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FEDERAL DEVELOPMENTS

TTB Proposes Nutrition Labels for Alcoholic Beverages

The Alcohol and Tobacco Tax and Trade Bureau of the U.S. Department of the Treasury (TTB) issued [Notice No. 73](#) on July 31, 2007, proposing a rule to amend current regulations for the labeling and advertising of alcoholic beverages. **Comments are now due January 27, 2008.** The proposed rule would require *mandatory* labeling of alcohol content by percentage alcohol, serving size, servings per container, and nutritional information, including calories, carbohydrates, protein and fat. It also designates a “serving facts” panel that would present most of the information, and would allow

producers, under certain conditions, to disclose the amount of alcohol per serving, in fluid ounces.

The current proposal does not address CSPI’s request for ingredient labeling of alcoholic beverages, last made in a [2003 coalition petition](#). A previous TTB ruling on [allergen labeling](#) has not yet become final.

The proposed rule would *mandate* a statement of alcohol content, expressed as a percentage of alcohol by volume. Currently, this requirement extends only to distilled spirits, wines with an alcohol content of at least 14% alcohol by volume, and some flavored beverages that derive most of their alcohol from spirits sources. The proposal would most affect malt beverages, which (until 1995) were prohibited by

federal law from disclosing alcohol content on containers. Few beers today provide that information on labels. Unfortunately, TTB’s proposal would allow producers to place the alcohol-content disclosure almost anywhere on the container. Significantly, the alcohol-content disclosure need not appear on the brand label (as now, on spirits and many wines) or as part of the “Serving Facts” label.

TTB’s proposed “Serving Facts” panel would include a statement of calories per serving, carbohydrates, protein and fat, in addition to serving size and the number of servings per container. CSPI questions whether disclosure of protein and fat, which are rarely found in alcoholic beverages, might confuse consumers

about the identity of the products and their nutritional value as part of the diet. We've already seen many low-carb and no-fat claims in liquor and beer ads around the country! Producers would be permitted to disclose the number of U.S. fluid ounces of alcohol per serving in the "Serving Facts" panel, but would then be required to add a statement of alcohol content as a percentage of volume as well. Small containers (50 ml) would be exempt from the "Serving Facts" panel requirement, but would be required to disclose the information in linear fashion.

TTB's proposed rule also specifies potential reference amounts as serving sizes for wine, spirits, and malt beverages. TTB relies upon an FDA food-related standard, defining a single serving size as "an amount customarily consumed," rather than adopting a "standard drink" definition based on alcohol content. The reference amount for a single serving of beer, for example, would include a 12-ounce container of malt beverage with an alcohol content of as much as 10% alcohol by volume. Although only a tiny percentage of beer has an alcohol content more than 6%ABV, the rule strangely would define as a single serving an amount of beer that has more than double the alcohol found in the top 20 brands of beer. These brands account for 97.9% of total beer consumption.

CSPI endorses TTB's proposal that the rule be mandatory, but will recommend in (forthcoming) comments that the rule be strengthened in several ways. We expect to recommend: more prominent, conspicuous, and consistent alcohol-content disclosure; more prominent highlighting of calorie information; reference serving-size amounts based on alcohol content; and, the inclusion of moderate consumption information from the U.S. Dietary Guidelines. We will post our comments when they are ready.

Federal Alcohol Tax Update

Under "Pay-As-You-Go" budget rules adopted by the 110th Congress, proposed new spending must be offset with corresponding revenue-raisers (tax increases or spending cuts). The result: heightened Congressional interest in exploring various offset options to cover the costs of legislative initiatives and a more receptive political climate for educating lawmakers and their staffs about alcohol excise taxes as a potential revenue source.

For example, this year's hotly contested re-authorization (and possible expansion) of the popular State Children's Health Insurance Program (SCHIP) involved intense debate on how to pay for some \$50 billion in projected new costs over 5 years. The final SCHIP package has yet to be completed, and alcohol taxes have not been proposed publicly as an offset option. But proposals passed by both chambers show willingness (if not total consensus) in Congress to tap federal excise taxes on *tobacco* as a revenue source to partially fund the SCHIP re-authorization. While tax increases of any kind remain politically sensitive, that development may signal a new openness in Congress to explore excise tax hikes on products that impose substantial public health and safety costs and burdens on society.

For political reasons, lawmakers refuse to step out on the alcohol tax issue. Nonetheless, ongoing education and advocacy efforts in support of alcohol excise tax increases have been laying the groundwork necessary for eventual progress on this issue when the timing is right.

In a [June, 2007 letter](#) to the Senate Finance Committee and the House Ways and Means Committee, numerous public health and children's advocacy groups joined CSPI in endorsing an alcohol tax offset option if additional resources are needed for SCHIP. Signers of the letter included

the American Academy of Pediatrics, the American Public Health Association, Families USA, Children's Defense Fund, and the Medicaid Health Plans of America. On July 22, 2007, a *New York Times* lead editorial echoed support for such action.

Meanwhile (not surprisingly), the "beer industry special interest tax break bill" is back. On March 20, 2007, Rep. Earl Pomeroy (D-ND) re-introduced in the House of Representatives perennial legislation to slash the federal excise tax on beer by 50%, to its 1951 level. As of September, 2007, that bill (H.R. 1610) garnered 130 co-sponsors – all but a handful of whom accepted campaign [contributions from the beer industry](#) in recent election cycles. More recently, on August 3, 2007, Senator Ken Salazar (D-CO) introduced a Senate version of the same beer-tax bill (S. 1995). That bill now has five co-sponsors.

As in the past, those bills are unlikely to move. Rather, they represent a tactical measure by the industry to reduce chances of any further alcohol-tax hikes. Despite the very small possibility of near-term success, we must [guard against](#) the potential harmful public health and safety consequences of lower alcohol excise taxes.

The distilled spirits industry also continued to push a tax cut on liquor. On May 24, 2007, Rep. Shelly Berkley (D-NV), together with 27 original [co-sponsors](#), re-introduced legislation backed by the liquor industry (H.R. 2488) that would reduce the federal excise tax on distilled spirits to the 1951 level (from \$13.50 to \$10.50 per proof gallon). CSPI also opposes this liquor industry-backed bill (action alert forthcoming).

STOP Act Appropriations Fall Short

Since passage of the Sober Truth on Preventing (STOP) Underage Drinking Act in December, 2006, its supporters have focused on securing funding for the bill through the fiscal year 2008 appropriations process. The STOP Act authorizes a total of \$18 million in new spending for underage drinking prevention programs – however, that funding is discretionary and subject to annual appropriations. The bill's line items, by federal implementing agency, include:

Department of Health and Human Services:

- Interagency Coordinating Committee on the Prevention of Underage Drinking (ICCPUD); Annual Report on State Underage Drinking and Prevention and Enforcement Activities: \$1 million
- National adult-oriented public service announcement campaign to prevent underage drinking: \$1 million
- Community-based Coalition Enhancement Grants to Prevent Underage Drinking for Current or Past Drug Free Communities Grantees: \$5 million
- Expansion of research capabilities to capture new surveillance data on underage drinking: \$6 million.

Department of Education:

- Grants Directed at Preventing and Reducing Alcohol Abuse at Institutions of Higher Education: \$5 million

Although the bill's supporters sought full funding for the \$18 million STOP Act, the House and Senate FY 2008 Labor HHS/Education appropriations bills provide only partial funding as follows:

House:

\$7 million for STOP Act programs (\$1 million for the ICCPUD annual report, \$1 million for the PSA campaign, and \$5 million in community grants).

Senate (Committee bill, not yet passed by the full Senate):

\$4 million for STOP Act programs (\$1 million for the PSA campaign and \$3 million for community grants).

Once the Senate passes its version of the bill, the two measures would next have to be reconciled by a House/Senate conference committee, where final FY 2008 funding levels would be determined. STOP Act supporters are seeking the highest possible funding levels for the bill's line items in conference committee, and urging conferees (at minimum) to approve the higher House-passed level of \$7 million. However, appropriations bills that exceed the total level of proposed spending in the President's budget request may face a veto threat this fall. If so, some FY 2008 appropriations bills may end up in a combined omnibus FY 2008 appropriations bill, with funding

levels for various line items back in play. This could mean that programs backed by sufficient political clout get even higher funding levels in an omnibus bill than were approved by either chamber, while others get cut or straight-lined from the previous year's funding level.

Meanwhile, unless and until new FY 2008 spending legislation is approved, Congress will almost certainly extend federal funding – usually at the previous year's (FY 2007) levels – via one or more continuing resolutions (CRs).

Looking ahead to the FY 2009 federal funding cycle, STOP Act supporters are urging SAMHSA Administrator Terry Cline, in his capacity as Chairman of the Inter-Agency Coordinating Committee to Prevent Underage Drinking (ICCPUD), to work within his own agency and with the relevant ICCPUD member agencies to include full funding of the STOP Act in the President's FY 2009 budget request. If STOP Act funding is included in the President's FY 2009 budget request, it will be much easier to advocate for the money in the FY 2009 appropriations cycle.

Efforts will continue to fully fund the STOP Act and press for its implementation. In the future, we intend to build and expand on the progress we have made.

Sectors of the alcoholic-beverage industry reportedly also supported and advocated for full funding for the STOP Act this year. Time will tell, but results so far suggest that the industry's support was not terribly effective in the appropriations process.

ADVOCACY NEWS

Campaign for a Family-Friendly Nationals Stadium

CSPI and various community organizations, locally prominent educators, pediatricians, youth substance abuse specialists, and faith-based activists in the Capital region launched the “Campaign for a Family-Friendly Nationals Stadium,” encouraging the Washington Nationals major league baseball team to forego alcoholic-beverage advertising on the field and scoreboard of their new, publicly financed stadium scheduled to open in April 2008. The Campaign relies on the following principles:

- Participating in sports is an important part of youth development, helping to build character, teamwork, and good sportsmanship in young people.
- The Nationals target young people as consumers through youth-friendly programs and products, and plans for the new stadium include making it a more family-friendly environment.
- Underage drinking creates serious problems and young people are beginning to drink at an earlier age than in the past. Parts of DC and the surrounding suburbs have high levels of underage drinking and alcohol-related problems.
- Recent evidence more closely links teens’ repeated exposure to alcohol advertising with more frequent and heavier drinking. Beer advertisements on the field and scoreboard bombard underage fans with constant reminders about the link between baseball and alcohol.

- Substantial public financing supports stadium development and many question whether city funds should be used to abet the promotion of alcohol to underage persons.

Campaign members recently met with the Nationals’ president Stan Kasten and encountered resistance to eliminating alcohol advertising from the field area of the new stadium. The coalition will continue to organize and build political pressure to encourage the Nationals to create a truly family-friendly stadium.

World Health Assembly Punts on Alcohol

Last May, CSPI joined forces in Geneva with alcohol-policy activists from Norway, India, and Britain on behalf of the [Global Alcohol Policy Alliance](#) (GAPA) to promote a resolution at the 60th meeting of the World Health Assembly (WHA) to direct the World Health Organization (WHO) to develop a “Global Strategy on Alcohol.” The resolution, submitted by Sweden and endorsed by more than 40 countries, was the first on alcohol in more than 20 years. It would have strengthened WHO attention to worldwide alcohol problems, which account for 3.2% of all premature death and 4% of the global burden of disease.

Although the highest concentration of those problems now occur in developed countries, rising alcohol consumption and the increasing presence of international alcohol marketers in rapidly developing countries, such as India and China, portend significantly greater problems

and costs in the future. Those developing countries need assistance in identifying and implementing evidence-based policy strategies to confront threatened higher levels of alcohol consumption and problems. WHO’s current staff of three on alcohol is hard-pressed to meet those needs without clear WHO direction and the ability to secure additional resources.

Alcohol producers and trade organizations were amply represented at the WHA meeting, with more than a dozen lobbyists on hand, eager to carve out a role for industry as a “partner” in efforts to combat alcohol problems. Ultimately, the resolution bogged down in committee, attacked both on substantive and procedural grounds. The loudest objections came from Caribbean countries, notably Cuba; the U.S. delegation to the Assembly, headed by the Office on Global Health Affairs in the Department of Health and Human Services, raised procedural issues, highlighted the importance of including unlicensed production and distribution as a target for action, and strongly supported industry participation in the process. However, the U.S. did not overtly oppose the resolution.

The result: WHA referred the matter to the next meeting of the WHA’s Executive Board in January, where we believe a resolution will be adopted for consideration by the entire Assembly in May. For more detailed information, including resolution language and back-up materials, see http://www.who.int/gb/e/e_wha60.html. For more information on GAPA’s efforts at the WHA, please write GH at ghacker@cspinet.org

MARK YOUR CALENDARS

Alcohol Policy 14: Engaging States and Local Communities in Prevention Policies

Sponsored by the California Council on Alcohol Policy, this conference is the 14th in a series that addresses

research, policy, and prevention issues related to alcohol. The conference, titled *Engaging States and Local Communities in Prevention Policies*, will be held January 27-30, 2008, in San Diego, California and is expected to draw up to 300 attendees, including community-based practitioners, public

officials, and researchers from across the nation, as well as some international guests. For more information, or to contact the Council, please visit their [website](#).

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