



CENTER FOR
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Public Interest
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To: Obama-Biden Department of the Treasury/
Alcohol Tax and Trade Bureau Transition Team

Attn: Agency Priorities to Reduce Harms Caused by Alcoholic Beverages

Greetings:

The Center for Science in the Public Interest is pleased to provide the enclosed memo providing recommendations to reduce the negative consequences of alcoholic beverages. We thank you in advance for your consideration of the enclosed suggestions.

Sincerely,

Michael F. Jacobson
Executive Director
Center for Science in the Public Interest

P. S. Please forward to the transition folks focusing on Treasury's Alcohol Tax and Trade Bureau.



Transition Memo Agency Priorities to Reduce Harms Caused by Alcoholic Beverages

Alcoholic beverages are the 3rd-leading lifestyle-related cause of death in the United States, costing the nation an estimated 85,000 lives and \$185 billion in economic costs per year. The federal government – in both Democratic and Republican administrations – has failed to implement a comprehensive policy to prevent and reduce alcohol problems. The following recommendations would reduce alcohol’s toll and provide resources for prevention programs.

DEPARTMENT OF THE TREASURY

In more than a half-century, federal excise tax rates on beer and wine were increased only once and liquor taxes only twice. Because the tax rates have not been adjusted for inflation, their value has steadily eroded. Just since 1991, when rates were last raised, inflation has shrunk the effective tax rates by 37%. Higher taxes would both generate revenue for health or other purposes and reduce alcohol problems.

- Propose increases in excise tax rates for alcoholic-beverages. The level of tax increase should take account of both inflation over the years and the huge imbalance between revenues generated and economic costs imposed on society due to alcohol use. Alcohol excise tax rates should be based on the ethyl alcohol content of the product (rather than fluid volume) and should be indexed for inflation. A perennial CBO revenue option would raise \$28 billion over five years by raising the liquor tax to \$16 per proof gallon and equalizing the tax rates on beer and wine, based on their alcohol content.

Alcohol and Tobacco Tax and Trade Bureau (TTB)

Alcoholic beverages are the only major consumables that fail to provide consumers with basic information about their ingredients and nutrient components. Public health and safety concerns warrant the disclosure of alcohol content, calories, allergens, safe-drinking limits and other “Alcohol Facts” (analogous to Nutrition Facts on food labels).

- The TTB should revise its July 2007 proposed rule on alcoholic-beverage labeling (Notice No. 73, Fed. Reg. 41859) to assure that informational labels will provide consumers with useful, relevant, conspicuous, comprehensive, and easily understood product information. TTB should test proposed labels with consumers to confirm that label facts will assist consumers in measuring and moderating their alcohol and caloric consumption.
- Many health warnings on alcoholic beverages are poorly designed, obscure, illegible, and ineffective. TTB should undertake rule-making to improve the placement, legibility, and



conspicuousness of the congressionally mandated health warning label on alcoholic beverages. Proposed improvements should conform to well-established design standards.

DEPARTMENT OF HEALTH AND HUMAN SERVICES

IMMEDIATE ACTION THAT COULD BE TAKEN

- Considering the enormous health and social harm that alcoholic beverages cause, the Secretary should designate a Special Assistant to the Secretary on Alcohol Prevention, who would lead the agency in developing a comprehensive national policy strategy to prevent alcohol problems, including recommended legislation and regulations.
- President Obama should reconstitute Secretary's National Task Force on Fetal Alcohol Syndrome at CDC and appoint a Blue Ribbon Commission to prepare a national alcohol prevention strategy.

POLICY PRIORITIES FOR 2009

Substance Abuse and Mental Health Services Administration (SAMHSA):

- Refocus the emphasis of substance abuse prevention from individual, behaviorally based programs to include **population-based prevention strategies** of proven effectiveness.
- Prevent fetal alcohol syndrome (FAS) by strengthening federal programs to discourage women from consuming alcohol during pregnancy and provide diagnosis, treatment, and services to mothers and victims of alcohol-impaired births.

National Institute on Alcohol Abuse and Alcoholism (NIAAA):

NIAAA focuses on biomedical and brain research, ignoring the evaluation of population-wide prevention policies that could have a great impact on reducing alcohol problems. The NIAAA has disregarded repeated requests from Congress that have urged such a shift in emphasis.

- Revamp NIAAA's research agenda to focus more resources on **developing and evaluating prevention policies and programs**.

Centers for Disease Control and Prevention (CDC):

- Expand the CDC's small Alcohol Team. It provides crucial public health leadership and surveillance on alcohol issues.
- Obtain funding to develop and conduct media campaigns on underage and excessive alcohol use, focusing on strategies to reduce alcohol problems.

Office of Global Health Affairs (OGHA):

Excessive alcohol consumption is a leading factor in the **global** burden of disease, including the developing world, thereby contributing to rising health care and public safety costs, domestic



abuse, poverty, and the spread of sexually transmitted diseases. Transnational alcohol conglomerates aggressively market their products in those emerging economies and have exerted enormous influence in the development of weak national policies to address alcohol issues.

- Increase **support of efforts at the World Health Organization (WHO)** to develop a global strategy and further regulatory initiatives in the future to reduce the harmful use of alcohol, and work to expand WHO efforts to develop regional and global responses to the growing international commerce and marketing of alcoholic beverages. The Office of Global Health Affairs should work more collaboratively with non-governmental organizations in developing U.S. positions.

FEDERAL TRADE COMMISSION

- The FTC should more aggressively **monitor alcohol advertising practices and voluntary industry advertising codes**, including publishing biannual reports on alcohol advertising expenditures. The Commission should investigate the advertising of alcoholic beverages during college sports and its impact on underage youths.