Industry Influence on Regulation
Alcohol Corporations Undermining Public Health

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Director of Research
Alcohol Justice

APHA ATOD Business Meeting
March 12, 2012
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
The Alcohol Industry

- Producers
- Distributors
- Retailers
Effective Policies

The most effective policies include:

• Increasing alcohol taxes
• Government monopoly of retail sales
• Legal restrictions on alcohol advertising exposure

“Of all the policy options, alcohol taxes is rated as one of the strongest...This may surprise policymakers, but the research is extensive and the findings are convincing.”
Alcohol’s Influential Tactics

- **Create** trade groups & front groups
- **Sponsor** legislation to roll back or exempt from regulation
- **Lobby** to undermine effective public policy
- **Misdirect** with voluntary self-regulation charade
- **Fund** public relations/education programs
Trade Groups

DISTILLED SPIRITS COUNCIL OF THE UNITED STATES

The Century Council
Distillers fighting drunk driving and underage drinking

Wine Institute
The Voice for California Wine

Beer Institute

ALCOHOL JUSTICE
The Industry Watchdog
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 or Front Group?

NCSLA 2010 Meeting

• 72% of conference attendees were from alcohol producers, importers, wholesalers, retailers or their attorneys.

• 65% of panelists were alcohol industry representatives

• Beam Global Director of Industry Affairs hired by NCSLA as its new Executive Director (paid position)

• Director of Iowa Alcohol Beverage Division hired by Diageo as its Executive Director for Control States
Bills 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
• 2 states with bills to decrease alcohol taxes (NJ, PA)
• Nebraska: Define flavored malt beverages as beer
• Ohio: Increase max alcohol content in beer from 12% to 21% ABV
What the Alcohol Industry is Fighting

- 6 states with bills to increase alcohol taxes
  (AZ, HI, MA, MS, NY, WV)

- 9 states with bills to ban caffeine in alcoholic bevs
  (IL, IA, MD, NJ, NY, OK, PA, RI, SC)

- 3 states with bills to restrict alcohol advertising on public property, either partial or full
  (MA, NJ, NY)

- FTC finding of misleading and deceptive marketing of high-alcohol, single-serving, supersized alcopops

- Including alcohol in Federal Guidelines on Restaurant Menu Labeling
Federal Lobbying

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

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<th>Contributor</th>
<th>Amount</th>
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<tr>
<td>National Beer Wholesalers Assn</td>
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<td>Wine &amp; Spirits Wholesalers of America</td>
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<td>Central Distributors</td>
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Industry Self-Regulation Charade

In a 2008 Marin Institute study, complaints regarding ads from companies with a member on the DISCUS board were three times less likely to be found in violation of its Code.

Public Relations

Alcohol industry funds ineffective activities:

- Guest speakers
- Information/awareness educational materials: posters, flyers, brochures, online info, ads
- Awareness events, banners, signs

They do not fund efforts to:

- Increase alcohol taxes
- Decrease access and availability
- Restrict alcohol advertising to youth
- Keep state control of alcohol retail sales
Contact Us

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