



# **Industry Influence on Regulation**

## **Alcohol Corporations Undermining Public Health**

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**APHA ATOD Business Meeting**  
**March 12, 2012**

# ALCOHOL JUSTICE - The Industry Watchdog

formerly Marin Institute

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**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

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- **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

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- **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

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# Front Groups

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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?

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## 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

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## 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

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- 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

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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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