Industry influence on alcohol regulators

Corporations undermining public health & safety

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Alcohol Justice

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The following personal financial relationships with commercial interests relevant to this presentation existed during the past 12 months:

No relationships to disclose.
We promote evidence-based public health policies and organize campaigns with diverse communities and youth against alcohol-related harm.

- Increase alcohol taxes and fees
- Remove dangerous, youth-oriented products from the market
- Restrict alcohol advertising & promotions
- Support state control of alcohol distribution and sales
Alcohol industry’s influential tactics

- **Consolidate** into multinational conglomerates
- **Target** vulnerable populations: youth, communities of color, LGBT
- **Create** trade & front groups
- **Misdirect** with voluntary self-regulation charade
- **Fund** public relations/education/”responsibility” programs
- **Lobby** to undermine effective public policy
- **Sponsor** legislation to roll back or exempt from regulation
Best practices

The most effective policies include:

• Increasing alcohol taxes
• Government monopoly of retail sales
• Legal restrictions on alcohol ad exposure
• Minimum legal purchase age
• Outlet density restrictions

WHO Global strategy to reduce the harmful use of alcohol, 2010.
Alcohol regulation

State regulators administer implementation of alcohol policies that affect, among other things:

- Availability and access
- Price
- Promotion
- Products
What the alcohol industry is fighting

States
• Bills to increase alcohol taxes: 10 states
  Victories: Maryland, Connecticut

• Bills to ban caffeine in alcoholic beverages: 11 states
  Victories: California, Iowa

• Bills to restrict alcohol advertising in various media; 5 states
  MA, NJ, NY - on public property, either partial or full
  NH, MS, VA – out of home and campus publications

Federal
• Including alcohol in Federal Guidelines on Restaurant Menu Labeling
Industry efforts to decrease regulation

Federal
• Senate and House bills to reduce beer tax rate
• Senate and House bills to lower beer tax rate for small brewers
• House bill to reduces spirits tax rate for small distillers

State
• 5 states with bills to decrease alcohol taxes
• Rhode Island: Proposed tax holidays
• Nebraska: Defined flavored malt beverages as beer
• Ohio: Increase max alcohol content in beer 12% to 21% ABV
• Washington: Initiative 1183
Federal Lobbying: 2011

2011 Spending
- DISCUS: $4.8 million
- ABInBev: $3 million
- SABMiller: $2 million
- Diageo: $2.2 million
- WSWA: $1.2 million
- Brown-Forman: $950,000
- NBWA: $930,000
- Beer Institute: $920,000
- Pernod Ricard: $915,000
- Bacardi: $580,000
- Wine Institute: $345,000
- Brewers’ Assoc: $279,000
- Crown Imports: $240,000
- Boston Beer Co: $165,000

Center for Responsive Politics, www.opensecrets.org
## Top Contributors, 2011-2012

<table>
<thead>
<tr>
<th>Contributor</th>
<th>Amount</th>
</tr>
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<tbody>
<tr>
<td>National Beer Wholesalers Assn</td>
<td>$1,591,500</td>
</tr>
<tr>
<td>Wine &amp; Spirits Wholesalers of America</td>
<td>$671,500</td>
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<tr>
<td>Anheuser-Busch InBev</td>
<td>$441,521</td>
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<tr>
<td>Silver Eagle Distributors</td>
<td>$244,300</td>
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<tr>
<td>Republic National Distributing</td>
<td>$145,290</td>
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<tr>
<td>Bacardi Ltd</td>
<td>$134,700</td>
</tr>
<tr>
<td>L&amp;F Distributors</td>
<td>$125,700</td>
</tr>
<tr>
<td>Southern Wine &amp; Spirits</td>
<td>$123,200</td>
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<tr>
<td>Brown-Forman Corp</td>
<td>$105,152</td>
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<tr>
<td>Puma Springs Vineyards</td>
<td>$97,280</td>
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<tr>
<td>Wine Institute</td>
<td>$88,272</td>
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<td>Charmer Sunbelt Group</td>
<td>$86,154</td>
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<td>SABMiller</td>
<td>$81,250</td>
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<td>Constellation Brands</td>
<td>$74,200</td>
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<td>Patron Spirits Co</td>
<td>$71,100</td>
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<tr>
<td>Molson Coors Brewing</td>
<td>$69,550</td>
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<tr>
<td>Diageo PLC</td>
<td>$55,229</td>
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<tr>
<td>Gallo Winery</td>
<td>$53,298</td>
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<tr>
<td>Jordan Vineyard &amp; Winery</td>
<td>$50,800</td>
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<tr>
<td>Central Distributors</td>
<td>$49,450</td>
</tr>
</tbody>
</table>
License state example: California

In 2011-2012 (second half of 2-year session):
- 22 legislative acts proposed
- 2 amended to no longer include alcohol
- 3 concurrent resolutions promoting types of alcohol and alcohol producers and distributors

CA law now allows:
- Alcohol served in gondolas without a license
- Distillers to charge for tastings
- Licensees to conduct, sponsor, or participate in consumer contests and sweepstakes offering prizes
- Increased number of on-sale general licenses in certain counties
## CA State Contributions: 2012

<table>
<thead>
<tr>
<th>Alcohol Entity</th>
<th>2012 Spending</th>
</tr>
</thead>
<tbody>
<tr>
<td>CA Beer &amp; Bev Distributors</td>
<td>$241,150</td>
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<tr>
<td>Anheuser-Busch InBev</td>
<td>$191,386</td>
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<tr>
<td>Wine Institute</td>
<td>$156,141</td>
</tr>
<tr>
<td>Southern Wine &amp; Spirits</td>
<td>$145,900</td>
</tr>
<tr>
<td>E &amp; J Gallo</td>
<td>$94,633</td>
</tr>
<tr>
<td>Youngs Market Company</td>
<td>$90,100</td>
</tr>
<tr>
<td>DISCUS</td>
<td>$23,239</td>
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<tr>
<td>MillerCoors</td>
<td>$21,690</td>
</tr>
<tr>
<td>Diageo</td>
<td>$21,168</td>
</tr>
<tr>
<td>CA Assoc of Winegrape Growers</td>
<td>$14,500</td>
</tr>
</tbody>
</table>

Trade groups

Beer Institute

Wine Institute

Distilled Spirits Council of the United States

The Century Council
Distillers fighting drunk driving and underage drinking
Front groups

Bacardi U.S.A., Beam Global, Brown-Forman, Constellation Brands, DIAGEO, Hood River Distillers, Pernod-Ricard, Sidney Frank Importing

Anheuser-Busch InBev, Asahi Breweries, Bacardi-Martini, Beam Global, Brown-Forman, Diageo, Heineken, Molson Coors, Pernod Ricard, SABMiller
Trade group? Front group?

Founded June 19, 1934, in Chicago, Illinois, this national organization of state alcohol beverage regulators purpose is to promote the enactment of effective and equitable state alcoholic beverage laws, and provide a forum for networking among the regulators and industry.
Attendees and panelists came from:
• State alcohol control systems
• Federal government agencies
• Companies representing the alcohol industry: producers, importers, wholesalers, retailers
• Attorneys representing a variety of alcohol companies.
## 2010 NCSLA attendees & speakers

<table>
<thead>
<tr>
<th></th>
<th>Alcohol industry</th>
<th>State regulators</th>
<th>Federal or tribal govt.</th>
<th>Public health</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Attendees</strong></td>
<td>135 (72.2%)</td>
<td>44 (23.5%)</td>
<td>7 (3.7%)</td>
<td>1 (0.5%)</td>
<td>187 (100%)</td>
</tr>
<tr>
<td><strong>Speakers</strong></td>
<td>26 (65.0%)</td>
<td>11 (27.5%)</td>
<td>2 (5.0%)</td>
<td>1 (2.5%)</td>
<td>40 (100%)</td>
</tr>
</tbody>
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## Panel topics & speaker affiliations

<table>
<thead>
<tr>
<th>Panel title</th>
<th>Sector</th>
</tr>
</thead>
<tbody>
<tr>
<td>Educating lawmakers: Are we caught between a rock &amp; a hard place?</td>
<td>3 industry speakers</td>
</tr>
<tr>
<td></td>
<td>1 public health speaker</td>
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<tr>
<td>Updating state liquor code</td>
<td>5 industry speakers</td>
</tr>
<tr>
<td></td>
<td>1 regulator speaker</td>
</tr>
<tr>
<td>Regulators making law: Who do we think we are?</td>
<td>1 industry speaker</td>
</tr>
<tr>
<td></td>
<td>1 federal govt. speaker</td>
</tr>
<tr>
<td></td>
<td>2 regulator speakers</td>
</tr>
<tr>
<td>The future of state-based alcohol regulation, or who cares about the CARE Act?</td>
<td>6 industry speakers</td>
</tr>
<tr>
<td></td>
<td>1 regulator speaker</td>
</tr>
</tbody>
</table>
To login, enter your e-mail address and password. Then select the Login button.

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The evidence is clear:

State control of alcoholic beverages is a public health necessity.

So is limiting the ability of alcohol corporations to spend money and power to influence those in charge of controlling, and regulating, alcohol at the state level.
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