

Industry influence on alcohol regulators

Corporations undermining public health & safety

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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.

Alcohol Justice

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

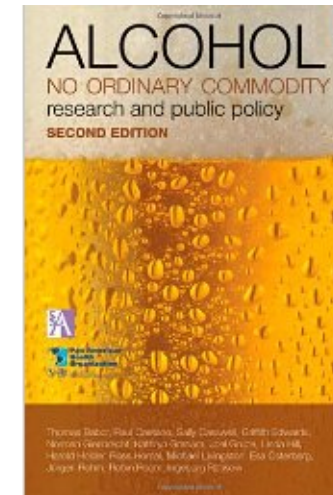
- **Consolidate** into multinational conglomerates
- **Target** vulnerable populations: youth, communities of color, LGBT
- **Create** trade & front groups
- **Misdirect** with voluntary self-regulation charade
- **Fund** public relations/education/"responsibility" programs
- **Lobby** to undermine effective 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.

U.S. Preventive Services Task Force. The Community Guide.

Babor T, et al. Alcohol: No ordinary commodity. Research and public policy. 2nd edition. 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

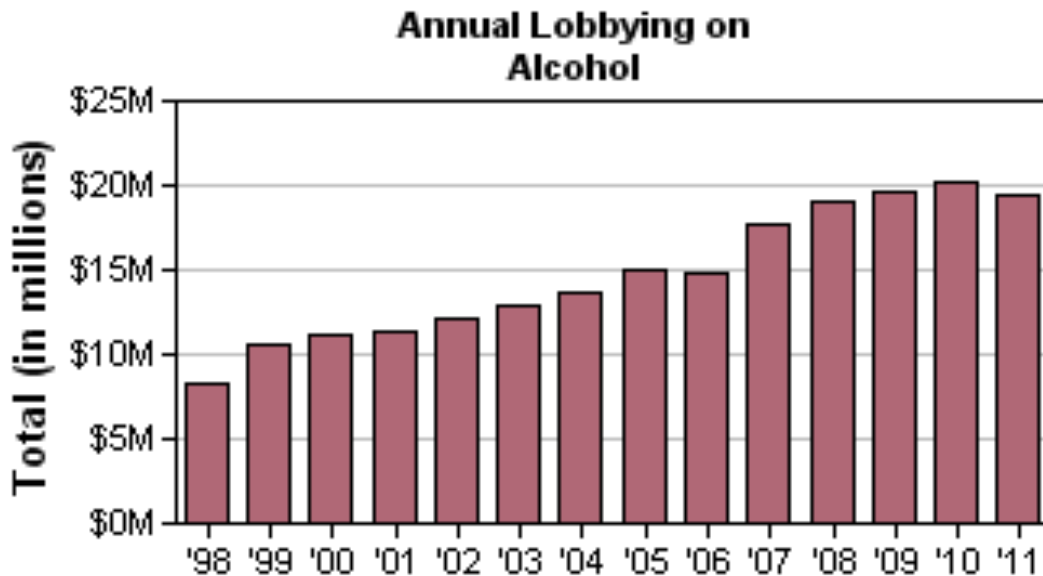
Federal

- 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

Top Contributors, 2011-2012

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

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

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

Trade groups



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.

NCSLA annual meeting 2010



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

	Alcohol industry	State regulators	Federal or tribal govt.	Public health	Total
Attendees	135 (72.2%)	44 (23.5%)	7 (3.7%)	1 (0.5%)	187 (100%)
Speakers	26 (65.0%)	11 (27.5%)	2 (5.0%)	1 (2.5%)	40 (100%)

Panel topics & speaker affiliations

Panel title	Sector
Educating lawmakers: Are we caught between a rock & a hard place?	3 industry speakers 1 public health speaker
Updating state liquor code	5 industry speakers 1 regulator speaker
Regulators making law: Who do we think we are?	1 industry speaker 1 federal govt. speaker 2 regulator speakers
The future of state-based alcohol regulation, or who cares about the CARE Act?	6 industry speakers 1 regulator speaker



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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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