

A Lot of Bang for Booze Bucks

Big Alcohol's 2009 Lobbying in California



Although 2009 was not an election year for the California legislature, the alcohol industry spent more than \$3 million on campaign donations, contributions to political action committees, and lobbying at the state level. Legislators who accepted contributions from Big Alcohol sponsored forty-one bills on issues ranging from alcohol advertising and purchasing, to agriculture, utilities, labor, and other regulations.

Moreover, in the midst of what may be the worst fiscal crisis California has ever seen, legislators shot down a proposed increase in alcohol excise taxes. The alcohol industry also succeeded in defeating a proposed mitigation fee to help offset the \$8 billion in harm that alcohol consumption costs state and local governments each year.

Methodology

Campaign donations and lobbying amounts were compiled from the Secretary of State's Cal-Access database.^{1,2} Amounts and gifts accepted by legislators or their staff were compiled from Statements of Economic Interests (Form 700), available from the California Fair Political Practices Commission.³ Voting records were obtained from the California State Legislative Counsel's LegInfo website.⁴

Campaign Donations

Incumbent senators and assembly members in California accepted a total of \$887,449 in donations from the alcohol industry in 2009. Anheuser-Busch InBev, California Beer and Beverage Distributors, Southern Wine and Spirits of America, Ernest and Julio Gallo Winery, the Wine Institute, and Young's Market Distributors were the biggest Big Alcohol contributors.

Several senators and assembly members did not accept campaign donations from alcohol corporations or trade groups in 2009. Senators Elaine Alquist (D-Santa Clara), Christine Kehoe

2009 Campaign Donations

Alcohol Entity	Donations Made
Anheuser-Busch InBev	\$151,900
California Beer and Beverage Distributors	\$129,195
Southern Wine and Spirits of America	\$118,000
Ernest and Julio Gallo Winery	\$101,100
Wine Institute	\$97,359
Youngs Market Distributors	\$80,600
Senators	Donations Accepted
Darrell Steinberg (D-Sacramento)	\$84,700
Curren Price (D-Los Angeles)	\$35,700
Alex Padilla (D-Pacoima)	\$31,620
Tom Harman (R-Huntington Beach)	\$25,900
Dean Florez (D-Shafter)	\$23,200



2009 Campaign Donations (CONTINUED)

Assembly Members	Donations Accepted
Michael Villanes (R-Clovis)	\$62,450
Alberto Torrico (D-Fremont)	\$36,100
Noreen Evans (D-Santa Rosa)	\$32,620
Sam Blakeslee (R-San Luis Obispo)	\$20,450
Kevin De Leon (D-Los Angeles)	\$19,496

(D-San Diego), Mark Leno (D-San Francisco), Carol Lieu (D-Pasadena), Alan Lowenthal (D-Long Beach); and Assembly Members Jim Beall Jr. (D-San Jose), Julia Brownley (D-Santa Monica), Chuck DeVore (R-Irvine), Mary Salas (D-Chula Vista), and Audra Strickland (R-Camarillo) did not report any donations from alcohol corporations or trade organizations.

Contributions to Kill Alcohol Tax Increase - A Smoking Gun?

With Governor Schwarzenegger in his last term in 2009, Big Alcohol invested in influencing his state budget. The governor originally proposed a “nickel-a-drink” alcohol excise tax increase in California’s 2009-2010 budget to reduce the deficit and support alcohol-related services.⁵ The increase disappeared within weeks, despite polling that showed it was the governor’s most popular idea in the entire budget, gaining approval of an astounding 85 percent of California residents.⁶

Donations to Budget Reform Now PAC

Alcohol Company	Amount
Anheuser-Busch InBev	\$100,000
Constellation Brands	\$100,000
Diageo	\$100,000
Ernest and Julio Gallo Winery	\$100,000
Wine Institute	\$100,000
California Beer and Beverage Distributors	\$50,000
MillerCoors	\$25,000
Bacardi	\$20,000
Brown-Forman	\$20,000
Jim Beam	\$20,000
Heineken	\$10,000
Moet Hennessey	\$10,000
Remy Cointreau	\$5,000
California Association of Winegrape Growers	\$5,000
Sidney Frank importers	\$3,000
Imperial Brands, Florida Distillers Company	\$3,000
Total	\$671,000



Just five months later, the Budget Reform Now political action committee supported the Governor's final budget proposal (without the alcohol tax increase) and related propositions on the May 2009 ballot intended to reduce the state budget deficit of \$27 billion. Grateful alcohol corporations and trade groups made a total of \$671,000 in donations to Budget Reform Now.

Lobbying

Many of the alcohol producers, distributors, and related organizations that contributed large amounts to state election campaigns also dedicated significant amounts to lobbying on a variety of issues. Big Alcohol spent a total of \$1,584,148 to lobby state government on at least forty-one proposed bills in 2009. Alcohol lobbyists focused on issues such as alcohol taxes, beer advertising, and identification for purchasing alcohol. Other issues included pest control, paid sick days, employee meal breaks, waste discharge fees, water management, air quality, recycling, and the storage and handling of food.

2009 Lobbying Expenditures

Alcohol Entity	Lobbying Total
Diageo	\$220,697
Anheuser-Busch InBev	\$166,068
MillerCoors	\$165,000
Wine and Spirits Wholesalers of California	\$150,000
Wine Institute	\$130,500
Napa Valley Wine Growers Alliance	\$115,500

What the Alcohol Industry Got for Its Money

Big Alcohol's most important victories were the death of two proposals to increase alcohol taxes or fees. First, Governor Schwarzenegger removed the proposed "nickel-a-drink" tax increase from his 2009-2010 budget proposal. Next, the Assembly Health Committee killed Assembly Bill 1019 in April 2009. AB 1019 would have assessed the equivalent of 10 cents per drink on alcohol producers and wholesalers. By failing to pass these measures, California lawmakers turned away \$1.4 billion for critical treatment and prevention programs that would have mitigated some of the \$38 billion of harm caused by alcohol each year.

Alcohol companies and trade organizations dedicated both donations and lobbying dollars to defeating efforts to increase alcohol taxes or assess a new mitigation fee. In addition to the \$671,000 for Budget Reform Now, Big Alcohol donated a total of \$100,241 in 2009 to assembly members who were on the Assembly Health Committee. The seven assembly members who voted against AB 1019 accepted \$33,550 in total. The nine legislators who "walked" – were either absent or abstained – on AB 1019 accepted a total of \$45,195 that year. (See table on page 4.)

Additional victories for the alcohol industry in 2009 included the passage of AB 59, which allows for military identification to be used as valid identification to purchase alcoholic beverages; AB 1191, which allows for a passport to be used for the same purpose; and AB 1282, which permits a beer manufacturer to give away promotional products that cost \$3 or less. Each of these bills represents the alcohol industry's efforts to chip away at effective state control of alcohol in California.



2009 Donations to the Assembly Health Committee

Assembly Health Committee Member	Amount	AB 1019 Vote
Dave Jones, Chair	\$2,000	Abstain
Nathan Fletcher, Vice Chair	\$6,500	Absent
Anthony Adams	\$1,600	No
Tom Ammiano	\$1,000	Yes
Marty Block	\$3,000	Abstain
Wilmer Amina Carter	\$2,000	Abstain
Connie Conway	\$5,250	No
Hector De La Torre	\$5,600	Did not vote
Kevin De Leon	\$19,496	Yes
Bill Emmerson	\$11,800	No
Ted Gaines	\$3,500	No
Isadore Hall, III	\$18,595	Did not vote
Mary Hayashi	\$4,900	No
Ed Hernandez	\$5,500	Abstain
Bonnie Lowenthal	\$1,000	Yes
Pedro Nava	\$3,000	Abstain
V. Manuel Pérez	\$5,500	Abstain
Mary Salas	\$0	Abstain
Audra Strickland	\$0	No

Conclusion

\$3 million of campaign donations and lobbying expenditures is a lot of money to most Californians. But for Big Alcohol, it represents the cheap cost of doing business: the business of killing legislation that would have raised \$1.4 billion to mitigate alcohol harm. While \$3 million may have been a smart investment for the alcohol industry in 2009, it resulted in tragedy for California youth, communities, and government agencies.

References

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5. State of California Governor's Budget Summary 2009-2010. Sacramento. Available at <http://www.ebudget.ca.gov/pdf/BudgetSummary/FullBudgetSummary.pdf>. Accessed November 24, 2009.
6. Baldassare M, Bonner D, Paluch J, & Petek S. Californians and their government: PPIC statewide survey. Public Policy Institute of California. January 2009. Available at http://www.ppic.org/content/pubs/survey/S_109MBS.pdf. Accessed November 30, 2009.

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