

Kansas' Retail Alcohol System is Not a Monopoly

An Explanation

Kansas' retail alcohol industry is in compliance with the U.S. Constitution, violates no federal laws, is open to all Kansas residents, and is an open marketplace. Here are reasons Kansas' retail alcohol industry is not a monopoly:

1) The 21st Amendment to the United States Constitution

Section 2 of the 21st Amendment to the U.S. Constitution establishes the rights of each state to determine its own alcohol laws. The 21st amendment is specific to alcohol in this regard.

2) Kansas Retail Liquor Stores Do Not Meet the Definition of a Monopoly

Anticompetitive monopolization includes a variety of acts which are illegal. Kansas liquor stores are not committing, creating or encouraging these illegal acts. These include:

- Price Fixing
- Price Discrimination
- Exclusive Dealings
- Group Boycotts
- Tying Contracts

Calling Kansas retail liquor stores monopolies implies they are committing illegal acts. Calling Kansas retail liquor stores monopolies, while knowing they are not committing these acts, is potentially slanderous.

3) Kansas' Retail Liquor Stores Violate No Federal Antitrust Laws

There are two primary federal laws relating to antitrust and monopolies. They are:

- Sherman Antitrust Act
- Clayton Antitrust Act

Kansas retail liquor stores do not meet any criteria as offenders of the provisions of any of these acts. Simply put: Kansas retail liquor stores do not meet federal definitions for antitrust violations or monopolies.

4) Kansas Has an Open Market

Kansas' current retail liquor market allows for open trade, provides any Kansan the freedom to enter the marketplace, adheres to free market pricing principles, provides wide accessibility to those of legal age, has localized trade providing consumers a direct voice in the marketplace and has forged an economic model that benefits the citizens of Kansas.

5) Alcohol Is Intended to be Regulated

Alcohol is not milk, or toilet paper, or toothpaste. Misuse, mistreatment and unregulated sales of alcohol has social and economic consequences. Alcohol contributes to drunk driving accidents and death, violence, underage binge drinking, addiction and other problems. Kansans, like the majority of states and the Federal Government, have determined alcohol should be available to citizens of drinking age, but continuously regulated.

The 21st Amendment to the U.S. Constitution and Article 15, Section 10 of the Kansas Constitution specifically address alcohol to affirm that this product can and should be regulated. The current retail alcohol system is the method Kansans have decided best regulates alcohol sales.

Kansas' retail alcohol system is not a monopoly, does not meet the standards of a monopoly and should not be referred to as a monopoly. We encourage you to educate those who call Kansas retail liquor stores a monopoly why the term does not apply.