Industry Influence on Regulation

Alcohol Corporations Undermining Public Health

Sarah Mart, MS, MPH
Director of Research
Alcohol Justice

APHA ATOD Business Meeting March 12, 2012



ALCOHOL JUSTICE - The Industry Watchdog

formerly Marin Institute

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

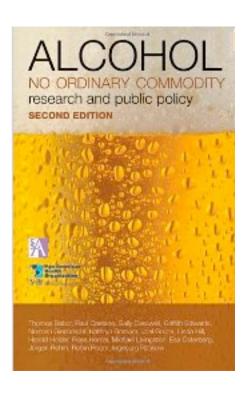


The Alcohol Industry

- 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











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

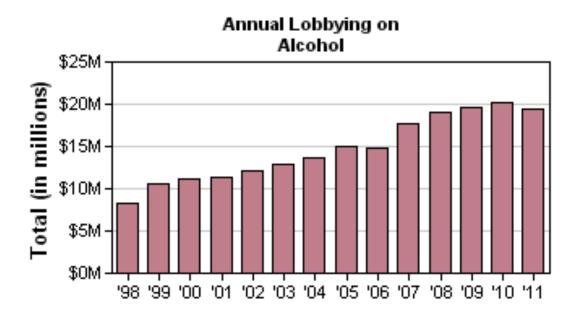


What the Alcohol Industry is Fighting

- 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



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	



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

Why Big Alcohol Can't Police Itself: A Review of Advertising Self-Regulation in the Distilled Spirits Industry (2004-2007)



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

Sarah M. Mart, MS, MPH
Director of Research
sarahm@alcoholjustice.org
415.257.2485

www.alcoholjustice.org

