

Subcommittee on Substance Abuse hearing on Underage Drinking

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Witness:

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Testimony:

Good morning Mr. Chairman and distinguished Senators. My name is Jeff Becker and I'm the president of the Beer Institute, a national trade association of America's brewers. I am pleased to represent almost 900,000 men and women employed by our industry, including those who work in two of our nation's largest breweries in the Buckeye State. Our industry has a long and proud tradition of giving back to the communities where we live and do business, and we share the commitment of the members of this Subcommittee to combat illegal underage drinking.

Our commitment stems from two areas. First, it is no surprise to learn that many in our ranks are parents themselves—they share the concerns of all parents in this regard. But equally important, we do not like to see illegal underage consumption of the products that our members take such great care to make for adults of legal purchase age. We are joined in our commitment to be part of the solution to underage drinking by a large percentage of small and large businesses in the United States that would not be successful without a license to sell alcohol beverages. I can assure you that we have enlisted the commitment and the talents of personnel from our member companies, beer wholesalers, and retailers across the nation in the ongoing challenges posed by illegal underage drinking. We do not want the business of young people below the legal purchase age.

That phrase "ongoing challenges" is not a glib cliché, because each year, a new group of young people enter high school and college. Each year, our children are allowed more freedom in our highly mobile and open society. Some are allowed to take the bus or train to explore their cities. Some get a driver's license that allows them to travel to the next town for a school dance or a movie. Let us not forget that some of them, as young as 18, are off in Iraq and Afghanistan serving our country at war. The fact that our youth don't stop growing is only one of the fundamental challenges that confront parents, educators, law enforcement officials, and yes—members of the beer industry. The stakes are high, and a second challenge is to get these disparate groups working together to find long and short-term ways to reduce illegal underage drinking.

Have our efforts, along with those of many others, made a difference? Let's look at the facts. While underage drinking has not disappeared, teen drinking and teen drunk-driving fatalities have declined significantly over the last two decades. According to the U.S. Department of Health and Human Services, 82% of today's adolescents do not drink.¹ Similarly, according to the University of Michigan survey called "Monitoring the Future," sponsored by the National Institute on Drug Abuse, the percentage of high school seniors who report having a drink in the last 30 days was 30% lower in 2002 than it was in 1982.² And beer drinking by college freshmen fell 37% in the same time frame according to the American Council on Education and researchers at the University of California at Los Angeles.

In addition, the United States Department of Transportation reports that fatalities in crashes involving drunk drivers aged 16 to 20 have fallen 60% between 1982 and 2000. That progress has been achieved even though the number of 16 to 20 year olds licensed to drive has increased over 10% over the last decade to more than 12.6 million. While many factors explain this success, and there is still significant room for improvement, we believe that one of reasons for the progress of the last 20 years is that industry, government, and communities have cooperated to create programs that work. Brewers have committed hundreds of millions of dollars and substantial human, media, political and other resources to create effective anti-underage drinking programs.

A critical area in which I believe we have broad societal agreement is the importance of active parental involvement to prevent underage drinking. Brewers have long advocated and sponsored programs to facilitate parental discussions about drinking with their young children as well as their college-bound teens. By acknowledging the temptation associated with underage drinking and encouraging their children to respect themselves and the law, parents can make an enormous difference. Brewer materials for parents are available in five languages with useful information to explain why drinking is inappropriate for youth. These efforts are effective because they draw on the strong influence parents have over their children's decisions about drinking.

For over a decade, according to a national poll conducted by the Roper Research organization, youth have identified their parents as the most powerful influence in their decision to drink or to refrain from drinking. I should point out that advertising has always been one of the choices offered in the survey. Every year, it has ranked dead last as an influential factor by the most important group in this discussion: youths themselves. Because young people have so plainly told us that parents are the most effective way to reach them on the issue of underage drinking, we strongly believe in providing information and encouragement to help parents exercise this influence. And we do. Over the last several years, our members have distributed over 5 million pieces of material – guidebooks, videos, and others – to parents across the U.S. Brewers have also maintained on-going national advertising campaigns and comprehensive websites dedicated to this issue.

In addition to programs aimed at parents, our members sponsor or fund specific programs for those who sell our products in supermarkets, convenience stores, stadiums, concert venues, restaurants, and other retail outlets. As stated in the FTC Report to Congress released earlier this month, retailers play a vital role in stopping underage drinking by following their state laws and by checking and verifying IDs. Our members sponsor programs and provide materials in English, Spanish, Korean, and Vietnamese for servers of alcohol to teach them how to properly check IDs and to spot fake IDs. The Beer Institute and our members also disseminate “WE ID” and other point-of-sale materials that remind customers that the establishment will ask for proper identification. In cooperation with retailers, police departments, county sheriffs, and other state and local agencies, brewers also have worked aggressively to help retailers and servers prevent the illegal underage purchase of alcohol.

Over the last decade, brewers have joined the National Highway Traffic Safety Administration, Major League Baseball, and other professional sports leagues in the

TEAM Coalition to address underage drinking and abusive consumption at games and other major outdoor events.

And, at the college level, we have supported campus programs that focus student attention on education and awareness, emphasizing personal responsibility and respect for the law – which means not drinking if you are under 21, and drinking responsibly if you are above the legal drinking age and choose to drink. These programs include, among others, support for National Collegiate Alcohol Awareness Week programming, a nationwide awareness effort that is taking place this month on hundreds of campuses across the country. Our industry has also supported research and programs collectively known as social norms, a positive approach that reminds college students that the large majority of their peers make healthy and responsible decisions about drinking.

Last year, the National Institute on Alcohol Abuse and Alcoholism (NIAAA) issued a comprehensive report on alcohol abuse on campus, a section of which categorized social norms and other approaches supported by the industry as effective or promising.

And finally, in addition to the other programs I have discussed, brewers have created diverse national advertising campaigns including “Live Responsibly,” “Let’s Stop Underage Drinking Before It Starts,” and “21 Means 21.”

The recent Federal Trade Commission Report on alcohol beverage industry self-regulation reviewed industry-sponsored programs favorably and pointed out that they are developed by professionals in the fields of education, medicine, or alcohol abuse and that they follow approaches recommended by alcohol research.

Since our industry’s advertising activities have recently been the subject of Congressional interest, I would like to briefly touch on some other developments that underscore our commitment to market and sell our products to adults of legal purchase age. The FTC’s 2003 Report unequivocally stated that beer industry members do not target underage consumers. Critics seek to use advertising as a lightning rod to divert attention from the real issues. Perhaps it is because they question the larger issue of beer’s respected place in American society. But let’s face it: drinking beer is not the only adult activity that youth should not engage in. In fact, this is just one of the many rules that society imposes on young people as they pass through maturity on their way to adulthood. And the most effective way to keep youth from engaging in adult behavior is not to pretend that adult products don’t exist or that advertising causes people under 21 to drink. The way to address this issue is to help youth navigate through an adult world where there are many things – driving a car, voting in an election - not just drinking, that are not appropriate for them until they reach an age of maturity.

At the same time, our advertising is intended for adults, and our members voluntarily undertake extensive steps to avoid advertising and marketing that could be perceived as directed at youth. Self-regulation in this area is very important from a public policy perspective.

The 2003 FTC report further reinforces a statement from a 1999 agency report on alcohol beverage advertising: “Self-regulation is a realistic, responsive and responsible approach to many of the issues raised by underage drinking. It can deal quickly and flexibly with a wide range of advertising issues and brings the accumulated experience and judgment of an industry to bear without the rigidity of government regulations.” The FTC has conducted four comprehensive reviews of industry advertising practices over the last five

years. The FTC recently indicated that, “Self-regulation practices in the alcohol industry have shown improvement since issuance of the 1999 Report...” Its September 2003 report cited improvements in the area of ad placement, noting that industry members had shown 99% compliance with industry standards governing placement of broadcast advertising. The FTC report discusses a number of important changes in our industry advertising code, which I will touch on in a moment. In the interest of full disclosure, the FTC also included some cautionary comments about advertising content and other issues, and we take the Commission’s advice seriously.

In addition to the latest FTC report, the National Academies September report to Congress recognized the importance of self-regulation. The report does highlight the age-old scholarly debate over advertising and underage drinking, which clearly indicates that advertising is not a significant factor in underage drinking or the decision to drink at any age. Beyond that discussion, however, the National Academies panel states, “The industry has the prerogative—indeed, the social obligation—to regulate its own practices in promotional activities that have a particular appeal to youngsters, irrespective of whether such practices can be proven to “cause” underage drinking.” [emphasis in original]

We do have some fundamental differences with the National Academies recommendations and the process used to develop them. We believe the key to further progress in reducing underage drinking lies in family and community-based efforts. We are disappointed that the National Academies panel ignored the clear direction of Congress to evaluate existing federal, state, and non-governmental programs. The panel focused heavily on costly and experimental government solutions with a cursory review of existing programs, including many state efforts that combine education and enforcement to address unique challenges in different areas of our nation. The report does not provide the guidance Congress sought to determine policy and funding priorities to further reduce illegal underage access and consumption. This is unfortunate.

For over 50 years, Beer Institute’s members have maintained socially responsible business practices including a policy of vigorous self-regulation of advertising and marketing. First adopted in 1943, the beer industry’s advertising code has evolved over time to respond to societal and technological developments. We want our intentions to be clear to our consumers as well as to those who do not drink. Our primary goal as an industry is to reach out to those who can legally purchase our products with tasteful, contemporary advertising that increases awareness of our members’ brands. Our ads are enjoyed by millions of Americans and rated highly in numerous surveys of adult consumers. Consistent with our longstanding policies, the Beer Institute Code was recently revised to incorporate some of the best practices of our member companies and to address several FTC recommendations.

I am pleased to inform you that our members have revised the standard for advertising placements in television, radio, and magazines to require placements only where the proportion of the audience above age 21 is reasonably expected to be 70% or higher. This standard reflects the demographics of the US population, in which approximately 70% of the public is age 21 or older. We have also expanded our code provisions covering marketing at or near college campuses and product placement in television programs and movies. The 2003 FTC report discusses these revisions in detail, and a copy of our full code is included with this testimony.

Although the recent National Academies recommendation to increase excise taxes is not part of our discussion here today, it is well known that the beer industry opposes such a measure; and I would like to take a brief moment to explain why. We oppose higher excise taxes because they are not an effective deterrent to abusive consumption or illegal underage drinking. A tax increase would force responsible adults on a budget--a large number of consumers who enjoy our products--to pass up the purchase of a six pack because it becomes less affordable. The science on this issue was examined by the NIAAA in its 10th Special Report to Congress. Their conclusion is that no consensus exists in this debate. Research conducted by Thomas Dee, and funded by the NIAAA, indicates that teens are not affected by higher taxes. In fact, Dee's research exposes methodological flaws in the research that the National Academies cited in support of raising excise taxes. If the research used to support higher beer taxes is flawed, we are surprised that the underage drinking committee ignored this important fact. Further, we note that Henry Weschler's research on the effects on college students is also cited in the NIAAA report, which concludes, "The results suggested that alcohol prices were a less salient determinant of the drinking behavior of college students than they were in other populations." Finally, a study coauthored by one of the National Academies' panelists indicates that the effects of tax increases may be "considerably smaller than suggested in previous literature." The bottom line is that we do not support this recommendation because there is no scientific consensus to show that it will reduce teen drinking. It is also regressive and unfair to responsible adult consumers.

In closing, I'd like to leave you with this last fact. Brewers fully recognize that underage drinking is a problem that our society must embrace and tackle. We hope that we will be given the consideration to be a meaningful part of that fight, through our demonstrated commitment to this issue. As the father of two children, and I share this committee's concern – just like every other parent out there.

Thank you for the opportunity to discuss these important issues.