

OREGON LIQUOR CONTROL COMMISSION

**STRATEGIC PLAN  
FOR 2007 AND BEYOND**

*Promoting the public interest through the responsible sale  
and service of alcoholic beverages*

# *The OLCC Strategic Plan for 2007 and Beyond is presented by:*

## **LIQUOR COMMISSIONERS**

Chairman Philip D. Lang  
Commissioner Lindy Fisker  
Commissioner William Flinn  
Commissioner Christine Lewandowski  
Commissioner Robert Rice

## **OLCC EXECUTIVE COMMITTEE**

Stephen A. Pharo, Executive Director  
Rudy Williams, Deputy Director  
Merle Lindsey, Director of Distilled Spirits Program  
Division Directors: Judith Bracanovich, Mark Hall, Linda Ignowski,  
Jim MacAlistaire, Michael Miliucci, Michael O'Connor and Gail Parnell

*With appreciation for members of the alcoholic beverage system -- both business and public safety interests -- who work with OLCC to identify, explore and address issues of mutual concern.*

*With thanks to all who participated in exploring the hows and whys of what the Oregon Liquor Control Commission has and will accomplish, as expressed in this strategic plan.*

**Prepared by OLCC Strategic Planning Staff Facilitators**  
Barbara Berger, Farshad Allahdadi and Austene Schneider  
Publication design: Joy Evensen

**9079 SE McLoughlin Blvd.  
Portland, OR 97222  
503-872-5003  
[www.olcc.state.or.us](http://www.olcc.state.or.us)**

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**OLCC's mission is to promote the public interest through the responsible sale and service of alcoholic beverages.**

# The Oregon Liquor Control Commission

plans to manage the alcoholic beverage control system intelligently, assuring that any growth or change is socially responsible.

Oregon formed its philosophy of alcoholic beverage control when national prohibition ended. In 1933, then Governor Julius L. Meier established the Knox Committee to study alternatives and “to recommend a plan which would safeguard the state against the evils of the old saloon regime . . . which led to the adoption of prohibition.”<sup>1</sup> The Legislature adopted statutes designed to minimize the problems associated with pre-prohibition uncontrolled alcohol sales, promotion and consumption. Since 1933, Oregon statutes, rules and practices have changed with the times. Even so, Oregon continues to keep true to the central tenets of the alcoholic beverage control system established through the original Liquor Control Act. Today, the systemic abuses of pre-prohibition alcohol distribution are absent, testifying to the success of Oregon’s control system.

The Oregon Liquor Control Commission (OLCC) takes seriously its role in balancing the system that enables consumers to get the alcoholic beverages they wish, within a moderated environment respectful of the public’s safety and economic interests.

The OLCC administers Oregon’s Liquor Control Act. The OLCC’s authority is derived from Oregon Revised Statutes Chapters 471, Alcoholic Liquor Generally; 473, Wine, Cider and Malt Beverage Privilege Tax; 474, Trade Practices Related to Malt Beverages; 459A.700 - 740, Beverages Containers; the Bottle Bill, and Administrative Rules Chapter 845.

The OLCC manages and makes packaged distilled spirits available to adults over 21; regulates all individuals and businesses that manufacture, wholesale, retail, import, export or serve alcoholic beverages to ensure compliance with state liquor laws; educates and trains liquor licensees, the public and other groups; investigates and takes compliance action against those who violate liquor laws; provides due process in contested cases; and provides revenue for cities, counties and the state General Fund.

A five-member, part-time citizen board of commissioners administers the Liquor Control Act. The OLCC carries out its mission through three program units: Public Safety Services, Distilled Spirits and Administration/Support Services. These are funded by the OLCC’s administrative budget. Additionally, the Store Operating Expenses Program provides funds for the OLCC to pay contracted liquor store agents for their services operating liquor stores. The Capital Improvement Fund contains dollars to support the infrastructure of the Milwaukie office complex, distribution center, and grounds owned by the OLCC. The agency’s programs are funded through OLCC-generated revenue, such as from the sale of bottled distilled spirits, privilege taxes on beer and wine, and from liquor license and permit fees and fines. ■

<sup>1</sup> Message of Julius L. Meier, Governor to the Thirty-Seventh Legislative Assembly, Special Session November 20, 1933

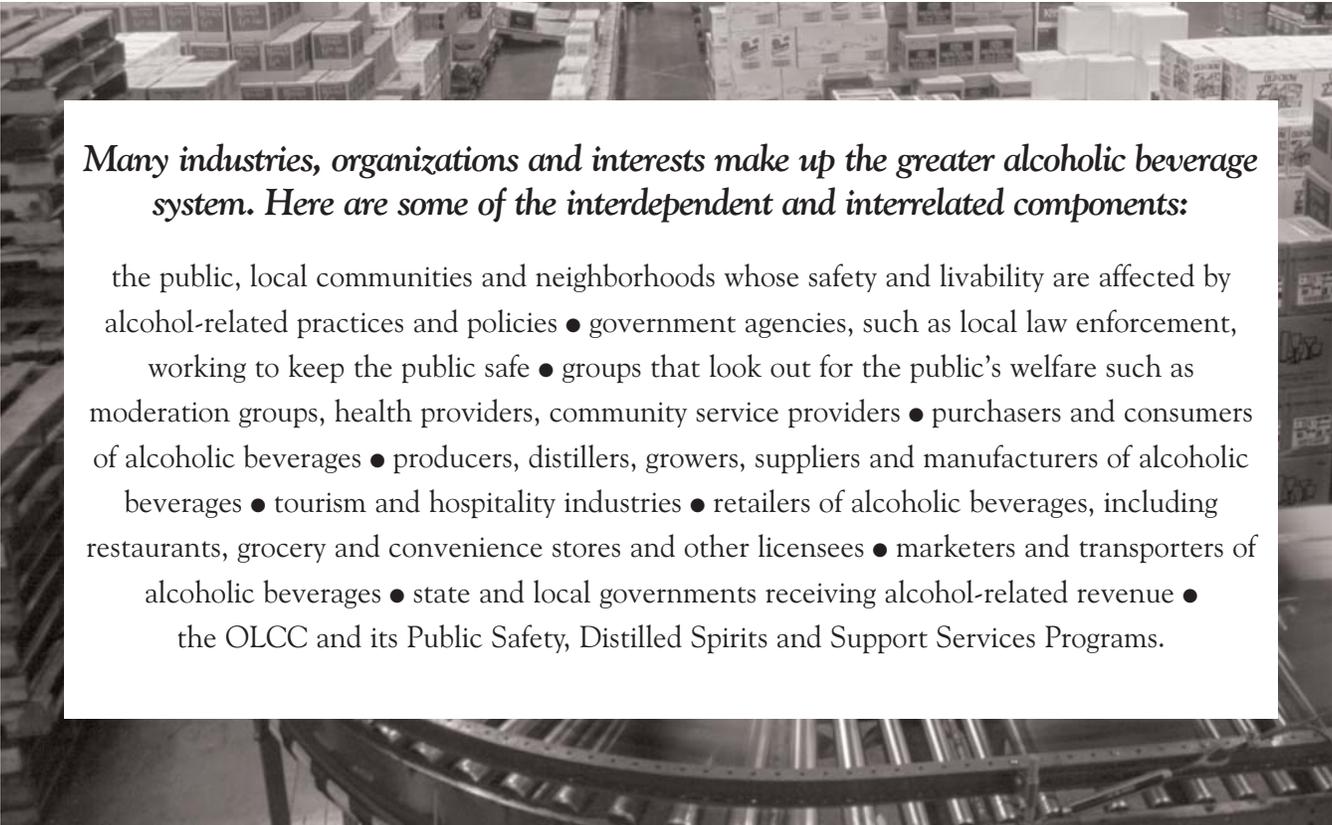
# OLCC's VISION

*The OLCC balances its policies and practices so the needs of the various parts of the alcoholic beverage system are met in a socially responsible manner.*

Successful alcoholic beverage control means balancing the needs and interests of all parts of the system. This balancing enables consumers to get the alcoholic beverages they choose while promoting the public interests of: safety, community livability, economic development and good stewardship of public assets.

After years of steady sales, the national distilled spirits industry has been showing a strong growth curve. Distilled spirits have been capturing more of the overall alcoholic beverage market share. Cultural shifts, increased national marketing and advertising, and many new spirits choices have contributed to the trend. Oregon distilled spirits growth has been driven by similar demographic and market forces, accompanied by significant increase in population. The demand for all alcoholic beverages has grown in Oregon, with distilled spirits demand exceeding the national trend.

OLCC's steps to respond to the marketplace have consistently enabled higher-than-anticipated distilled spirits sales in recent years. These trends have put greater pressure on OLCC resources. It requires resources to meet the growing needs of the greater alcoholic beverage system. OLCC recognizes that its policies and operations may affect the overall health of the alcoholic beverage system. The OLCC plans to manage the Oregon distilled spirits system intelligently, ensuring that any growth or change is balanced and socially responsible. ■



*Many industries, organizations and interests make up the greater alcoholic beverage system. Here are some of the interdependent and interrelated components:*

the public, local communities and neighborhoods whose safety and livability are affected by alcohol-related practices and policies ● government agencies, such as local law enforcement, working to keep the public safe ● groups that look out for the public's welfare such as moderation groups, health providers, community service providers ● purchasers and consumers of alcoholic beverages ● producers, distillers, growers, suppliers and manufacturers of alcoholic beverages ● tourism and hospitality industries ● retailers of alcoholic beverages, including restaurants, grocery and convenience stores and other licensees ● marketers and transporters of alcoholic beverages ● state and local governments receiving alcohol-related revenue ● the OLCC and its Public Safety, Distilled Spirits and Support Services Programs.

## GOVERNING PRINCIPLE

# PUBLIC SAFETY

*“Public safety is essential to Oregon’s citizens. They need to be safe in their homes and communities.”*  
Governor Ted Kulongoski

### High-Level Goals

OLCC’s policy will focus on public safety and community livability considerations when guiding alcohol beverage system growth. OLCC will meet potential customer demand for alcoholic beverages and outlets in a socially responsible manner.

### Major Strategies

OLCC will ensure that outlets selling alcoholic beverages comply with liquor laws for responsible alcohol sales, service and consumption.

**Education and training** - People who sell or serve alcohol need to know how to sell alcohol legally and responsibly. In addition to training sellers and

servers, OLCC will continue to educate its own staff and local law enforcement on how to promote compliance and enforce liquor laws.

**Penalties and sanctions** - OLCC will consistently and uniformly apply sanctions and penalties for liquor law violations. It will assure due process for applicants, licensees, permittees or liquor agents whom OLCC sanctions or denies privileges.

**Focus resources on preventing sales to minors and visibly intoxicated persons** - To ensure public safety in light of the increased number of licensed establishments, OLCC seeks budget authority through the Governor’s Recommended Budget (*package 202*) for additional OLCC



*Bend OLCC inspectors, partnering with State Police and other law enforcement personnel, confiscated these alcoholic beverages from underage drinkers during a holiday weekend at a Central Oregon public resort area.*



*Bartenders and servers are on the front line of preventing drunk driving and other alcohol-related problems. OLCC-certified courses teach professionals to stop service or cut off those who have had too much to drink.*

staffing. With an approved package, OLCC will have more resources to conduct minor decoy operations and influence a decrease in sales to minors by licensees. The agency also will be able to open an additional field office in Ontario.

**Ensure that only qualified people are allowed to sell or serve alcohol** - OLCC will continue to grant, deny, suspend or cancel licenses to sell or serve alcohol according to established criteria. It will ensure that liquor law statutes, rules, processes, and criteria are applied consistently and fairly across the state. OLCC seeks budget authority through the Governor's Recommended Budget (*package 203*) for additional staff for licensing, legal review, and administrative rule functions for these purposes.

**Community livability** - OLCC will manage the number of licensed establishments and liquor stores in accordance with statutory criteria to promote and maintain community livability.

**Collaboration** - To ensure that all components of the alcoholic beverage system work collaboratively for social responsibility, OLCC will create and strengthen relationships. Relationships include those with public safety partners such as local law enforcement, local government, moderation groups and other parts of the greater alcohol beverage control system. For example, OLCC will continue to work with Oregon Partnership; the Governor's Advisory Committee on DUII; Governor's Task Force on Underage Drinking; Saturation Task Force; Oregon Association Chiefs of Police; Addictions and Mental Health Division; Oregon Lottery, local law enforcement agencies, State Police and city of Portland.

OLCC will also create and strengthen relationships with business partners, such as the liquor industry, the grocery industry, the restaurant industry, liquor agents and other suppliers and sellers of alcoholic beverages. ■

## GOVERNING PRINCIPLE

# ECONOMIC DEVELOPMENT

*“Increase Oregon's capacity to innovate and foster business development to create and retain enduring jobs for Oregonians.”*

Governor Ted Kulongoski



*Through the oversight of retail operations, the OLCC ensures responsible alcohol sales in the liquor stores, while providing a varied and balanced inventory of brands of distilled spirits to the public.*

### High-Level Goals

OLCC will assist business people to be viable in their sale of alcohol, supporting economic viability for Oregonians.

OLCC will intelligently manage the healthy growth of the Distilled Spirits Program so desired distilled spirits products reach the customer timely and efficiently.

### Background

Business people applying for liquor agency appointments or for new or renewed licenses often have their own livelihoods at stake, as well as their employees'. Licensees are an important part of the state's hospitality, tourism and alcoholic beverage industries.

These industries employ large numbers of people, creating economic viability for thousands. The state of Oregon relies heavily on income tax as a revenue base for its services and education. High employment creates a solid income tax revenue base for the state to provide services to its citizens. Also, public satisfaction with the current alcoholic beverage control system, including the OLCC's services, helps to ensure the system's viability.

### Major Strategies

OLCC will continue to create and strengthen relationships with the liquor and hospitality industries and other components of the greater alcoholic beverage system.

To ensure that customers have reasonable access to the distilled spirits products they desire, OLCC will provide them with more tools. These include more on-line, electronic means for liquor agents, licensees or potential customers to gain distilled spirits availability information.

OLCC seeks budget authority through the Governor's Recommended Budget (*package 107*) for the additional staff and equipment resources it needs to continue to meet growing consumer demand for distilled spirits.

OLCC will keep working to ensure that liquor stores are well-operated, well-situated, and meet consumers' needs for convenience and product selection.

OLCC will provide efficient and effective customer service to people who want to sell and



*Oregon’s control system provides for effective liquor law enforcement, and produces revenue for the state and local governments. Here, the OLCC’s distribution center conveyor sends cases of distilled spirits to awaiting delivery trucks.*

serve alcohol. As the industry grows, OLCC will continue to improve processes for appointing liquor agents, and for granting licenses and service permits.

OLCC seeks budget authority through the Governor’s Recommended Budget (*package 203*) for additional staff for licensing, legal review and administrative rule functions so the agency has adequate resources to meet workload increases. It seeks budget authority through the Governor’s Recommended Budget (*package 107*) for additional staff and other resources for the Distilled Spirits Program to support increased demand for distilled spirits.

It continues to use streamlining and automation to improve timeliness and convenience of OLCC licensing and permitting processes. OLCC will create and implement on-line processes for license applications and renewals. And, it seeks budget

authority to do this through the Governor’s Recommended Budget (*package 304*).

To ensure that liquor agents are appropriately funded to operate liquor stores and provide adequate service to their customers, OLCC seeks budget authority through the Governor’s Recommended Budget (*package 110*) to at least maintain current funding rates for liquor agents. ■

## GOVERNING PRINCIPLE

# STEWARDSHIP

*“State government must be a responsible steward of the public’s money. We must work in a cooperative manner and coordinate with our partners in the private sector and local government, so our constituencies know our mutual goal is to provide them with superior customer service.”*

Governor Ted Kulongoski

### HIGH-LEVEL GOALS

OLCC will work collaboratively with local government and other partners to gain efficiencies in providing customer service.

OLCC will provide responsible stewardship of its assets, managing risks and protecting revenue flow.

OLCC will sustain high-level customer service. It will continue to seek to improve its customer service levels by finding more efficiencies, improving time frames for delivering services, and

by making information accessible to customers and the public.

### MAJOR STRATEGIES

OLCC staff will continue to hold regular dialogue with business and public safety partners to work on issues in an open, transparent and collaborative manner.

To gain efficiencies agency-wide, OLCC will continue to streamline processes, develop efficiencies and allocate resources as effectively as possible. Methods include minimizing





*OLCC works collaboratively with local government and other partners to gain efficiencies in providing exceptional customer service.*

duplications of processes; exploring and implementing technology solutions; and partnering with other entities to gain efficiencies.

For the licensing and permitting functions, OLCC seeks budget authority through the Governor’s Recommended Budget for improved information technology to enable applicants to apply on-line.

For the Distilled Spirits Program, OLCC will sustain and improve distribution center operations for cost effectiveness. Methods include balancing costs with outcomes; managing bailment and warehouse inventory, advising agents on liquor store inventory management; managing product selection and procurement (special and regular orders, product line); and ensuring appropriate cash management in liquor stores.

OLCC divisions will continue to assess and manage risks to the agency and protect the state’s and agency’s economic resources.

Agency-wide, it will efficiently manage the agency’s resources to safeguard the flow of net revenue that OLCC distributes to Oregon cities, counties and the state General Fund.

OLCC will manage the OLCC-owned Milwaukie physical office and distribution center complex. It

seeks budget authority through the Governor’s Recommended Budget (*package 313*) to remove the unused water tower on the property.

The Administrative Process Division will minimize legal risk to the agency by ensuring sustainable decisions; statutes, rules and policies applied uniformly, consistently; staff trained in sound processes, applying a legal ruler and following APA and other requirements/guidelines. The division will provide consultation agency-wide on how to minimize and manage legal risks.

The Financial Services Division will minimize agency risk by auditing and managing liquor inventory, sales receipts; providing financial oversight and budget management.

The Human Resources Division will minimize agency risk and provide an effective workforce. It will ensure a skilled, trained, diverse, motivated, safety conscious workforce; secure appropriate classification and compensation; accountability; gather feedback to improve work environment; promote opportunities: learning, training, leadership.

The Information Technology Division will provide more efficient processes for agency programs utilizing modern technology. It will enable automation and electronic solutions to gain efficiencies and improve service to other components of the greater alcoholic beverage system.

OLCC will continue to use communication tools to provide the public with customer service and assurances that OLCC is a good steward of government resources. It will provide more useful information to the public, consumers and industry through the Internet and OLCC’s Web page. It will insure that the media, such as radio, television, and newspapers, has information to keep the public well-informed about OLCC news and messages. ■



**9079 SE McLOUGHLIN BLVD.  
PORTLAND, OREGON 97222**

**503-872-5000**

***www.olcc.state.or.us***