OFFICIAL TRANSCRIPT PROCEEDINGS BEFORE

THE SUPREME COURT OF THE UNITED STATES

DKT/CASE NO. 86-260

TITLE SOUTH DAKOTA, Petitioner V. ELIZABETH H. DOLE, SECRETARY, UNITED STATES DEPARTMENT OF TRANSPORTATION Washington, D. C. DATE April 28, 1987 PAGES 1 thru 48



IN THE SUPREME COURT OF THE UNITED STATES 1 2 - * SOUTH DAKOTA. 3 . Petitioner, 4 5 ۷. : No. 86-260 ELIZABETH H. DOLE, SECRETARY, 6 UNITED STATES DEPARTMENT OF 7 TRANSPORTATION 8 9 Y Washington. D.C. 10 Tuesday, April 28, 1987 11 The above-entitled matter came on for oral 12 argument before the Supreme Court of the United States 13 at 11:53 o'clock a.m. 14 APPEARANCES: 15 ROGER A. TELLINGHUISEN, ESQ., Attorney General of 16 South Dakota, Pierre, South Dakota; on behalf of 17 the petitioner. 18 LOUIS R. COHEN, ESQ., Deputy Solicitor General, 19 Department of Justice, Washington, D.C.; on 20 behalf of the respondent. 21 22 23 24 25 1 ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

1	CONIENIS	
2	QRAL_ARGUMENI_QE	PAGE
3	ROGER A. TELLINGHUISEN, ESQ.,	
4	on behalf of the petitioner	3
5	LOUIS R. COHEN, ESQ.,	
6	on behalf of the respondent	22
7	ROGER A. TELLINGHUISEN, ESQ.,	
8	on behalf of the petitioner - rebuttal	43
9		
10		
11	and the second	
12		
13		
14		
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25	2	
	ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300	

1	PROCEEDINGS
2	CHIEF JUSTICE REHNQUIST: We will hear
3	arguments next in South Dakota against Elizabeth H.
4	Dole, Secretary, United States Department of
5	Transportation.
6	Mr. Tellinghuisen, you may proceed whenever
7	you are ready.
8	ORAL ARGUMENT BY ROGER A. TELLINGHUISEN, ESQ.,
9	ON BEHALF OF THE PETITIONER
10	MR. TELLINGHUISEN: Mr. Chief Justice, and may
11	it please the Court, the issue in this case is whether
12	or not Congress may condition the receipt of highway
13	funds upon a state having in effect the 21-year-old
14	drinking age. In 1984 Congress enacted 23 USC Section
15	158. Section 158 of that Act conditions a receipt of
16	highway funds upon a state having in effect a
17	21-year-old drinking age for all alcoholic beverages.
18	The Act prohibits or mandates that the Secretary of
19	Transportation shall not distribute 5 percent of a
20	state's highway funds if it is not in compliance for
21	Fiscal Year 1987, and it further mandates that the
22	Secretary will withhold 10 percent of those funds for
23	each and every year thereafter that the state has failed
24	to comply.
25	South Dakota, like every other state in the

South Dakota, like every other state in the

3

25

nation, is a recipient of Federal highway funds under 1 2 the programs referred to in Section 158. 3 QUESTION: General Tellinghuisen, would you explain whether you think this case might be moot now? 4 5 South Dakota has changed the law, as I understand it. MR. TELLINGHUISEN: That's correct, Your 6 Honor. What I would point out to the Court is that in 7 the last legislative session, recognizing that South 8 Dakota, not unlike any other state in the Union, is 9 dependent upon these funds, adopted a 21-year-old 10 drinking age that will not go into effect until April 11 lst of 1988. 12 QUESTION: So it still has a year or so to 13 run, a year to run? 14 MR. TELLINGHUISEN: That's correct. 15 QUESTION: Under the old system. 16 MR. TELLINGHUISEN: Yes. Right now South 17 Dakota still permits 19 and 20-year-olds to consume low 18 point beer. 19 QUESTION: And there are Federal funds at 20 issue, so it is saved from mootness. 21 MR. TELLINGHUISEN: That's correct, Your 22 Honor. 23 24 QUESTION: Then am I not correct the statute doesn't go into effect at all if you prevail here? 25

MR. TELLINGHUISEN: That's correct. The legislature in enacting the law that it passed this 2 legislative session specifically provided within the 3 statute itself that the legislation would repeal itself upon either a favorable decision from this Court or upon Congressional action repealing the mandatory withholding provisions of Section 158.

1

4

5

6

7

QUESTION: We know how to do things out in the 8 upper midwest. 9

MR. TELLINGHUISEN: That's correct. For the 10 past 48 years South Dakota has allowed persons younger 11 than age 21 to consume low point beer, ever since South 12 Dakota has adopted an approach that not only recognizes 13 the social concerns over alcohol but has gradually 14 introduced its young people to alcoholic beverages. 15 Twice since 1939 we have raised our minimum drinking age 16 for low point beer from 18 to 19, and since the repeal 17 of state prohibition in 1934 we have required all 18 persons to be at least 21 years old before they would be 19 allowed to consume alcoholic beverages other than low 20 point beer. 21

South Dakota has likewise enacted and strictly 22 enforced drinking driver statutes, and over the course 23 of the last few years through the strict enforcement of 24 those statutes we have effectuated a 30 percent 25

> ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

reduction in the number of drinking-related fatalities on our highways.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

In September of 1984 we filed a complaint in District Court, seeking a declaration that Section 158 was unconstitutional and further requesting an injunction prohibiting the Secretary of Transportation from enforcing the provisions of that statute. The District Court dismissed and the Court of Appeals affirmed on the basis that South Dakota's complaint failed to state a claim upon which relief can be granted.

Just by procedural -- or just by a little bit of history, as this Court is aware, in 1933 this nation adopted the Twenty-First Amendment, thereby repealing 16 years of national prohibition and reserving to the states the power of choice as to whether or not to allow the importation of alcoholic beverages within their own states.

This Court has also recognized that a state has the absolute power to prohibit totally the sale of alcohol within its own borders pursuant to the Twenty-First Amendment, and this Court has equally recognized that a state has broad power under the Twenty-First Amendment to regulate the times, places, and circumstances under which alcohol may be sold. As

> ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

this Court stated in New York State Liquor Authority versus Ballanca, "It is equally well recognized that a state has broad power under the Twenty-First Amendment to regulate the times, places, and circumstances under which liquor may be sold."

1

2

3

4

5

6

7

8

9

10

11

Put another way, this Court stated in Galifornia Liquor Dealers v. Midcal that the Twenty-First Amendment grants the states virtually complete control over whether to permit importation or sale of liquor and how to structure the liquor distribution system.

In resolving conflicts between state alcohol 12 regulations and Federal policies, the Court has first 13 sought to determine whether the state regulation that 14 was involved implicates what this Court has generally 15 characterized as a Section 2 core power. The Court has 16 suggested that when a state has attempted to directly 17 regulate a Section 2 core power under the Twenty-First 18 Amendment that it will prevail irrespective of its 19 conflict with a contrary Federal policy. 20

The state would submit to the Court, recognizing that this Court has never formally offered a clear delineation of what constitutes a Section 2 core power, that the ability of a state to determine for its own inhabitants or for its own -- the people found

> ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

within its borders, the age at which a person will be 1 allowed to consume an alcoholic beverage is central to 2 the power reserved to the states under the Twenty-First 3 Amendment. 4 This Court, as I indicated earlier, recognized 5 that a state has the absolute power of prohibition --6 7 QUESTION: Of course, South Dakota can still continue to do that, can't it? 8 MR. TELLINGHUISEN: That's correct, Your 9 Honor. However, the Constitutionally impermissible part 10 of Congress's plan is that it forces South Dakota to 11 make a choice of whether or not it will freely exercise 12 13 the powers given to it under the Twenty-First Amendment or whether it will suffer --14 CHIEF JUSTICE REHNQUIST: You can finish your 15 answer at 1:00 o'clock, Mr. Tellinghuisen. 16 MR. TELLINGHUISEN: Thank you, Your Honor. 17 (Whereupon, at 12:00 o'clock p.m., the Court 18 was recessed, to reconvene at 1:00 o'clock p.m. of the 19 20 same day.) 21 22 23 24 25 8

AFIERNOON_SESSION

(12:59 P.M.)

CHIEF JUSTICE REHNQUIST: Please proceed, Mr. Tellinghuisen.

1

2

3

4

5

6

7

8

9

10

11

12

ORAL ARGUMENT OF ROGER A. TELLINGHUISEN, ESQ.,

ON BEHALF OF THE PETITIONER - RESUMED MR. TELLINGHUISEN: Mr. Chief Justice, and may it please the Court, in direct response to Justice Blackmun's question concerning the ability of the states to still have a choice even in the face of Section 158, I would submit to the Court that that is erroneous or that assumption is in error for two reasons.

One, it presupposes that the Federal 13 Government has the ability to regulate in the face of 14 the Twenty-First Amendment the age at which a state such 15 as South Dakota sets its minimum drinking age, and 16 secondly, it is in direct contradiction to the 17 legislative history that surrounds the original 18 amendment in its debate over what was then contained as 19 a Section 3 to the amendment, which would have given 20 Congress concurrent power to regulate or prohibit the 21 sale of intoxicating liquors where those liquors were to 22 be drunk on the premises sold. At that time, unlike the 23 inconsistencies that were present in the debate over 24 Section 2, there was no inconsistency in that regard. 25

> ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

It was the intent of Congress by deletion of Section 3 to remove the Federal Government from the area of alcohol regulation within a state from which it had in the opinion of Congress and in the opinion of this Court had trespassed.

1

2

3

4

5

6

7

8

QUESTION: Well, Mr. Tellinghuisen, you think the Twenty-First Amendment went further than just to deal with the commerce power of Congress then?

MR. TELLINGHUISEN: Yes, I do, Your Honor, and 9 I rely on this Court's decisions in addressing the 10 Twenty-First Amendment when this Court has said that the 11 Twenty-First Amendment, while it is transparently clear 12 that it operated as a limitation upon the commerce 13 clause, it equally recognized that the Twenty-First 14 Amendment gave to the states broad powers to regulate in 15 the area of the times or places or even the sale of 16 liquor, in other words, the liquor distribution system 17 within that state. 18

19 QUESTION: Well, don't you think they would 20 have had that just under traditional reserve power of 21 states?

MR. TELLINGHUISEN: well, I would certainly maintain that, Your Honor. I recognize, however, this Court's decisions in regards to the commerce clause in the face of the Tenth Amendment, and that the Tenth

10

Amendment does not in and of itself operate as a limitation on Congress's power. I think the distinction here is that in the face of the Twenty-First Amendment Congress intended and the states upon ratification of the Amendment assumed that they were going to be given the power to first off determine whether they would permit the sale of alcohol at all, and if they chose to, to enforce the regulations surrounding the sale of that alcohol.

1

2

3

4

5

6

7

8

9

10 QUESTION: And here you say that because 11 Congress is cutting off 5 percent of South Dakota's 12 highway fund money, South Dakota is not able to do what 13 it wants?

MR. TELLINGHUISEN: That's correct, and I am suggesting -- what I am suggesting to the Court is that the presentation of the choice irrespective of the amount of money involved is what -- is the impermissible derogation of the state's powers under the Twenty-First Amendment.

20 QUESTION: There are a lot of cases that have 21 sustained the Congress's spending power, Steward Machine 22 Company, a long line of cases.

23 MR. TELLINGHUISEN: That is correct, Your 24 Honor. We are certainly not unmindful of those cases, 25 and for the Court to rule in the state's favor on this

11

case would not require this Court to overrule any of those prior cases concerning limitations or claimed limitations on Congress's power under the spending clause. In the Steward Machine case, for instance --

1

2

3

4

5

6

7

8

9

QUESTION: You mean provided we gave the Twenty-First Amendment the broader preemption that you would argue should be given. What if we think that the Twenty-First Amendment only took away Congress's power under the commerce laws?

MR. TELLINGHUISEN: I would save Your Honor. 10 11 that if the Court were to find that the operation of the Twenty-First Amendment only prevented Congress from 12 interfering with a state's right to allow into the state 13 the importation of alcohol, that certainly would put us 14 in a more difficult position, but that is not what this 15 Court has recognized in, for instance, Capital Cities 16 Cable versus Crisp. The Court in that case, if I may 17 just briefly recite from that opinion, the Court stated, 18 "In contrast to state regulation governing the 19 conditions under which liquor may be imported or sold 20 within the state, the application of Oklahoma's 21 advertising ban to the importation to distant signals by 22 cable television operators engages only indirectly the 23 central power reserved by the Twenty-First Amendment, 24 that of exercising control over whether to permit 25

12

importation or sale of liquor and now to structure the liquor distribution system."

1

2

13

14

15

Following that line of reasoning that this 3 Court has adopted not only in Capital Cities Cable v. 4 Crisp but in Midcal and again referred to in this 5 Court's most recent decision dealing with the 6 7 Twenty-First Amendment, 324 Liquor versus Duffy. The states are given this broad power in areas not only 8 related exclusively to the decision of whether or not to 9 permit importation but they are given the power to 10 regulate the very liquor that it allows under its 11 ability to allow importation. 12

QUESTION: It didn't say that. It said to structure the distribution system.

MR. TELLINGHUISEN: I'm sorry.

QUESTION: That is not quite what the quote 16 you read said. It said the state's power to structure 17 the distribution system, which is much more closely tied 18 to the importation. One imports and one distributes. 19 It is very easy to say that the structure of the 20 distribution system has a very close tie to the 21 importation, which is what the Twenty-First Amendment 22 specifically addresses. 23

24 MR. TELLINGHUISEN: Your Honor, what I would 25 also --

13

QUESTION: This has nothing to do with the distribution system.

1

2

3

4

5

6

7

8

9

25

MR. TELLINGHUISEN: Well, in effect it does, Your Honor. I guess I would argue that point in that the distribution system of alcohol is certainly directly related to or is one and the same of determining how it can be sold or distributed within the state, and the setting of a minimum drinking age is basic to that consideration.

QUESTION: You think the setting of -- well, all right. You are going to be arguing later when you address the scope of the Federal Government's commerce power that one can't stretch things to infinity, and it seems to me you are arguing a very broad notion of what importation includes and distribution includes. It includes even fixing the qualifications for purchasing.

MR. TELLINGHUISEN: Yes, I would argue that, 17 and in part our reliance, Your Honor, is based upon this 18 Court's decision in New York State Liquor Authority 19 versus Ballanca, where the Court stated, "It is equally 20 well recognized that a state has broad power under the 21 Twenty-First Amendment to regulate the times, places, 22 and circumstances under which liquor may be sold." The 23 Congressional --24

QUESTION: You think the Federal Government

14

could keep you from selling liquor to a certain defined 1 group of people like Indians? 2 MR. TELLINGHUISEN: No, I don't believe they 3 could, Your Honor. I am not sure I understand the 4 question correctly. Could the Federal Government 5 require us not to sell to a specific group of people? 6 QUESTION: Like the Indians. Um-hm. 7 MR. TELLINGHUISEN: I would say that, no, it 8 could not. 9 QUESTICN: And so therefore using the spending 10 power for that purpose is just as illegal. Is that it? 11 MR. TELLINGHUISEN: I would suggest that that 12 is the case. 13 QUESTION: Under the Twenty-First Amendment. 14 MR. TELLINGHUISEN: Yes, sir. Going back to 15 the Congressional intent behind the adoption of the 16 Twenty-First Amendment, it was well recognized in 1933 17 as well as now the national prohibition, the national 18 policy of --19 QUESTION: Well, do you think the Federal 20 Government could keep you from -- a state-operated 21 liquor store, for example, selling on military 22 reservations? 23 MR. TELLINGHUISEN: I think this Court's 24 holdings, for instance, in the Collins v. Yosemite --25 15

11	
1	Yosemite excuse me case would suggest just that,
2	and I don't have a problem with that.
3	QUESTION: But you think they couldn't the
4	Federal Government couldn't keep couldn't forbid
5	sales to servicemen off the base?
6	MR. TELLINGHUISEN: Yes, I would maintain
7	that. And the point, the distinguishing factor, Your
8	Honor, between the example that you cite and the premise
9	that we are advocating is that in the context of a
10	military reservation the state cannot impose its will
11	upon an area that is not under its jurisdiction.
12	QUESTION: (Inaudible) for Federal money.
13	MR. TELLINGHUISEN: I would concede that. I
14	would concede that, and that brings us to the point, the
15	question has often been stated in another way. Could
16	Congress just refuse to just give this money to the
17	states in the first instance, and that is the answer
18	to that must be yes. We have no actual entitlement to
19	money in the first instance.
20	QUESTION: Mr. Attorney General, could I go
21	I want to be sure I understood your answer correctly. I
22	think Justice White asked you maybe this is a
23	variation of the question. You say Congress passed a
24	statute saying it shall be unlawful for any purveyor of
25	liquor, either in a bar or so forth, to sell liquor to a
	24

16

uniformed soldier. You say that would be 1 unconstitutional. 2 QUESTION: That's what you said. You can 3 think it over if you want to. 4 (General laughter.) 5 MR. TELLINGHUISEN: Well, okay. 6 QUESTION: And I was going to -- Let me give 7 you another one that is similar. Supposing they 8 required all interstate truck drivers and bus drivers to 9 wear some kind of an identifying cap or uniform of some 10 kind and they said, you may not sell liquor to any of 11 those drivers of interstate vehicles. Would that be 12 unconstitutional? 13 MR. TELLINGHUISEN: Are we assuming that 14 Congress is going to condition the receipt of money 15 on --16 QUESTION: No, just say flatly, it is against 17 a Federal statute enacted for the purpose of protecting 18 safety on the highways to sell liquor to any uniformed 19 driver of a truck or a bus. 20 MR. TELLINGHUISEN: I would submit that it 21 would be unlawful. 22 QUESTION: It would be unconstitutional? 23 MR. TELLINGHUISEN: Yes, because again, Your 24 Honor, it goes to the very heart of the Twenty-First 25 17

Amendment.

1

2

3

4

5

6

18

19

20

21

QUESTION: And you would have to say the same about the soldier.

MR. TELLINGHUISEN: Yes, I would, Your Honor. QUESTION: If you lose on that, you lose on the one in the case you are arguing?

7 MR. TELLINGHUISEN: No, I don't believe so, 8 because our case that we are arguing is much more narrowly defined. You know, as this Court has noted in 9 many of its opinions there will be time enough to 10 address those types of questions. We are suggesting 11 that the blanket provision requiring the states to adopt 12 13 a uniform drinking age in the face of the Twenty-First Amendment takes away from the state the ability to make 14 15 those decisions for itself. And that was what Congress and this nation was addressing when it adopted -- or 16 repealed prohibition. 17

QUESTION: Let me'take it one step further. What about airline pilots in uniform? The Federal Government couldn't even prevent sale of liquor to them?

MR. TELLINGHUISEN: I would have to
steadfastly maintain that they could not, Your Honor.
QUESTION: You are consistent.
QUESTION: Of course I take it you argue that

18

you should win even if there were no Twenty-First 1 Amendment. 2 MR. TELLINGHUISEN: I am not going to go so 3 far as to say that, Your Honor. I think that it could 4 be suggested that Congress under its commerce clause 5 powers could impose a regulation upon the states which 6 it otherwise could not do in the face of the 7 Twenty-First Amendment. 8 QUESTION: I thought you were arguing that 9 these conditions on receipt of Federal money were 10 invalld in themselves. 11 MR. TELLINGHUISEN: I am arguing --12 QUESTION: Wholly aside from the Twenty-First 13 Amendment. Don't you argue that? 14 MR. TELLINGHUISEN: No, I don't. I suggest in 15 our brief that the conditions are invalid outside the 16 context of the Twenty-First Amendment from the 17 18 standpoint that they are coercive. QUESTION: Well, do you disavow the argument 19 then submitted by the National Conference of State 20 Legislatures in their amicus brief to the effect that 21 there has to be a substantial relationship between the 22 condition imposed on a grant and the spending of Federal 23 money? 24 MR. TELLINGHUISEN: Your Honor, I am not in a 25 19

position to suggest to this Court that I disagree with 1 that proposition. 2 QUESTION: Well, you certainly are. You can 3 sav it is right or it is wrong. 4 QUESTION: You just did a while ago. 5 MR. TELLINGHUISEN: what I am suggesting is 6 that I am not prepared to address that issue in light of 7 the fact that we have the Twenty-First Amendment. I 8 think it would be --9 QUESTION: What if you lose on that, and this 10 Court is having to grapple with it? Is that an argument 11 you make or is it not? 12 MR. TELLINGHUISEN: It is from the standpoint 13 that Congress's power under the commerce clause is not 14 without limitations, as this Court has noted, for 15 instance, in Lawrence County v. Lead-Deadwood School 16 District. And we would submit to the Court that the 17 Tenth Amendment would operate as a bar upon Congress to 18 impose these types of conditions which in effect are 19 coercive upon the states, and that are being used -- is 20 being attached for a purpose not related to --21 QUESTION: That is the same argument. 22 QUESTION: Well, the argument made in that 23 amicus brief is not one of coercion at all. That is not 24 the thrust of it. 25 20

MR. TELLINGHUISEN: The argument that is made 1 in the amicus brief is one that the purpose for which 2 the condition is attached is not proper, and I quess I 3 would just have to maintain that I am not prepared to 4 argue that particular fine point at this time because we 5 are not dealing outside the scope of the Twenty-First 6 Amendment. 7 QUESTION: (Inaudible) suggest then, Mr. 8 Attorney General, that the Tenth Amendment at least is 9 not as much of an inhibitor on Federal regulation as 10 would be the Twenty-First? 11 MR. TELLINGHUISEN: I think that would 12 certainly be in keeping with this Court's prior 13 decisions. 14 QUESTION: And that is your position? 15 MR. TELLINGHUISEN: It may not be a position 16 that I like to advocate, but it is certainly one that I 17 recognize. 18 QUESTION: It sounds like if you lost on the 19 Twenty-First then you would a fortiori lose on the 20 Tenth. 21 MR. TELLINGHUISEN: Well, I quess I can sum it 22 up, Your Honor, by just suggesting that if we lose on 23 the Twenty-First Amendment I recognize we are in trouble 24 on the Tenth Amendment. 25

21

Your Honor, I would like to reserve the remainder of my time, if I might, for rebuttal. QUESTION: Thank you, Mr. Teilinghuisen. We will hear now from you, Mr. Cohen. ORAL ARGUMENT BY LOUIS R. COHEN, ESQ., ON BEHALF OF THE RESPONDENT MR. COHEN: Mr. Chief Justice, and may it

1

2

3

Δ

5

6

7

8

9

10

11

12

13

14

15

16

17

please the Court, I propose to argue two points. First, that Section 2 of the Twenty-First Amendment does not reach this case at all because it does not say that Congress may not in the valid exercise of its own powers bar or encourage states to bar sales of alcoholic beverages that a state might prefer to permit, and second, that Section 158 is a judicious and proper use of the Federal spending power that does not violate either the Tenth Amendment or, if it is applicable at all, the Twenty-First Amenament.

Section 2 of the Twenty-First Amendment 18 prohibits transportation or importation of alcoholic 19 beverages for delivery or use in violation of state law. 20 It thus broadly confirms state power to restrict those 21 activities, notwithstanding obstacles to state 22 regulation that would otherwise be imposed by the 23 commerce clause and sometimes other provisions of the 24 Constitution. 25

22

Section 2 may also in some situations prevent Congress from legislating to require or permit activities that violate state law although in every actual case -- I think of Crisp and Midcal and 324 Liquor -- the Federal statute prevailed. But Section 2 speaks only of activities in violation of state law. I suggest that the words simply cannot be read to prohibit Congress from imposing restrictions of its own or encouraging states to impose additional restrictions on alcohol transactions.

1

2

3

4

5

6

7

8

9

10

25

11 QUESTION: Do you think that Congress could 12 bring back prohibition under your view, under the 13 spending power?

MR. COHEN: I don't think that Section 2 14 answers that question. The Court gave a partial answer 15 to that question back in 1917 in the Clark Distilling 16 case -- this is before Prohibition -- when the Court 17 said -- this is 242 US at 325 -- "It is not in the 18 slightest degree disputed that if Congress had 19 prohibited the shipment of all intoxicants in the 20 channels of interstate commerce and therefore had 21 prevented all movement between the several states, such 22 action would have been lawful because within the power 23 to regulate which the Constitution conferred." 24

QUESTION: That was before the Twenty-First

23

Amendment.

1

14

2	MR. COHEN: Yes, it was, but it seems to me
3	that if you take the Twenty-First Amendment in its two
4	parts, the passage and later repeal of Prohibition
5	didn [®] t change that, and it seems to me that the plain
6	words of Section 2 don't change that either, because if
7	the Congress were today I don't suggest that it is
8	politically likely to adopt the statute that was
9	envisioned in Clark Distilling, that statute would not
10	involve any transportation, importation, delivery, or
11	use of alcoholic beverages in violation of state law and
12	therefore would not be prohibited by Section 2 of the
13	Twenty-First Amendment.

QUESTION: What if you take the converse of that situation? Congress decides it has been a bad year 15 for the distilleries and therefore it requires that any 16 state accept shipments even though the state may be dry 17 by choice. It says it is the policy of the Federal 18 Government to require freedom of movement in interstate 19 commerce of hard liquor. 20

MR. COHEN: I am drawing a distinction between 21 a prohibition and a protection of transactions in 22 alcoholic beverages that it seems to me Section 2 23 draws. Congress may well be, although the Court has 24 never actually said so, may well be prohibited from 25

24

legislating in a way that requires the state to accept or allow alcoholic beverages or alcoholic beverage transactions that the state chooses to prohibit because Section 2 --

1

2

3

4

5

6

7

8

14

17

19

20

QUESTION: You are using the word "may" and it sounds as though that sort of requires a little construction of the amendment, too, doesn't it? It is not quite a plain language.

MR. COHEN: Well, I am not trying to make just 9 a wooden plain language argument. What I am suggesting 10 is that the text of the amendment demonstrates an 11 intention to protect the right of the states to restrict 12 or prohibit or tax or burden the delivery or use of 13 alcoholic beverages. It does not by its text, and I think it should not be interpreted to, bar Congress from 15 imposing additional restrictions that don't require 16 transactions the state is trying to prohibit. The text --18

QUESTION: How does that tie in with this case?

MR. COHEN: In this case what Congress has 21 done is to pass a statute which encourages the state to 22 prohibit alcoholic beverage transactions that the state 23 chooses not to prohibit, sales to 19 and 20-year-olds. 24 The objection is that the state has some sort of right 25

25

under the Twenty-First Amendment to allow those transactions to take place. I am suggesting that if you read Section 2 it doesn't say that.

1

2

3

14

15

16

17

18

I further suggest that the source from which Δ that text was drawn, the pre-Prohibition Webb Kenyon 5 6 Act, which -- whose -- further illustrates the point. 7 The purpose of that Act, which was clear from its text and its legislative history and this Court's explanation 8 of that Act in the Clark Distilling case, was to 9 withdraw the protection of the commerce clause so that 10 states could regulate alcoholic beverages in ways that 11 might be -- might otherwise be objectionable 12 obstructions of commerce. 13

As this Court explained in Craig against Boren, the purpose of Section 2 was to constitutionalize that framework. It was not --

QUESTION: Is 324 Liquor Corporation consistent with that view?

MR. COHEN: I think so. I think that what 324 Liquor suggests is that there are occasions when Federal law may conflict with state efforts to restrict or impose rules on transactions in alcoholic beverages where Federal law nevertheless prevails. But the Twenty-First Amendment was properly involved in the 325 Liquor case because you had a state activity, namely

26

state pricing regulations restricting transactions that 1 is protected by the amendment. In this case we have no 2 transportation, importation, delivery, or use in 3 violation of state law. 4 Let me illustrate with an example. 5 QUESTION: So, I mean, you think the states 6 have no power derived from the Twenty-First Amendment to 7 set limits on the age of drinking at all. 8 MR. COHEN: No, that is not what I am saying. 9 First, I think the states have power to set a drinking 10 age -- police power to set a drinking age wherever they 11 like. 12 QUESTION: Power under the -- derived from the 13 Twenty-First Amendment. 14 MR. COHEN: I don't think the states' power --15 QUESTION: -- to set drinking ages. 16 MR. COHEN: I don't think the states' power 17 derives from the Twenty-First Amendment at all, but I 18 think the states' power is protected by the Twenty-First 19 Amendment in one direction --20 QUESTION: Do you think that might come as a 21 little bit of a surprise to the drafters of the 22 Twenty-First Amendment? 23 MR. COHEN: No, because Congress and this 24 Court promptly demonstrated their understanding that the 25 27

Twenty-First Amendment was not intended to restrict the otherwise valld exercise of Congressional power to impose burdens on or additional restrictions on alcoholic beverage transactions in ways that do not require a violation of state law.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

Congress enacted the Federal Alcohol Administration Act in 1935 which extensively regulates importation and manufacture and wholesaling and labeling of alcoholic beverages. That statue was challenged in this Court in the William Jameson case in 1939 on the ground that the Twenty-First Amendment turned the whole subject over to the states, and the Court said per curiam, summarily, we see no substance in that contention.

I suggest that what would have startled the 15 1935 Congress and the 1939 Court would have been a 16 suggestion that states cannot only require, say, 17 wholesalers to get state permits and apply 18 state-approved labels, but can also insist on permitting 19 wholesalers to operate without Federal permits, and on 20 permitting beverages to be sold locally without Federal 21 labels. That, it seems to me, is the parallel here. 22 Maybe I make it clearer if I say that I think that if 23 Congress were attempting to encourage the states to 24 lower their drinking ages, there would be a Twenty-First 25

28

Amendment problem, and the argument that I am now making 1 would not be applicable, because Congress would be -- I 2 am not necessarily suggesting that a use of the spending 3 clause would be invalid for that reason, but Congress 4 would be encouraging a transaction that violates the 5 state law as it now stands. 6 what we have here is something --7 QUESTION: (Inaudible) need to have a 8 different law. That is all. 9 MR. COHEN: Yes. Yes. 10 QUESTION: Mr. Cohen, apart from whether it 11 can contravene the state law, where does Congress get 12 the power to do this? 13 MR. COHEN: Congress gets the power, I think, 14 under the spending clause, and our only claim is that 15 they have the power under the spending clause. 16 QUESTION: What is the the spending clause 17 case that you think is closest to this one in the 18 relationship between the purpose of the expenditure and 19 the condition that is imposed upon receipt of the 20 funds? The purpose of the expenditure here is what, 21 improve highways? 22 MR. COHEN: Let me interject, because I want 23 to, that I think that the -- I think that that question 24 is not before the Court, and I want at least to note 25 29

that, although I am going to respond, I am going to 1 respond to the question. The -- it was discussed below. but the state didn't raise this question in the Court of 3 Appeals, and it is not, I think, comprehended within either of the questions presented, and I note that the state says in its brief that it has never contended that the Congressional action was unreasonable or unrelated to an national concern in the absence of the Twenty-First Amendment.

2

4

5

6

7

8

9

If the question is before the Court, it seems 10 to me that the answer is first that the expenditure is 11 plainly within Congress's power under the general 12 welfare clause and second, that the condition attached 13 to that expenditure is within Congress's power under the 14 necessary and proper clause because it is sufficiently 15 germane to the purpose of the expenditure. 16

One of the express purposes of Federal highway 17 assistance is to promote safe travel. Nevertheless, one 18 of the consequences of this expenditure and the 19 resulting improvement in our highway system is to 20 exacerbate the problem of what President Reagan called 21 blood borders between states. Section 158 is a measure 22 23 to help achieve the safety purpose and combat the blood border problems. It seems to me that it is open to 24 Congress to decide that it doesn't want to provide full 25

30

Federal funding for highways in states where those highways may be used by young persons in lawful quest of alcohol.

1

2

3

4

5

6

7

8

9

18

QUESTION: Is there some limit then on Congress spending power of a requirement of germaneness or relatedness? Could Congress enact this same kind of a grant attached to -- this same kind of condition attached to a grant for school lunch money, for example?

MR. COHEN: The answer is that the Court has 10 frequently said there is some kind of a limit attached 11 to the spending power, and to my knowledge has never 12 said what that limit is. I think there is and I think 13 there should be such a limit. I would hope Congress 14 would recognize such a limit on its own. I think it is 15 a very hard line to draw. But I think it is appropriate 16 for the Court to draw a germaneness line. 17

QUESTICN: Germane to what?

19QUESTION: Mr. Cohen, could you answer my20question? You still haven't given me the case that you21think is -- I don't find that a terribly proximate22relationship. We are building highways in order -- I23guess partly to increase safety of travel, and one of24the things that impairs the safety of travel is kids25driving somewhere else to buy liquor. I mean, what

31

about heart attacks? You could say the same thing about heart attacks, so a condition could be, the states have to have some --

1

2

3

4

5

6

7

8

9

10

11

12

13

MR. COHEN: I will give you Lau against Nichols, where the Court -- where Congress says the recipient of any Federal grant has got to comply with the civil rights laws, and that ends up being interpreted to mean that the city of San Francisco must provide some means for educating its Chinese-speaking children.

QUESTION: But Congress has independent powers to enact civil rights laws. You don't say that Congress has independent power to prescribe drinking age?

MR. COHEN: I am not sure that it has an 14 independent power. I don't know whether it would have 15 had and it certainly wasn't justified in that case on 16 the basis of its having an independent power to impose 17 18 those particular requirements other than as a condition of the grant of funds, but I will give you Oklahoma 19 against Civil Service Commission, the classic case in 20 this area. Congress provides that any state officer or 21 employee whose employment is primarily in connection 22 with any project that is funded in whole or in part by 23 24 Federal funds must satisfy the Hatch Act's requirements with respect to political activity. This Court --25

32

QUESTION: But that has to do with the efficient expenditure of the funds. You don't want the funds being expended by political hacks. You want them being expended by what the Federal Government regards as responsible civil service. That is closely connected to the use of the funds. This condition isn't.

1

2

3

4

5

6

7

8

9

10

15

17

18

19

21

22

23

24

25

MR. COHEN: I don't think that the connection is close. There is no perfect analogy to this case --QUESTION: I don't even think there is a close one.

MR. COHEN: -- to this case, of course, but in 11 Civil Service Commission the Court pointed out that the 12 United States has no power to regulate the local 13 political activities as such of state officials. It 14 does have the power, said the Court, to fix the terms on which its money allotments to states shall be 16 dispersed. There is no evidence in that case that the particular official had any control over the use of the funds or that the basis on which that condition is sustained is that it applies only to the state --20 certainly the statute doesn't say so -- applies only to the state officials who have it.

QUESTION: When you speak of the word "germane," how is that being used as a term? To what does the requirement have to be germane?

33

MR. COHEN: What I am suggesting and this is, 1 I think, not a particularly well developed area of our 2 jurisprudence, because the Court has never, I think, had 3 occasion to strike down a condition, but what I am 4 suggesting is that the condition must be germane, and I 5 guess I mean within the necessary and proper penumbra of 6 the -- germane to the purpose for which the Federal 7 funds are being expended, and I am suggesting --8

QUESTION: Let me, since you can spend federal funds for any purpose that involves the general welfare, that expands the Federal powers into anything at all so long as you -- the Federal Government can spend money 12 for art and suddenly it can begin conditioning those 13 grants to get the states to do things in the field of art that it would have no independent power to achieve.

9

10

11

14

15

25

MR. COHEN: It is certainly correct that the 16 Federal Government can spend money for art and that it 17 can -- and does, and that it can do that in order -- in 18 order, among other things, to get the states to do 19 things that it would have no independent power to 20 achieve, such as by requiring matching grants, such as 21 by requiring that money provided for art be apportioned 22 so that members of minorities or handicapped people or 23 whatever get a share of that money. 24

> QUESTION: That relates to the expenditure of

> > 34

the money. Obviously any condition relating to the expenditure of the money is okay. But this is not a condition relating to the expenditure of the money.

1

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

MR. COHEN: Yes, it is. It's a condition that says we don't want to spend Federal money to improve highways that the states permit to be used by teenagers in quest of alcohol, just as Congress could say we don't want to spend Federal money on a school district that doesn't adequately educate one group of its children without regard to whether -- back at Lau against Nichols -- without regard to whether the particular Federal money was earmarked for that purpose or indeed whether any Federal money at all was being used, but to do the things that this Court ended up ordering the San Francisco School District to do.

QUESTION: Mr. Cohen, as I understand your argument, you would agree, would you not, that they could not attach an unconstitutional condition to the acceptance of the grant? For example, they couldn't say you may have the money provided you employ nothing but Republican people, Republicans to build the road, or something like that.

MR. COHEN: Oh, certainly.

QUESTION: Cr only Republican (inaudible).

MR. COHEN: Oh, certainly.

35

QUESTION: So there is a limit to the 1 expenditure grant based on whether the condition would 2 be otherwise illegal, I suppose. 3 MR. COHEN: There is. 4 QUESTION: So if this condition should violate 5 the Twenty-First Amendment, you might be in trouble. 6 MR. COHEN: I would agree that there are other 7 Constitutional restrictions, and that if the 8 Twenty-First Amendment is thought to bar this --9 QUESTION: For example, if the condition in 10 this grant were to a state that had Prohibition, they 11 12 say, we will give you the money provided you repeal your Prohibition law, I think you would probably say that was 13 invalid. 14 MR. COHEN: well, first, I think that doing 15 that, that is, moving --16 QUESTION: For two reasons. One, it wouldn't 17 make much sense. And secondly, it would also fly right 18 in the teeth of the wooden reading of Section 2 of the 19 Twenty-First Amendment. 20 MR. COHEN: I guess I don't --21 QUESTION: Do you get my hypothetical? I 22 mean, the condition is that the state now has total 23 Prohibition. You can have the money if you repeal your 24 Prohibition laws, if you increase the drinking age, 25 36

something like that. I think you would agree that that 1 would be --2 MR. COHEN: I would agree that that one --3 QUESTION: -- your argument at least would 4 prohibit that. 5 MR. COHEN: I would agree that that creates --6 raises a Twenty-First Amendment question. It differs 7 from this case because there the state is seeking to 8 prohibit transactions in alcoholic beverages. 9 QUESTION: I understand. I did that 10 deliberately. But I am suggesting if you attach a 11 condition that does violate the Twenty-First Amendment, 12 do you not have a serious issue under the --13 MR. COHEN: If you say it doesn't violate it, 14 yes, then you have an issue. I don't think that the 15 question --16 17 QUESTION: Which would violate it if it were a direct statute, is what I am saying. 18

MR. COHEN: Okay. I don't think that the question is the same as the question whether you can attach a condition to Federal funding that somebody sacrifice individual rights. I don't think that the reserved right --

24 QUESTION: Why not. What is the difference? 25 Both of them are unconstitutional. Both of them are

37

things that the Constitution would prohibit the Federal 1 Government from doing directly. Can they do those 2 things indirectly by conditioning the grant of funds on compliance with what would otherwise be an unconstitutional requirement?

3

4

5

6

7

8

9

10

11

MR. COHEN: It seems to me that all of this Court's cases holding that powers reserved to the state under the Tenth Amendment may be waived by the state if it chooses to comply with the condition and that a condition that may encourage a state not to exercise a power that it had under the Tenth Amendment is --

QUESTION: You are switching to the Tenth 12 Amendment. You are switching my -- my argument is, my 13 hypothesis is the requirement that is imposed in order 14 to accept the money is that you do something which the 15 Federal Government could not directly require you to do, 16 such as limit the distribution to people of one 17 political party, or two, to require the enactment of a 18 statute that the Twenty-First Amendment prohibits the 19 Federal Government from requiring to be enacted. 20

MR. COHEN: I am suggesting that there is a 21 difference between the protection of individual rights, 22 as I think you have eloquently suggested on occasion, 23 between the protection of individual rights from being 24 bargained away by conditional state --25

38

QUESTION: I have suggested that in cases where the Court has said there is no hierarchy of constitutional values. We are on a slippery slope when we start drawing distinctions like that.

1

2

3

4

6

7

8

9

10

11

12

13

14

15

16

17

24

25

MR. COHEN: The Twenty-First Amendment 5 protects primarily against the operation of other clauses of the Constitution, the state's power which it otherwise would have given up under the commerce clause and so forth, to restrict transactions in alcoholic beverages. In the case that you suppose it seems to me that the position that the state is in Is not dissimilar from the position the state is in exercising a Tenth Amendment power which it has in which the Federal Government presumably cannot directly constitutionally take away from it but which the Federal Government can urge it to exercise in a particular way by conditioning a Federal grant.

QUESTION: You could even condition the grant 18 on every state that adopts a unicameral legislature. 19 That is not a personal right, individual right, so that 20 is okay, you can condition grants on that so long as it 21 is as germane to the object of the grant as this one is 22 germane. 23

MR. COHEN: I would hope that the Court would find a way to say that that one wasn't germane.

39

QUESTION: Me. too. But if we couldn't it would be okay. 2

1

9

11

22

23

24

25

MR. COHEN: I think that there is in the 3 germaneness test the possibility of saying, look, a very 4 large and very central state interest can't be germane 5 6 to a very small Federal interest, but in the 7 Lead-Deadwood case, the Court did at least observe that 8 it appeared to be constitutional for Congress to grant money on the condition that a state let the county that was the recipient of that money decide how to spend it 10 for any governmental purpose.

In Oklahoma Civil Service Commission the Court 12 did say we are entitled to decide about -- say that 13 Congress was entitled to require Hatch Act observance by 14 state officials. Those are, I think, Federal statutes 15 that use the spending power in a way that is at least as 16 intrusive upon core state governmental interests as the 17 interest that the State of South Dakota has in 18 permitting 19-year-olds from its own state and from 19 neighboring states to drink beer. The state does 20 have --21

QUESTION: What is the source of the government's power to put the 65 -- to put the recently gone 65-mile-an-hour speed limit -- 55?

MR. COHEN: Well, that is also a condition

40

attached to the grant of Federal funds for highway 1 construction. 2 QUESTION: Do you think the Federal Government 3 had power directly to put that speed limit on, on the 4 interstate highway system? 5 MR. COHEN: It might. We don't -- but we 6 don't make any such argument as that in this case. 7 QUESTION: You don't argue that the government 8 directly could say no one who is using alcohol could 9 drive on the interstate highways? 10 MR. COHEN: No, we don't argue that the 11 government could directly say that each state must adopt 12 a minimum drinking age --13 QUESTION: No, no, they just have a national --14 MR. COHEN: -- and that is what the government 15 did do. 16 QUESTION: They just have a national -- no 17 drunk driving law related to interstate highways. 18 MR. COHEN: I would think that some power to 19 police interstate highways is probably implicit in the 20 commerce clause, yes. 21 QUESTION: Mr. Cohen, while we are asking 22 hypotheticals, could Congress prescribe the driving age 23 both on the low side and the high side for all the 24 states? In other words, say no person under 18 may 25 41

drive on a Federal highway, no person over 80 may 1 2 drive? MR. COHEN: I would have thought that should 3 Congress choose to do so the Court would sustain that as 4 a valid exercise of the commerce clause. 5 QUESTION: You say you would not have thought 6 it? 7 MR. COHEN: I'm sorry? 8 QUESTION: You would not think Congress had 9 the power to do that? 10 MR. COHEN: No, I would. 11 QUESTION: You would think so. 12 MR. COHEN: I would think the Court would 13 sustain that as an exercise of the commerce --14 QUESTION: Congress would have the same safety 15 interest that you --16 QUESTION: We couldn't get a quorum to hear 17 that case. 18 (General laughter.) 19 MR. COHEN: Let me finish by saying I think 20 President Reagan was right in this case when he said 21 that Section 158 is a judicious use of Federal power. 22 There is an important and inherently Federal interest in 23 eliminating the incentive to drink and drive that is 24 created by differing minimum drinking ages between 25 42

D

1	states.
2	Thank you.
3	CHIEF JUSTICE REHNQUIST: Thank you, Mr. Cohen.
4	Mr. Tellinghuisen, you have seven minutes
5	remaining.
6	ORAL ARGUMENT BY ROGER A. TELLINGHUISEN, ESQ.,
7	ON BEHALF OF THE PETITIONER - REBUTTAL
8	MR. TELLINGHUISEN: I would like to take up
9	where Mr. Cohen has just left off, and that is the
10	Federal interest that has been in essence the
11	cornerstone of this regulation or this condition that
12	the Congress has imposed under Section 158. The problem
13	with standing up and suggesting that this is an
14	inherently Federal interest ignores the very basic
15	realities that each and every state is just as concerned
16	about its kids as the Federal Government, but we in
17	South Dakota have chose a different way of addressing
18	and preserving and attempting to reduce the incident of
19	teenage alcohol and driving-related fatalities, and that
20	is through the enforcement of stricter drinking and
21	driving laws, additionally through education. There is
22	a wide variety
23	QUESTION: How can you say that allowing
24	drinking up to the age of 21 is stricter than allowing
25	it up to the age I mean up to the age of 19 is

43

ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

-

1	stricter than allowing it up to 21?
2	MR. TELLINGHUISEN: I am sorry, Your Honor.
3	QUESTION; You say you are enforcing stricter
4	laws, but as I understand it you are trying to defend a
5	law that is less strict.
6	MR. TELLINGHUISEN: That is true.
7	QUESTION: It allows drinking by people under
8	21. That is less strict than
9	MR. TELLINGHUISEN: That is absolutely true.
10	Two things I would like to point out very quickly, and
11	that is, in South Dakota, with our 19-year-old age at
12	which people can consume 3.2 beer, these establishments,
13	the 3.2 beer licensed establishments are separate and
14	distinct from a regular alcohol establishment.
15	The other thing is, though, it underscores
16	QUESTION: What do you make out of that?
17	MR. TELLINGHUISEN: well, I just I wanted
18	to throw that out more for informational purposes than
19	for I just want to suggest that we recognize the
20	special place
21	QUESTION: It is still less strict to allow
22	you to drink 3.2 beer at age 20 than to allow you to
23	drink no alcohol at age 20.
24	MR. TELLINGHUISEN: That's correct, and the
25	point I was going to make is that that underscores,
	44
	ALDERSON REPORTING COMPANY, INC.

however, South Dakota's attempt, or a recognition of not 1 only a problem but making a sincere attempt at 2 addressing that problem in a way that is different from 3 the other states. We are suggesting that the gradual 4 introduction of alcohol in a person's life is better 5 than when they reach 21 just shoving them through the 6 door. And that is the philosophy that is underscored by 7 the --8 QUESTION: (Inaudible) people who drink 3.2 9 beer are unaffected by it. 10 MR. TELLINGHUISEN: Oh, absolutely not, Your 11 Honor. 12 QUESTION: And that under your law it may well 13 be that there will be more young people on the roads who 14 have been drinking and affected by it than would be the 15 case if no one could drink until he is 21. 16 MR. TELLINGHUISEN: I would say that the 17 incidence --18 QUESTION: Isn't that right? 19 MR. TELLINGHUISEN: Well, that is one analysis 20 that could be made, and in fact that is the analysis 21 that --22 QUESTION: Well, is there something wrong with 23 it? 24 MR. TELLINGHUISEN: Well, I just want to 25 45

clarify, Your Honor, that there are parts of that 1 assumption that don't necessarily follow, and there are 2 other parts of it that are left outside of the 3 consideration. First off --4 QUESTION: You don't think that even -- there 5 might even under your law as compared with what the 6 Federal Government wants to achieve that there wouldn't 7 at least be ten drivers a year on the road who had been 8 drinking? 9 MR. TELLINGHUISEN: Your Honor, given my 10 experience as a state's attorney, I can assure you that 11 there will probably be more than ten. 12 QUESTION: Yes, so the answer to my previous 13 question is yes. 14 MR. TELLINGHUISEN: Yes, but what I would like 15 to point out, Your Honor, is that if we impose a 21 16 drinking age in South Dakota, we could equally find that 17 we are driving 18, 19, and 20-year-olds out into the 18 19 countryside to consume alcoholic beverages, not only restricted to 3.2 beer, and that in and of itself puts 20 21 them behind the wheel of a car. The very problem that Congress was trying to circumvent or remove --22 QUESTION: Well, are we to decide this case on 23 whether 19 or 21 years is the proper age? 24 MR. TELLINGHUISEN: That's absolutely correct, 25 46

Your Honor.

1

2

3

4

5

6

7

QUESTION: We are not going to decide on that? MR. TELLINGHUISEN: No, no. The issue in this case is not what the drinking age should be. The issue is who should be able to determine for each individual state what that drinking age should be, and again I would just submit that this Court's --

QUESTION: May I give you one other 8 hypothetical I have been thinking about in view of your 9 reliance on the states' power under the Twenty-First 10 Amendment? Supposing as a condition of a grant to build 11 interstate limited access nighways they require you to 12 set up so many gas stations at intervals where the 13 people can stop without getting off the highway, and 14 they further provide that no liquor may be sold in any 15 of those. I take it you would say that was an --16 exceeded Congress's power. 17

MR. TELLINGHUISEN: Yes, sir. I would. I 18 just would like to conclude by saying that the history 19 behind the Twenty-First Amendment in some respects, as 20 this Court has acknowledged in its prior holdings, is at 21 best inconsistent, but there is one consistency that 22 prevails throughout, and that is that it was Congress's 23 intent upon adopting the resolution which ultimately 24 became the Twenty-First Amendment to remove Congress 25

47

	CONTRACTOR CONTRACTOR
1	from the local regulation of what was considered to be a
2	local problem, and that is alcohol.
3	Thank you very much.
4	CHIEF JUSTICE REHNQUIST: Thank you, Mr.
5	Tellinghuisen. The case is submitted.
6	(Whereupon, at 1:50 o'clock p.m., the case in
7	the above-entitled matter was submitted.)
8	the set that the presence of the
9	(REPORTER)
10	
11	
12	
13	
14	
15	
16	
17	
18	
19	
20	
21	
22	
23	
24	
25	48
	ALDERSON REPORTING COMPANY, INC. 20 F ST., N.W., WASHINGTON, D.C. 20001 (202) 628-9300

)

CERTIFICATION

derson Reporting Company, Inc., hereby certifies that the ttached pages represents an accurate transcription of lectronic sound recording of the oral argument before the preme Court of The United States in the Matter of:

#86-260 - SOUTH DAKOTA, Petitioner V. ELIZABETH H. DOLE, SECRETARY, UNITED STATES DEPARTMENT OF TRANSPORTATION

and that these attached pages constitutes the original ranscript of the proceedings for the records of the court.

BY Paul A. Richardon

(REPORTER)