



State of Alaska
Department of Public Safety
Alcoholic Beverage Control Board

Sean Parnell, Governor
Joseph A. Masters, Commissioner

February 4, 2011

The Honorable Kurt Olson
Representative
Alaska State Legislature
120 4th Street, State Capitol, Room 3
Juneau, Alaska 99801-1182

Dear Representative Olson,

Thank you for talking with me yesterday regarding HB 125, scheduled for hearing in your House Labor & Commerce Committee on Wednesday, February 9, 2011. Last summer a subcommittee of the Legislative Budget & Audit Committee convened to take testimony regarding the wishes of CHARR to have moved the ABC Board from the Department of Public Safety for administrative purposes to the Department of Commerce, Community & Economic Development. CHARR president and CEO Dale Fox has expressed the belief in different arenas that the ABC Board has become exclusively enforcement. This is not true. My staff and I work with licensees daily in an effort to assist them in the proper operation of their businesses. We also work with members of local governing bodies, other agencies and citizens who have interests and concerns with compliance with alcoholic beverage laws and regulations.

A change as major as this would be very disruptive to our operation and would send the wrong message that enforcement of laws and regulations in the control of manufacturing, bartering, possessing, and selling of alcoholic beverages is not a high priority. Alcohol abuse continues to be a serious problem for Alaskans and the ABC Board plays an important role in the enforcement of laws and regulations.

I have worked with CHARR to revise our compliance check program and have put the procedures in writing. I implemented a random selection process at CHARR's request and I have our underage persons assessed by the members of the Board of Directors to ensure our buyers do not look over 21. We stopped using one of our buyers for compliance checks (but continue to use him for shoulder taps) as of the meeting held December 13th because a majority of the members assessed him at being over 21. Our underage buyers always use their own valid identification cards.

As we discussed on the phone club license representatives have expressed concern over the enforcement efforts of the ABC Board. My initial intent was to remove clubs from our compliance check database since we can not always make entry. Other industry members as relayed to me by our Chairman of the Board believed if other licensees were subject to compliance checks then clubs should be subject as well. Therefore, I did not delete these licenses

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from the database but instead wrote a letter requesting a membership card with the intent of using the card only to make entry for compliance checks. The response I received was overwhelmingly cooperative in assisting the ABC Board in conducting checks. One club representative came to my office offering a key to the door. Just a few believed I had overstepped my boundary by asking for a membership card. I have stipulated to that and sent another letter to licensees advising I was no longer asking for a membership card and encouraged those clubs who had not yet contacted us with a method for entry to please do so. I hope this is not a serious driving force for moving the ABC Board.

The ABC Board belongs under the Department of Public Safety for many reasons and I look forward to the opportunity to speak at the hearing on February 9th where I will urge you to vote against HB 125. Thank you.

Sincerely,



Shirley A. Gifford
Director

Cc: Joseph Masters, Commissioner, DPS