, suppliers, and the public entities that rely on ABC revenues. While reasonable differences of opinion may arise regarding individual policies, the statutory authority to establish and administer those policies remains a foundational principle of the control-state model.

Recognizing this authority does not limit public input, legislative oversight, or ongoing evaluation of specific practices. Rather, it provides a clear structure within which those discussions can occur in an informed and constructive manner.

For these reasons, I respectfully encourage your administration to continue to recognize and support the North Carolina ABC Commission's authority to establish and administer pricing policies within the ABC system.

Thank you for your leadership and for your consideration of this matter.

luxco
CORPORATE OFFICE | 540 Maryville Centre Drive | Suite 300 | St. Louis, MO 63141 | (314) 772-2626 | (314) 772-6021 FAX | LUXCO.COM
MANUFACTURING | 5050 Kemper Avenue | St. Louis, MO 63139 | (314) 772-2626 | (314) 772-6021 FAX | LUXCO.COM
3116 Berea Rd | Cleveland, OH 44111 | (216) 671-6300 | (216) 671-2299 | LUXCO.COM

Respectfully,

Reed Daivs

Managing Director- Control States

(540) 467-5010

luxco

luxco
CORPORATE OFFICE I 540 Maryville Centre Drive I Suite 300 I St. Louis, MO 63141 I (314) 772-2626 I (314) 772-6021 FAX I LUXCO.COM
MANUFACTURING I 5050 Kemper Avenue I St. Louis, MO 63139 I (314) 772-2626 I (314) 772-6021 FAX I LUXCO.COM
3116 Berea Rd I Cleveland, OH 44111 I (216) 671-6300 I (216) 671-2299 I LUXCO.COM

K.2.3 Review of NCABC's Rationale for Minimum Base Pricing — Advocacy Analytics LLC

David M. Ozgo, Advocacy Analytics LLC · August 11, 2026 · transmitted through E. Hardy Lewis, Blanchard, Miller, Lewis & Isley, counsel for Sazerac Company and the North Carolina Restaurant & Lodging Association

Received August 11, 2026. Recorded as an industry submission and not counted in the public comment totals. Tabulated at Appendix F-1, Table F-1 of the staff study report; staff's response appears at Appendix F-1.3. The submission is a seven-page economic review with thirteen endnotes; the full document is retained in the study file and reproduced here in summary. Volume figures are attributed to National Alcohol Beverage Control Association data and the cross-border figure to Sazerac Company.

Points made. (1) Minimum base pricing is not minimum unit pricing, and the staff study conflates them; MUP applies across all beverage types. (2) Distilled spirits are 36% of pure alcohol sold in North Carolina, so 64% of the market is untouched. (3) The cited literature is of variable quality — quoting Boniface et al. (2017) on the evidence base — and the Michigan analysis is a theoretical exercise rather than an observed result. (4) MUP theory does not support differential pricing between categories; at 80 proof in a 1.75 L container the schedule implies $0.30 per standard drink for vodka against $0.58 for tequila, a 93% differential with no stated public-health rationale. (5) Describing the reach as 1% of listings is disingenuous: the affected products account for 5.4% of annual State volume — over 400,000 cases — and about one-third of value-brand volume. (6) Full-service restaurant margins are about 2.8%; the price an on-premise retailer pays for a 750 ml of El Toro rises 38%, which cannot be passed on. (7) Oregon lost both volume and revenue after implementing its floor, with volume growth trailing other control states and evidence of purchasing in border states. (8) The object of the policy is to raise the mark-up and excise the Commission collects, the ad valorem components generating about $16.63 more per case on the example given. (9) As the exclusive seller of spirits in the State the Commission is obliged to serve all customers and not only purchasers of premium products.

Staff response. At Appendix F-1.3 of the staff study report.