December 4th, 2023

The Honorable Glenn Youngkin

Governor of Virginia

Patrick Henry Building

1111 E. Broad Street

3rd Floor

Richmond, VA 23219

RE: Virginia Alcohol Beverage Control Authority Board’s Decision to Pause Regulatory Reform Effort

Governor Youngkin:

We are writing to you on behalf of the R Street Institute. The R Street Institute is a nonprofit, non-partisan public policy research organization. Our mission is to engage in policy research and outreach to promote free markets and limited, effective government in many areas. Our work includes analyzing and promoting sensible alcohol policies that considers consumer choice, free enterprise, and public safety.

We have been supportive of your efforts to promote regulatory reform efforts across various state agencies and entities through Executive Directive 1.[[1]](#endnote-1) Unfortunately, we believe recent actions by the Virginia Alcohol Beverage Control Authority’s (VABC) Board undermine Executive Directive 1, specifically the decision to pause the regulatory review and reform efforts for Chapters 10 though 70 of 3 VAC 5.[[2]](#endnote-2)

Based on recent public reports, it appears the review and reform effort has stalled as a result of unfounded issues raised by a sole restauranteur. Specifically, the “issue” raised is that the changes sought as part of the reforms might “override” state law. Those making these claims, however, have failed to actually cite to any provision of the state code that would be violated.

We have strong concerns about the precedent that will be set if a state entity or agency decides to hold up the regulatory review process that has already provided ample public feedback opportunities. Worse yet, it will set a precent of allowing the regulatory review process to be stalled by mere ipse dixit claims that a discrete reform runs afoul of state law; such assertions, at the bare minimum, should be grounded in a colorable statutory argument. This appears to be a targeted effort to subvert the regulatory reform effort for VABC in the final stages of the review. We are concerned that this single state authority impeding the whole process risks the completion of similar review efforts at other state agencies and entities.

This regulatory capture not only undermines Executive Directive 1, but it also will undermine the public interest that led your office to initiate this comprehensive regulatory review process. The R Street Institute strongly urges your intervention to ensure your intent is carried out from Executive Directive 1 and the VABC regulatory review effort continues unabated.

Thank you for your time, and consideration of our request.

Sincerely,

Robert Melvin

Senior Manager, State Government Affairs Northeast Region

R Street Institute

[rmelvin@rstreet.org](mailto:rmelvin@rstreet.org)

Jarrett Dieterle

Resident Senior Fellow, Competition Policy

R Street Institute

[cmjoslin@rstreet.org](mailto:cmjoslin@rstreet.org)

CC: Jesse Lynch, Director of Policy, Office of Governor Glenn Youngkin

Ali Ahmed, Director of Policy and Legislative Affairs, Office of Governor Glenn Youngkin

Nicole Ogburn, Director of Legislative Affairs, Office of Governor Glenn Youngkin

1. Office of Governor Glenn Youngkin, Executive Directive 1: <https://www.governor.virginia.gov/media/governorvirginiagov/governor-of-virginia/pdf/ed/ED-1-Regulatory-Reduction.pdf> [↑](#endnote-ref-1)
2. Virginia Administrative Code, Title 3, Agency 5, Chapters 10 through 70: <https://law.lis.virginia.gov/admincode/title3/agency5/> [↑](#endnote-ref-2)