GW

To: Mary Smith

Subject: Higher Education Alcohol and Drug Prevention Program

Currently, ED provides approximately $4M for alcohol and drug prevention programs for students at institutions of higher education. These funds support a Higher Education Drug and Alcohol Prevention Center (being recompeted with Fy 99 funds for approximately $2.2M); a number of grants to combat alcohol and drug use on college campuses (in FY 1998 10 grants were awarded), a national probability survey of student alcohol and drug use on college campuses, a national meeting and a few other ancillary activities. In FY 99 we will support the Higher ED Center and a small grant program for about $500,000. The grant program will be in conjunction with CSAP and NIAAA. This will be a relatively small grant effort, as funds for higher education activities are not separated out from other (K-12) activities, they are part of our overall National Programs budget.

As you may be aware the HEA called for a drug and alcohol prevention program. This program would replace the program that is authorized under the IASA. As the HEA passed after our budget submission funds for HEA we are planning to use National Program funds to support IHE programs. Our budget submission called for an increase of $20 million over the Presidents FY 99 National Program. If we receive the increase we plan to operate a Higher ED Binge Drinking Initiative for $5 million. This Initiative will explore the causes of binge drinking on college campuses nationwide, and provide support to develop, expand, and enhance model programs that prevent binge drinking. As part of the initiative, information about program models and other effective strategies will be disseminated to institutions of higher education nationwide. The initiative is being developed to respond to increasing concern about the damaging outcomes associated with binge drinking among college students.

If you have any question, feel free to call me or to call Lavona Grow our Higher Education Team Leader at 708-4850.

Binge Drinking

The New York Times

5-19-99 alcohol

# Zinfandel by Mail? Well, Yes and No

## Strict Laws May Get Stricter

By R. W. APPLE Jr.

PROPELLED in part by increased alcohol sales on the Internet, intensive campaigns to restrict wine distribution further are afoot in state legislatures and in Washington.

The proposed regulations would make it much harder for producers of scarce or unevenly distributed wines to ship directly to consumers, and for retailers to ship across state lines. Order those alluring bottles of Rochioli pinot noir or Screaming Eagle cabernet sauvignon you see on the Web, and you could wind up with a felony charge — if you live in the wrong state and if anyone can figure out how to enforce the new legislation.

It could be that the campaigns, financed mostly by wholesalers who fear the loss of business, will fizzle out. But they could succeed, and some fear that if they do, the choice of wines will be severely constricted for almost all wine drinkers.

Michael Aaron, chairman of Sherry-Lehmann in Manhattan, one of the country's largest wine retailers, argues that attempts to tighten the rules for shipments across state lines will lead to the disruption of shipments within states, even package store deliveries.

"Unless this ludicrous anticonsumer campaign is stopped, there will be nothing left but a shadow of our industry," he said recently.

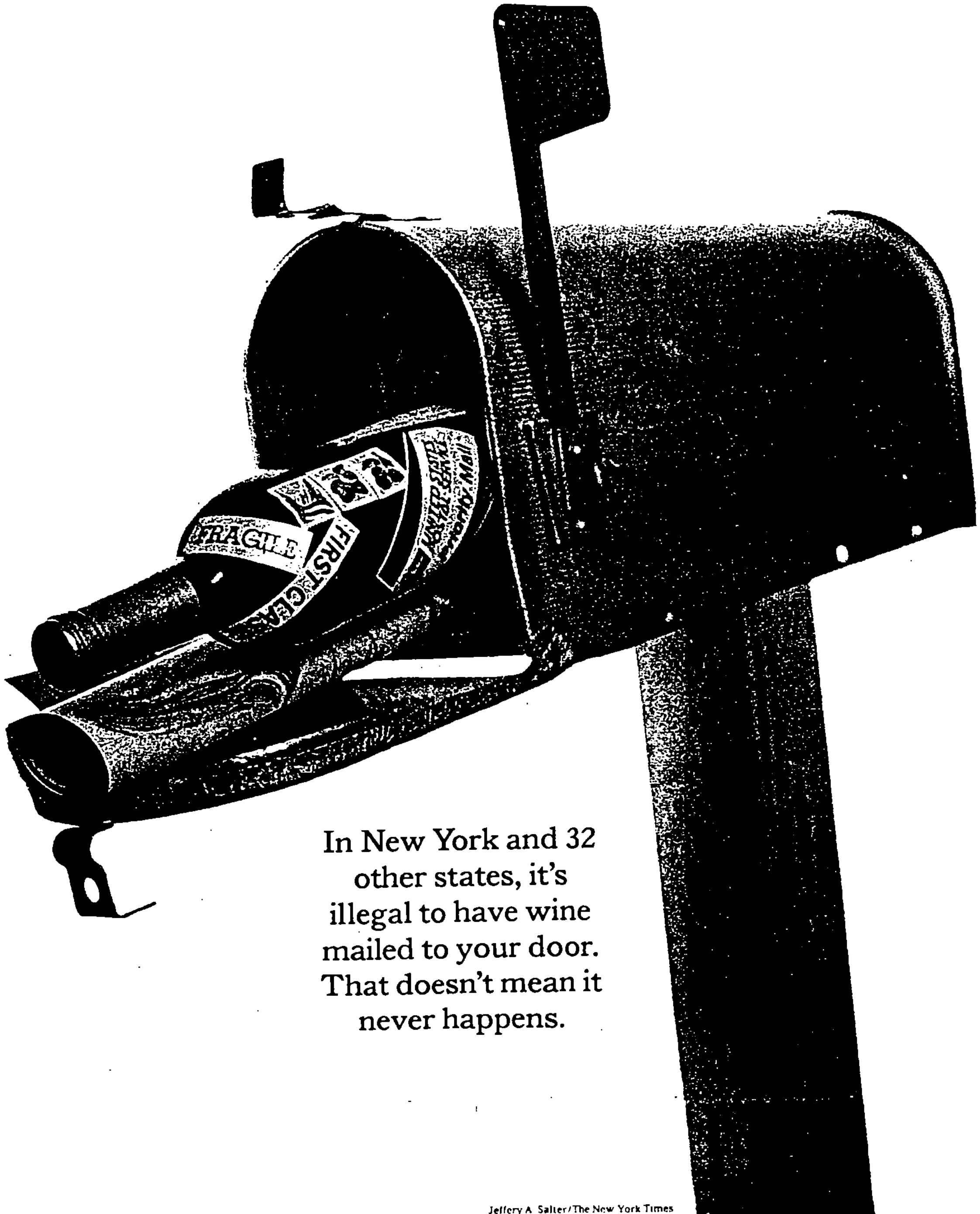
Soon, said a California producer, who asked not to be identified, "guns are going to be easier to buy than my chardonnay."

As things stand, wine shipments are governed by a tangle of state laws, observed by some in the trade, largely ignored by others. Enforcement has been slack, prosecution rare, though all 50 states regulate direct interstate shipment of alcohol in some way, 21 ban it altogether and 7 have made shipments by wineries or retailers or both a felony.

Felony laws are under consideration in at least 10 other states, including New Jersey, Simon Siegl of the American Vintners Association in Washington said. A felony bill failed last year in New York State and has not yet been reintroduced this year, but hearings are scheduled in Albany today on the sale of wine to minors on the Internet.

In Washington, a hotly debated bill has been

Continued on Page 4




In New York and 32 other states, it's illegal to have wine mailed to your door. That doesn't mean it never happens.

Jeffery A. Salter/The New York Times

## Shippers Are Able And Willing

By MARIAN BURROS

ON a recent trip to the Napa Valley, when the vineyards were ablaze with carpets of yellow mustard flowers, my friend was hoping to purchase a case of wine she had been unable to find in New York. She thought it would take no more than a phone call. Instead, it turned into a 90-minute odyssey that required her to drive to the vineyard, pay for the wine, have the case put in her car and then transport it to a shipping service suggested by the winery.

Welcome to the wacky world of interstate wine shipping, where 50 different sets of state regulations rule. At this moment they are on a collision course with an explosion in direct marketing of wine and other spirits through catalogues, wine clubs and the Internet as consumers have turned into connoisseurs. One of the unintended consequences has been the growth of an industry in California that barely existed a few years ago: third-party shipping of wine.

When Prohibition was repealed, in 1933, the Federal Government turned the regulation of alcoholic beverages over to the states. Only 17 allow the interstate shipment of wine to individuals. Everywhere else, as I was to find out, it is illegal. It is a misdemeanor in New York, which means that theoretically the winery could be fined, but in other states judges have ruled that one state has no jurisdiction in another. For the buyer the risk could be confiscation.

No one paid much attention to these rules until recently, when more wineries started turning to direct marketing as their numbers increased while the number of wine wholesalers decreased. In 1963 there were 377 American wineries; by 1994 there were almost 1,800.

"Now there are too many brands for wholesalers to carry all of them," said Seana Wagner, a spokeswoman for Free the Grapes!, a Napa-based national coalition of consumers and winemakers whose goal is "to ensure consumer access to fine wines." Those who find it hardest to reach customers, she said, are ones that produce fewer than 50,000 cases a year, and especially 10,000 and under.

After my friend's experience, I decided to test how easy — and how risky — it would be to

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# Zinfandel by Mail? Strict Laws May Get Stricter

Continued From First Dining Page

introduced to bring the Federal judicial system into the enforcement picture.

A vexed history, with its roots in Puritanism, lies behind the controversy. When Prohibition, imposed in 1920, was repealed in 1933, free commerce in alcoholic products such as most other countries have was not established here. Each state was authorized to regulate the sale of alcohol within its boundaries. That led to the evolution of what the industry calls "the three-tier system," under which vintners, distillers and importers sell to wholesalers, who sell to retailers, who sell to consumers. Those who support the system say it is the only effective way to control shipments and collect state taxes, which exceed $8 billion a year.

Most of the liquor and beer market is controlled by a few nationally advertised brands, so there is little reason for consumers to order directly, although micro-beers and small-batch brandies are exceptions. There are 1,800 American wine producers, however. Many, including many of the best, are too small to catch the eye of big distributors. It is from them that connoisseurs order. Some sell only to mailing lists.

The wholesalers are the political powerhouse, and a few huge, privately owned companies have come to dominate the business recently, with the top five commanding a third of the industry's total revenues, according to the Impact Newsletter, a New York-based industry publication.

Southern Wine and Spirits of America, headquartered in Miami, is the biggest, with wine and liquor sales this year projected to be $2.8 billion. Mel Dick, a senior vice president, is described by industry insiders as a driving force behind the anti-shipping campaign. His office said he was traveling in Europe, and he did not return messages seeking comment.

But Mr. Dick's home state, Florida, is the biggest state so far to make direct shipment a felony. (The others are Georgia, Indiana, Kentucky, North Carolina, Oklahoma and Tennessee.) A former Speaker of the Florida House, Don Tucker, now a lobbyist for Southern, was a key player in that move.

Lawton Chiles, then the Governor, allowed the felony act to become law without his signature, despite the argument of the Florida Attorney General, Robert P. Butterworth, that its principal effect would be to tighten the wholesalers' "vise-grip on the distribution of alcoholic beverages."

Jeffery A. Salter/The New York Times

**HOTLY DEBATED** Laws governing the direct shipment of wine are being reconsidered.

BACKERS of new restrictions present their effort as a crusade against under-age drinking, which they say has been facilitated by direct shipping. One leading supporter of restriction, a pressure group called Americans for Responsible Alcohol Access, describes such shipments as "a coast-to-coast, $1-billion-a-year black market in alcohol." The problem has been exacerbated, it says, by orders placed over the Internet and toll-free telephone numbers.

Opponents call that a smoke screen for naked self-interest by liquor wholesalers. They ask why teen-agers would bother with phone or Internet orders, which involve waiting for deliveries, when most have fake ID's or friends who will buy for them. The volume of direct shipment may be as high as $1 billion, but Government agencies estimate it at only $300 million to $500 million.

Americans for Responsible Alcohol Access has the backing of the National Transportation Safety Board and others, but it was created by the Wine and Spirits Wholesalers of America, which pays its bills. The wholesalers, of course, lose a lot of money when wine is sold directly by vineyards to consumers, rather than through them.

Mothers Against Drunk Driving withdrew from the group this week. The president of Mothers Against Drunk Driving, Karolyn Nunnallee, said that the fight was not about sales to minors but "a battle between various elements within the alcoholic beverages industry."

The group's executive director, Barry McCahill, has been a vocal advocate of a bill sponsored by Senator Orrin G. Hatch, a Utah Republican who heads the Senate Judiciary Committee, which would enable state attorneys general to seek injunctions in Federal court against violators of state liquor laws. In a statement issued for a committee hearing on March 9, Mr. McCahill said action was needed to "effectively combat this modern form of bootlegging."

Also involved in the push for passage is McGuiness & Holch, a lobbying firm that has been retained by the wholesalers. It is headed by Kevin S. McGuiness, a former chief of staff for Senator Hatch.

**Tangled vines of laws govern the sale of wine from state to state.**

Mr. McCahill acknowledged that under-age drinkers "get wine and beer and liquor a lot of ways, including fake ID's." But that was no reason, he asserted, "to let more loopholes open in enforcing the laws, and nobody who's obeying the present law has anything to fear from this bill."

The hearing included a Utah television station's investigative report depicting a minor buying beer on the Internet with a computer and somebody else's credit card.

"If that story doesn't bother you, it should," Mr. Hatch said. "If a 13-year-old is capable of ordering beer and having it delivered merely by 'borrowing' a credit card and clicking a mouse, there is something wrong with the level of control being exercised over these sales."

Noting that their member wineries had been struggling for two decades to win legal approval for limited direct shipments, officials of the American Vintners Association and the Wine Institute strongly opposed criminalization of such shipments. They said that 17 states had authorized direct interstate commerce, with safeguards against illegal sales to minors, and that 30 states permitted intrastate sales under similar restrictions. The spokesmen for the vineyards insisted that the only recorded instances of Internet wine sales to minors involved stings — entrapments set up by journalists or by law-enforcement officials.

Representative George P. Radanovich, a California Republican who owns a small vineyard, was another opposition speaker at the March 9 hearing. He argued that "the real issue is the fact that the national wholesalers are concerned about the increased competition from the Internet."

Big retailers could be affected, too. Many now send small amounts of wine to other states as gifts, either for individuals or for corporations who might give a case of Champagne to each of 50 or more suppliers.

Mr. Hatch, a Mormon and a teetotaler, pledged to restudy the bill to seek a compromise. Later, he threatened to attach it, unmodified, to the juvenile justice bill, and after he withdrew that threat, a similar move was made by Senator Robert C. Byrd, the West Virginia Democrat.

LIKE so many other things, direct shipping has been brought into sharper public focus by the Internet. In Texas, booming Internet sales were cited by David Sibley, a state senator who advocates penalties of up to two years in jail for those shipping illegally. "There's no accountability at all," he said. "It's like a parking ticket."

Internet sales are also the topic of a hearing today in Albany before the Assembly Standing Committee on Alcoholism and Drug Abuse and the Legislative Commission on Science and Technology. Among those testifying will be Mr. Aaron, a member of a trade delegation that also includes Jeff Zacharia of Zachy's in Scarsdale, another of the country's leading retailers; John Dyson, who owns important vineyards in New York and California, and Manfred Ohrenstein, former leader of the Democrats in the State Senate.

"The reality is that kids don't drink wine," Mr. Aaron declares in a statement prepared for the hearing. "They don't like the way it tastes."

A bill backed by the group would change New York's law, which forbids residents to receive direct shipments. It would allow wineries or retailers to ship up to an average of two cases ~~of wine to~~ anyone at least 21 years old in the state, as long as the state of origin permits *its* residents to receive direct shipments (as California and Oregon do). Containers would have to be marked "contains alcohol — signature of a person age 21 or older required for delivery."

The legal issues are far from settled. Despite Florida's new felony law, a state court there dismissed a case against two out-of-state retailers who shipped into the state in September 1997, on the ground that it lacked jurisdiction. An appeals court later upheld that verdict.

An article in March in the Virginia Law Review questioned the constitutionality of Florida's statute and similar laws. The article, by Vijay Shanker, asserts that they are "a clear example of protectionist legislation that detrimentally impacts interstate commerce" and, as such, unconstitutional. They "cannot be saved" by the 21st Amendment, which granted the states the right to regulate alcohol, Mr. Shanker adds, because they do not involve "core powers" that were promulgated under the amendment.

That issue will probably eventually reach the Supreme Court.

# Shippers Are Able and Willing

Continued From First Dining Page

get California wines shipped to New York. California shippers were willing to send wine — but would it actually get here?

Calling as an ordinary consumer, I first spoke with more than two dozen of these small and medium-size wineries to see if they would ship wine to me at a New York address. Six refused my order "If anyone found out," said the man who answered the phone at one winery, "we'd lose our license." One winery said it would ship "It's a real gray area to ship wine, but we do it anyway," said the person on the phone.

The rest were willing to ship wine, but only through a third party. And those wineries make it clear that customers must make their own shipping arrangements and accept full responsibility if the wine is confiscated by some state governmental entity. Under no circumstances, they say, are they liable, and they spell out their position, often in writing. They will, however, provide you with the phone number of a shipper.

One such warning says: "The buyer (YOU) is responsible for YOUR shipment of wines, and as such we will provide the name of a common carrier for your shipping convenience." The company, an on-line wine shop, adds that it "in no way advocates the shipment of wine out of state, and releases any/all control and liability once the wines leave our facility."

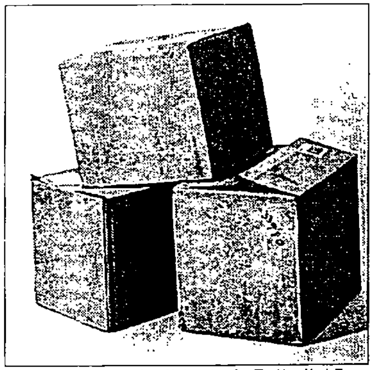
To learn how these third-party shippers operate, I called eight and found seven that would ship to New York Each had different ground rules, but some were afraid to give details. Four cases from eight wineries were shipped to me as freight by four companies. All of them arrived within two weeks. None of the packages bore a return address of the shipper. In fact, they had no return addresses, just initials.

None of this mail-order wine came cheaply, because it had to go through several hands But to connoisseurs, the extra charges would probably be unimportant.

Stage Coach Express & Company of Napa will pick up the wine at wineries as far away as Sonoma County, charging $1 a mile for the round trip, which can add more than $100 to the shipping costs. "We've been in business since October," said the person who answered the phone at Stage Coach, which has put its flier in some wineries. "All the information we get about shipping wines is passed on from the people we bought the business from, and everyone has their own slant. It's difficult to tell who is telling the right story."

Stage Coach no longer uses U.P.S. or Federal Express. "You're dealing with a situation that depends on the driver who picks it up," the man said. "We have had U.P.S. and Fedex drivers open up the boxes and say they aren't taking it. So now from us it goes to a wine broker, and that wine broker takes it to another wine broker and the broker ships it to a residence or business at the other end." Stage Coach charged $55 to pack and ship my case of wine. The pickup from three wineries cost about $40.

Like Stage Coach, most of the shipping services have the wine trucked to a shipper or freight consolidator elsewhere in the state, far enough from wine country so the appearance of a box full of bottles is not viewed with suspicion.



Igor Vishnyakov for The New York Times

## Call it wine-running with intent to sip.

Aero Packing in Napa picks up the wine at the winery free "as long as the winery is willing to work with us," said the person who took my order. The winery fills out the shipping form; Aero does the packing and transports it to another shipper or consolidator. Shipping a single bottle through Aero cost $15. It costs $48 to send 7 to 12 bottles to a residence and $43 to a business.

"Our carrier is from the Bay area," the woman said. "We haven't had any problems."

Fitch Mountain in Healdsburg, Sonoma County, will pick up from up to two wineries per shipment, and if they are fairly close to Healdsburg, the company charges $5 a stop. Packaging is $8 a case, and shipping is $45 to a business and $55 to a residence.

"We've only been here four years," said the person who took my call. "This shipping wine business is growing a lot. We've got good relations with a lot of wineries."

A case is the minimum amount Buffalo Shipping Post of Napa will pick up, and it does it free from anywhere in the valley twice a week. The package is sent by ground transportation and costs $57.50 to a business and $62.50 to a home. The company has been in business for seven years but just added the wine service a year ago

At Wrap It Transit in Napa, an employee said the shipper would get wine to me but someone would have to bring it in. "We do it for you, but you have to release us of liability," she said. "We have to disguise it. We package it first in styrofoam and then put it into another box." She said that wine must be sent by three-day air because "they don't check that," adding that packages sent by ground may be opened. The company has been shipping about four or five cases a wine each day for the last eight months, and nothing has come back, she said.

One on-line wine shop I called was willing to ship but refused to share the name of its shipper because, said the man who answered the phone, "we get a lot of questions from politicians and others who want to hunt down the shippers."

Some wineries have found other ways around the confusing laws. Williams Selyem in California is owned by Millbrook Vineyards and Winery in Millbrook, N.Y., so the Williams Selyem wine can be legally shipped to New York residents through Millbrook. Other wineries have set up distributorships in other states and ship the wines to them. They, in turn, ship to the customer. That way the state collects the sales tax and no laws are broken.

Some aficionados, eager for California wines they cannot find in their local shops, have devised their own schemes. One person tells the winery that the wine is to be used for scientific purposes. Another explains that he belongs to a private wine club and is ordering the wine in his official capacity for a tasting. Some use the mailing address of a wine-wholesaler friend.

After the wine I ordered had arrived, I called the shippers to ask about their business. Most were not as forthcoming when I called back and identified myself as a reporter. An exception was Linda Simpson, who handles orders at Fitch Mountain. Ms. Simpson said her company had only the normal problems that come with mail-order delivery.

"No one has come and said, 'We're going to take you to jail,' " she said.

"We are shipping it as private property," she continued, "like if you brought your clothes in here or anything else and asked us to ship it, we would."

Ms. Wagner of Free the Grapes! said she had not been aware of what she describes as "selling under the radar." But she added, "You are going to be seeing less and less of that as companies are made more aware of the law," especially as states vote to make the crime a felony instead of a misdemeanor: that can mean jail time and the loss of a license. "No one wants to take a chance with that," she said.

# Irish Whisky With a Vintage and a Pedigree

Chester Higgins Jr./The New York Times

**GOLDEN LIQUOR** The 1991 Knappogue Castle Single Malt Irish Whisky, left, is around $30 a bottle; the 1951, right, is $600.

**By FLORENCE FABRICANT**

SCOTLAND produces more than 100 single malt whiskies, but Ireland very few, the best known of which is probably Bushmill's malt, made in Northern Ireland. Now, there is another, and a most unusual whisky it is. For starters, it is bottled and sold by an American.

Back in the 1960's, Mark Edwin Andrews, a Texas oilman, started spending part of his time in Ireland, and eventually he bought Knappogue Castle, in County Clare, on the western coast. Mr. Andrews, a fan of Irish whisky, also bought all the remaining casks of unblended whisky that had been made by B. Daly, a distiller in Tullamore that had gone out of business in 1954. Mr. Andrews started bottling and selling the whisky under the Knappogue (pronounced nah-POG) Castle label in 1987.

Mr. Andrews died in 1992, but the whisky business has been taken over by his son, Mark, who is also in the oil and gas business in Houston. Though the family no longer owns the castle, it retains the right to use the Knappogue name on its whiskies. Mr. Andrews is now selling some 3,000 bottles of Irish malt that were made in 1951, and with the help of Jim Murray, an English spirits expert, he is selecting casks of more recent distillations to bottle and sell. These newer whiskies all come from Cooley's, the only independent distiller left in the Irish Republic, which years ago consolidated most of its whisky distilling at one huge plant near Cork.

Mr. Andrews uses vintage dating, unusual in the whisky business. "We thought having dates would set it apart," he said. "Most single malts can't do it, because they are blends of several years for consistency, but we think having slight variations makes it interesting."

Knappogue Castle whiskies are among the most delicate on the market, excellent before dinner or after. None have the smoky richness associated with Scotch, because in Ireland the malted barley is not dried over peat fires And they have the golden color of aged chardonnay, not the amber color of whisky. Notes of vanilla in the aroma give way to a floral, light and smooth taste, with a hint of bittersweet pepperiness in the finish. The 1990, no longer available, was somewhat more complex than the 1991. The 1951 is a bit darker and heavier, with a fruitiness and a touch of exotic spices.

*The 1991 Knappogue Castle Single Malt Irish Whisky is around $30 a bottle; the 1951 is $600. Park Avenue Liquor Shop, 292 Madison Avenue (40th Street), has both. The 1951 is sold at Morrell & Company, 535 Madison Avenue (54th Street), and at Nancy's Wines, 313 Columbus Avenue (76th Street).*

105TH CONGRESS
1ST SESSION

# H. RES. 321

Ew

IN THE HOUSE OF REPRESENTATIVES

Mr. KENNEDY of Massachusetts submitted the following resolution; which was referred to the Committee on Education and the Workforce

# RESOLUTION

Expressing the sense of the House of Representatives that college and university administrators should adopt a code of principles to change the culture of alcohol consumption on college campuses.

Whereas many college presidents rank alcohol abuse as the number one problem on campus;

Whereas alcohol is a factor in the three leading causes of death for 15–24 year olds (accidents, homicides, suicides);

Whereas more than any other group, college students tend to consume large numbers of drinks in rapid succession with the intention of becoming drunk;

Whereas 84 percent of college students report drinking alcohol during the school year, with over half—44 percent—

of all students qualifying as binge drinkers and 19 percent as frequent binge drinkers;

Whereas alcohol is involved in a large percentage of all campus rapes, violent crimes, student suicides, and fraternity "hazing" accidents;

Whereas heavy alcohol consumption on college campuses can result in drunk driving crashes, hospitalization for alcohol overdoses, trouble with police, injury, missed classes, and academic failure;

Whereas the prevalence of second-hand effects from students drinking alcohol ranges from assault, property damage, and unwanted sexual advances, to interruptions in study or sleep or having to "babysit" another student who had drunk too much;

Whereas campus binge drinking can also lead to the death of our young and promising students: Now, therefore, be it

*Resolved*,

**SECTION 1. SHORT TITLE.**

This resolution may be cited as "The Collegiate Initiative To Reduce Binge Drinking".

**SEC. 2. SENSE OF THE HOUSE OF REPRESENTATIVES.**

It is the sense of the House of Representatives that, in an effort to change the culture of alcohol consumption on college campuses, all college and university administrators should adopt the following code of principles:

(1) For an institution of higher education, the president of the institution shall appoint a task force consisting of school administrators, faculty, stu-

dents, Greek system representatives, and others to conduct a full examination of student and academic life at the institution. The task force will make recommendations for a broad range of policy and program changes that would serve to reduce alcohol and other drug-related problems. The institution shall provide resources to assist the task force in promoting the campus policies and proposed environmental changes that have been identified.

(2) The institution shall provide maximum opportunities for students to live in an alcohol-free environment and to engage in stimulating, alcohol-free recreational and leisure activities.

(3) The institution shall enforce a "zero tolerance" policy on the illegal consumption of alcohol by its students and will take steps to reduce the opportunities for students, faculty, staff, and alumni to legally consume alcohol on campus.

(4) The institution shall vigorously enforce its code of disciplinary sanctions for those who violate campus alcohol policies. Students with alcohol or other drug-related problems shall be referred to an on-campus counseling program.

(5) The institution shall adopt a policy of eliminating alcoholic beverage-related sponsorship of on-

campus activities. It shall adopt policies limiting the advertisement and promotion of alcoholic beverages on campus.

(6) Recognizing that school-centered policies on alcohol will be unsuccessful if local businesses sell alcohol to underage or intoxicated students, the institution shall form a "Town/Gown" alliance with community leaders. That alliance shall encourage local commercial establishments that promote or sell alcoholic beverages to curtail illegal student access to alcohol and adopt responsible alcohol marketing and service practices.

5W

## COMPREHENSIVE ALCOHOL ABUSE PREVENTION ACT
**(H.R. 1982)**

1. Establishes strict new limits on alcohol advertising on TV, radio, magazines, and billboards that target young audiences

2. Requires health warnings on all alcohol advertisements (SAFE bill)

3. Eliminates the tax deductibility of alcohol ads and promotions (raises $700 million)

4. Prohibits promotional campaigns by alcohol companies on college campuses

5. Requires a federal agency report to Congress that identifies trends in alcohol advertising, especially as it relates to children

## JUST SAY NO ACT
**(H.R. 1067)**

Bans hard liquor advertisements from television and radio, in effect codifying the voluntary ban the industry saw fit to place on itself for almost 50 years.

## VOLUNTARY ALCOHOL ADVERTISING STANDARDS FOR CHILDREN ACT
**(H.R. 1292)**

Provides an anti-trust exemption so that television broadcasters can come together to devise a new code of "kid-friendly" standards for alcohol advertising.

While the legislation does not prescribe or mandate what the final code should look like, it does lay out five general guidelines for consideration:

1. **Content** -- what images are used to sell the product?
2. **Frequency** -- how often are the ads shown each day?
3. **Timing** -- at what hour should the ads be shown?
4. **Program Placement** -- What television shows are sandwiched in between alcohol advertisements?
5. **Balanced Messages** -- Some deliberation should be given to the issue of balancing advertisements promoting alcohol consumption with public information messages about the risks of alcohol use by minors.

This bill would give the broadcasters one year to develop their code. The FCC is required to approve the code before it is implemented, seeking public comment. If after one year, the broadcasters fail to develop their own standards, the FCC is given the authority to impose their own code, using the same five guidelines.

**H.RES. 171**

Calls on the Federal Communications Commission to issue a Notice of Inquiry to examine the effects of hard liquor advertising on children.

**H. RES. 321**
**THE COLLEGIATE INITIATIVE TO REDUCE BINGE DRINKING**

Calls on college and university administrators to adopt a code of principles (outlined in the legislation) in order to change the culture of alcohol consumption on college campuses.

**REPORT LANGUAGE IN FY 98**
**LABOR/HHS APPROPRIATIONS BILL**

Secured a bipartisan compromise with the Chairman of the Subcommittee to fund the Center for Substance Abuse Prevention (CSAP) at a $3 million increase, and included report language calling for CSAP to contract with the National Institute of Alcohol Abuse and Alcoholism to fund a study on the effects of televised alcohol advertising on youth alcohol consumption.

**CONFERENCE REPORT LANGUAGE IN FY 98**
**COMMERCE/JUSTICE/STATE APPROPRIATIONS BILL**

Secured a bipartisan compromise to increase funding for the Federal Trade Commission by $1.5 million to do a study on trends in alcohol advertising and report back to Congress.

The following language was included in the report:

> The conferees are aware of concerns about the impact of alcohol advertising on under-age drinking, and understand that the FTC is engaged in the ongoing monitoring of the advertising and marketing practices of manufacturers of beverage alcohol. The conferees expect the FTC to emphasize these activities, investigate when problematic practices are discovered, encourage the development of effective voluntary advertising codes, and report their findings back to the Committees on Appropriations.

**CONGRESSMAN JOE KENNEDY'S**
**COMPREHENSIVE ALCOHOL ABUSE PREVENTION BILL**
**H.R. 1982**

## SUMMARY

This omnibus alcohol policy bill is designed to address a variety of issues in the areas of education, taxes and subsidies, advertisements, and beverage labeling that involve alcohol, its use and abuse.

The bill would:

- establish new requirements for alcohol advertising that targets young audiences,

- require a federal agency report to Congress identifying trends in alcohol advertising,

- provide incentives to colleges and universities to develop and implement alcohol abuse prevention programs on their campuses, and make receipt of federal funds contingent upon a prohibition on the distribution of free promotional alcoholic beverages, materials, or event sponsorship by alcoholic beverage companies on campuses,

- eliminate the tax deductibility of alcohol advertising and promotions,

- eliminate current federal subsidies for alcohol promotions overseas,

- require health warnings on print, radio, and television alcohol advertisements,

- require alcohol beverage container labels to disclose alcohol content by volume and the number of drinks per container.

## I. CHILDREN'S PROTECTION FROM ALCOHOL ADVERTISING

New advertising requirements would be placed on the alcohol beverage industry that:

1) prohibit alcoholic beverages from being advertised or promoted on any audio tape, audio disc, videotape, video arcade game, computer game, or in film (except for industry-trade oriented materials). No outdoor advertising of alcoholic beverages may be located within 1000 feet of any school, playground, or other public facility where individuals under the age of 21 are reasonably expected to convene.

2) restrict alcohol advertising in publications with a youth readership (under 21) of 15% or more than 2 million, whichever is less, to text only advertising in black and white print.

3) restrict alcohol advertising on television during the hours of 7:00 a.m. to 10:00 p.m. to a picture of the product only with a voice-over that may include information about the product and where it may be purchased.

## II. ALCOHOL ADVERTISING ACCOUNTABILITY

The Federal Trade Commission (the agency which regulates unfair and deceptive advertising) would be required to report annually to the Congress on alcohol advertising, its profile, and its effects and to make any recommendations for legislative response to such findings.

The Secretary's report would be developed on the basis of work conducted by a panel of federal agency experts that will convene public hearings in each of the regional offices of the Department of Health and Human Services over a 5 year period beginning on the date of enactment of this Act.

The content of the report would include:

1) an identification of: the media used by alcohol advertising to reach children and the types and themes of alcohol advertising in all media; the total expenditures for alcoholic beverage advertising in each media and in promotions; the extent to which media program audiences are under the age of 21; any graphics, slogans, children's characters, and techniques that appeal to youth; and the extent to which other promotional efforts used to market alcoholic beverages -- such as clothing, sporting events, contests, etc. -- appeal to individuals under the age of 21;

2) a determination of the extent to which young people are exposed to alcohol advertising and promotions of alcoholic beverages;

3) an evaluation of the relationship between alcohol advertising practices and underage drinking, drunk driving, and related public health problems; and

4) an evaluation of alcohol industry sponsored campaigns addressing public service and prevention messages for underage drinking, drunk driving, and other alcohol-related topics.

## III. EDUCATION: ALCOHOL ABUSE PREVENTION ON COLLEGE CAMPUSES

Funds would be made available to colleges and universities, in the form of competitive grants. to develop and implement effective programs for alcohol abuse prevention and education (including treatment referral). A National Recognition Award is also established that would highlight 10 of these exemplary programs.

In addition, new requirements are designed in order for colleges and universities to be eligible for federal funds. Institutions of higher education would be required to:

1) prohibit the distribution of any promotional material that encourages the consumption of alcoholic beverages on campus;

2) prohibit the distribution of free alcoholic beverages for promotional purposes on campus;

3) prohibit the on-campus sponsorship or public support of any on-campus athletic, musical, cultural, or social program, event, or competition by any alcoholic beverage company or by any group of such companies; and,

4) limit alcoholic beverage advertisements in the institution of higher education's newspapers and other publications to price and product information.

## IV. END CORPORATE WELFARE FOR ALCOHOL INDUSTRY

The Internal Revenue Code of 1986 would be amended to eliminate tax deductions for advertising and goodwill expenditures relating to alcohol beverages. This policy could generate nearly $700 million/year in additional tax revenues.

The Agricultural Trade Act of 1978 would be amended to prohibit any federal funds that are appropriated for the Market Access Program (under the USDA) to be used to promote the sale or export of alcohol or alcoholic beverages overseas.

## V. SENSIBLE ADVERTISING AND FAMILY EDUCATION (SAFE)

The bill would require one of six rotating warnings on all alcohol advertisements, including, broadcast (radio and television), print, billboards, and in-store displays. At the end of every warning, a toll-free number would be displayed so that consumers can obtain additional information on alcohol use and abuse.

The six warnings include:

1. Alcohol is a drug and may be addictive.
2. Don't mix alcohol with over-the-counter, prescription, or illicit drugs.
3. Drinking too much alcohol increases your risk of high blood pressure, liver disease, and cancer.
4. Drive sober. If you don't, you could lose your driver's license or even your life.
5. If you are pregnant, don't drink alcohol. Alcohol may cause mental retardation and other birth defects.
6. If you drink too much alcohol too fast, you can die of alcohol poisoning.

## VI. TRUTH IN ALCOHOL BEVERAGE LABELING:

The bill would amend the Federal Food, Drug, and Cosmetic Act to require alcohol beverage labels to disclose the container's alcohol content by volume in a non-promotional manner; disclose the number of drinks per container; require label information to be located in a conspicuous place, in legible type, and offset by borders; and require the label to display a toll-free number so that consumers can obtain additional information on alcohol use and abuse.

The bill would also specify what a "drink" is by defining it as a serving of malt beverage, wine, or distilled spirit which contains 0.6 ounces of alcohol by volume.

**H.R. 1980, the "College Campus Alcohol Abuse Prevention and Education Act."**

Under this bill, funds would be made available to colleges and universities, in the form of competitive grants, to develop and implement effective programs for alcohol abuse prevention and education (including treatment referral). A National Recognition Award is also established that would highlight 10 of these exemplary programs.

In addition, new requirements are designed in order for colleges and universities to be eligible for federal funds. Institutions of higher education would be required to:

1) prohibit the distribution of any promotional material that encourages the consumption of alcoholic beverages on campus;

2) prohibit the distribution of free alcoholic beverages for promotional purposes on campus;

3) prohibit the on-campus sponsorship or public support of any on-campus athletic, musical, cultural, or social program, event, or competition by any alcoholic beverage company or by any group of such companies; and,

4) limit alcoholic beverage advertisements in the institution of higher education's newspapers and other publications to price and product information.

DRAFT

# DEVELOPING A RESPONSIBLE CODE OF PRACTICE FOR ALCOHOL ADVERTISEMENTS ON TV AND RADIO

## Problem:

Alcohol use and abuse among our children is on the rise. Alcohol-related deaths are the number one killer of people under the age of 24. Alcohol kills more than 100,000 people each year, five times as many as the death toll from illicit drugs. There are approximately 18 million alcoholics or problem drinkers in this country, 4 million of whom are minors.

Our nation spends $15 billion a year fighting a war on drugs in this country. Yet each year, alcoholic beverage companies spend over $2 billion to advertise and promote their products, with some of the most expensive, clever, and amusing ads -- many of which have a strong market appeal to youthful audiences.

A June 1997 national public opinion poll found that 66% of adults believe that alcohol advertising on radio and TV influences teen drinking. And 78% were opposed to alcohol advertising that is shown on programs where at least one-fourth of the audience is under 21 years of age.

## Solution:

Convene a meeting between the alcohol industry, broadcasters, Gore/Kennedy/Watts to develop a code of kid-friendly standards for alcohol advertising that the industry and broadcasters will voluntarily support. Guidelines for consideration would include:

1. **Content** -- what images are used to sell the product?
2. **Frequency** -- how often are the ads shown each day?
3. **Timing** -- at what hours should the ads be shown?
4. **Program Placement** -- what television shows are sandwiched in between the ads?
5. **Balanced Messages** -- some deliberation should be given to the issue of balancing advertisements promoting alcohol consumption with public information messages about the risks of alcohol use by minors.

National Assoc Beer Wholesalers

Becky - attached our comments from DPC
cc: Bruce Reed
Tom F

Family Report
GW

Bruce's Comments on Family Report

1. Executive Summary: First bullet. Insert after the first sentence: "In 1969, 38 percent of marred mothers work for pay; in 1996, 68 percent did so."

2. Executive Summary, second bullet: delete word "clearly" -- and add at the end of the sentence ", but has less time for activities other than work."

3. Executive Summary, third bullet: Should be changed to read: "Not everyone has gained from working harder, however. Since 1969, the top quarter of families gained, while the lower quarter lost and the middle has remained nearly constant in per-capita income, adjusted for inflation.

4. Executive summary, fourth bullet: 1st sentence should be changed to: At the same time, the share of families with a single parent has grown dramatically since 1969.

5. Delete 5th bullet.

6. Executive summary, 6th bullet --this bullet is very iffy.

- page 1, 2nd paragraph -- delete last sentence (This should ease some of the time pressures on parents)

- Chart 2 should not be on page 1

- Page 2, second paragraph: delete the following sentence: "The decline in parents' time at home is also mitigated by the decrease in family size."

- Page 2, second paragraph: change the last sentence to "is better off **economically** today than in 1969 by many measures."

- Page 2, third paragraph: add the word "economic" before "progress that families with children . . ."

- Page 2, fourth paragraph: delete the following sentence: "Higher wages also make children more expensive because the time devoted to bearing and rearing children is now more valuable in the labor market"

- Page 4 -- third paragraph -- the statistic about women who worked for pay should be in the executive summary (this is the most dramatic finding in the report)

- Page 11, third paragraph: The first sentence should be changed to "These estimates indicate that while there has been substantial per-capita income growth for high-income families, incomes have been either stable for lower-income **and middle-income** families when 1996 is compared with 1969.

- Page 11, bullet "Since 1969, the top quarter of families gained, while the lower quarter lost and the middle half remained nearly constant in per-captia income terms, after adjusting for inflation." --this should be in the executive summary

- Page 12, part IV --2nd paragraph should be deleted --this doesn't need to be said

- Page 13, Part IV.A--2nd paragraph--delete second paragraph beginning with "While is it impossible to precisely . . ."

- Page 13, Part IV.A-- third paragraph-- sentence should be changed to: Figure 10 ~~illustrates the extreme case of comparing time available in the home regardless of the number of children (as if one child required as much time as two). It~~ shows that from 1969 to 1996, both married couple and single parent families experienced . . .

- Page 13, Part IV.A --fourth paragraph should be changed "The other extreme is to assess changes in total parental time potentially available *per child.* This measure is obviously misleading, because it presumes that a single child who spends two hours a day with her parents gets as much parental attention as two children who spend four hours a day with their parent. While this assumption is clearly false, it gives us a lower band for the impact on children. ~~The per child calculation assumes that two children take twice as much time as one. In other words, it assumes that if one child receives attention from a parent, a sibling cannot receive any parental attention at the same time. While this assumption is clearly false, it gives us a lower limit to the impact on children.~~

- Page 15 --chart 11 --It looks like there is a decrease in child care time in 1985 vs. 1965?

- Page 15, Part IV.B. 1. --1st paragraph "Time-use diary surveys ~~show~~ **suggest** . . .

- Page 15, Part IV.B.1 --1st paragraph: It doesn't look like housework decline is as big as working hours increase. All the chore decrease is among non-working women.

- Page 16, delete from "There are, however, some major caveats. ." to the end of the second bullet which ends with footnote 20. We shouldn't say "Don't worry -- the kids are making up for it by spending more time in day care and watching TV."

- Page 17 --delete the entire elder care section: Let's not go out of our way to minimize this problem.

- Page 18 --make Section A "Improving access to high quality, affordable child care" Section V.C instead

- Page 18-- Make Section B "Increasing the flexibility of paid work" section V.A instead

- Page 19 --last paragraph before "Income support section" --say more about flextime and FMLA proposals

- Page 19 -- change Section "C" to "B" and change the title to "Give all parents, especially low-income parents, more choices"

- Page 19 --last paragraph insert after "still face serious economic hardship." Add the following: "For many low-income parents, working harder and spending less time with their families is not a choice but a necessity."

- Page 20-- after "to assure that persons who work hard on their jobs can take home enough money to support their families;" Add the following: "providing a $500 per child tax credit to help offset the expense of raising children;"

- Page 20 -- Section D --delete last 2 bullets (the domestic violence and family planning one)

- Page 21 --1st full paragraph -- "This also limits the ability of these families to **afford** ~~buy time saving goods and services, including~~ child care."

- Page 21, second to last paragraph -- delete the following: "It may increase their decision-making leverage within the family, which in turn may increase resources spent on children."

- Page 21-- last paragraph, need to say more, i.e., If families and children are going to withstand the stresses of these trends, employers and public policy makers have a responsibility to do everything they can to help people balance work and family. Workplaces and work hours must become more flexible, parents need more supports and more choices, and more children need both parents in their lives.

Alcohol

**Alcohol Use By Youths and Binge Drinking.** We are developing a variety of options for Presidential actions regarding alcohol abuse. The alternatives include:

(1) Endorsing legislation sponsored by Rep. Joe Kennedy establishing voluntary codes for alcohol ads directed towards kids;

(2) Banning alcohol billboards near schools;

(3) A regulatory measure to discourage alcohol advertising on youth-oriented web sites;

(4) Codifying a ban on liquor ads on TV;

(5) A notice of inquiry to FCC to study the effects of alcohol ads on children; and

(6) An educational program we are exploring with the Department of Education using their Safe and Drug Free Schools Program -- Rep. Kennedy also has a bill on this subject.

- The Safe and Drug Free School Program has requested $5 million for a Higher ED Binge Drinking Initiative, which will explore the causes of binge drinking on college campuses nationwide, and provide support to develop, expand, and enhance model programs that prevent binge drinking. As part of this initiative, information about model programs and other effective strategies will be disseminated to institutions of higher education nationwide.

(7) As you know, the Foundation sponsored by the Distillers has approached us regarding participating in these efforts (they already have a policy banning billboards but would publicly support this move).

Alcohol

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FROM: Ripley Forbes
Senior Advisor to the Assistant Secretary for Health

Total Number of Pages (Including Cover): 13

Additional Comments:

DHHS underage drinking initiative

Remarks by

**DAVID SATCHER, M.D., PH.D.**

Assistant Secretary for Health and Surgeon General

Office of Public Health and Science

Keynote Address
Department of Education
12th Annual National Meeting On Alcohol and Other Drugs
and Violence Prevention in Higher Education
"Capitolize Prevention: Visions and Partnership in Action"
Arlington, VA

Friday, October 16, 1998
8:30 a.m.

This text is the basis for the Assistant Secretary for Health and Surgeon General's oral remarks. It should be used with the understanding that some material may be added or omitted during presentation.

**Introductory Remarks**

**Acknowledgments**

- Good morning.
- Thank you Mr. Modseleski, Director, Safe and Drug-Free Schools Program for that introduction.
- My pleasure in being with you

**The Department of Education**

- Let me commend you for hosting this 12th Annual National Meeting on Alcohol and Other Drugs and Violence Prevention in Higher Education.
- Each year our condition grows more extreme and we must continue to work toward solutions to these two menaces in our country, our communities, and our classrooms: drugs and violence.
- Capitolize Prevention: Visions and Partnership in Action. Let's look at our expenditures for healthcare vs what we spend on prevention...

**PHS Bicentennial This Year**

- The Public Health Service's 200th Anniversary

  –started as the Marine Hospital Service

  –has grown to 50,000 employees and 6,000 members of the Commissioned Corps

–two centuries later, the driving principle remains the same: the entire nation benefits by protecting the health of those at greatest risk.

–Alcohol has not been high on our radar screen; much less than tobacco and illicit drugs.

–There have been 50 Surgeon General Reports; 28 on tobacco, but not one on alcohol.

–Causes of death in adolescents: unintentional injuries, specifically motor vehicle crashes; suicide; homicide

1) 50% get drunk at least once a month.

2) 25% of 7th graders get drunk at least once a month.

3) 30% are problem drinkers.

**Our Children–Our Most Cherished Treasure--Are At-Risk**

College is supposed to be an exciting time: a time when life should just be beginning to happen, when new avenues and uncharted pathways should be walked, and when new experiences and opportunities should be explored. Yet, for far too many young people, those opportunities are snubbed out by alcohol, drugs, and violence. Alcohol, drugs, and violence are causing serious problems in our nation for people of all ages.

Although this is a problem for people of all ages, it is particularly striking among our children and youth. The National Institutes of Health reported last year that the earlier a person is exposed to alcohol, the more likely it is to lead to violence, the more likely it is to lead to other forms of drugs, and the more likely they are to have problems with it later in life.

- Alcohol remains the primary drug of abuse in this country.
- Every year, more than 100,000 Americans die as a result of alcohol.
- The misuse of alcohol kills and injures more of our young people and costs our society more than all the illegal drugs put together.

For college students, it's even more frightening–

- More than half drink primarily to get drunk.
- Two out of five are binge drinkers.
- 42% said they had an encounter with binge drinking in the past two weeks.
- 8% of students drink an average of 16 or more drinks per week.
- Each year, students spend $5.5 billion on alcohol, more than they spend on soft drinks, tea, milk, juice, coffee, and books combined.

In short, in many ways, our college students are drinking away their futures, and we must not allow that to happen. We must protect our most cherished treasure.

**Alcohol Is Not Merely a Gateway Drug**

An important point to make is that alcohol is not merely a gateway drug. Some parents breathe a sigh of relief when they find out their teenager is "only" drinking alcohol. They view beer, wine, and liquor as being not as bad as other drugs. While it is tempting to view alcohol as a milder drug that is "not that bad" when compared to illicit drugs, it is important to remember that alcohol is a powerful, mind-altering drug. We cannot make the mistake of minimizing its consequences and dangers, and we cannot view it as merely a "gateway drug." It must be regarded as a priority.

**Alcohol and Violence and the Surgeon General's Priorities**

Just after being sworn in this past February, my staff and I have set out to develop the major areas of emphases during my tenure as Surgeon General and Assistant Secretary for Health. We identified several evolving priorities, some of which I would like to briefly share with you this morning, because they have a direct relationship to this problem:

**Every child should be given the opportunity for a healthy start in life.**

Getting a healthy start in life means several things, relates to healthy parents, healthy babies, and healthy environments. It means healthy pregnancies and access to prenatal care. It means addressing teen pregnancy so that babies are born to parents who are ready to be parents. It means a safe and nurturing environment for babies. We know that the earlier a person starts drinking, the more likely they are to have trouble with alcohol, and perhaps other drugs, later in life. And we know that the misuse of alcohol often leads to violence, fetal alcohol syndrome, low-birthweight babies, and poor nutrition.

Further, children of alcoholics are especially vulnerable and have three times the risk for alcohol dependence and more than twice the risk for alcohol abuse.

- In the United States, 6.6 million children under the age of 18 live in households with at least one alcoholic parent. As early as preschool, these children have more knowledge about alcohol than their peers and they already associate positive feelings with it. The earlier a person starts drinking, the greater that individual's chance and developing a clinically defined alcohol disorder.

Adolescent drinking often begins between 11 and 13 in the United States.

- We know that teens who use alcohol are more likely to have sex earlier, to have sex more often, and to have unprotected sex. These risky behaviors can lead to HIV infection or infection of other sexually transmitted diseases.
- Young people who drink are more likely than others to be the victims of violent crime, including rape, aggravated assault, and robbery.
- Teens who drink are more likely to have serious school-related problems.

The message is clear that the longer children and teenagers delay alcohol use, the less likely they are to develop problems with it. That is why it is so important to help children avoid *any* alcohol use.

**Promoting healthy lifestyles.**

When we talk about promoting healthy lifestyles, we are mainly talking about four areas: nutrition, avoiding toxins, responsible sexual behavior, physical activity. We are committed to the promotion of healthy lifestyles. In terms of alcohol, that means we must change our lax attitudes toward alcohol. It is the most socially accepted substance in our society and also is one of the most abused. Yet, this means we cannot treat alcohol casually; instead, we must teach our youth to avoid alcohol altogether and encourage them to delay drinking for as long as possible. It means discouraging today's high school and college students from the habits of binge and heavy drinking. It also means educating youths so that they realize that the healthy choices they make can result in a great benefit in their lives and health overall.

Alcohol abuse results in cirrhosis, fetal alcohol syndrome, cancer, trauma, preventable injuries and personal violence, immune defects, early menopause, and so on. Together they result in a huge fiscal burden including early mortality, lost productivity, car crashes and crime, resulting in $148 billion each year.

**Improving mental health in the nation.**

No priority yet has generated as much interest and enthusiasm as this one on mental health. We must remove the blame and stigmatization that surrounds mental health in this nation. Alcohol depresses the nervous system. It is attractive to young people because it relaxes them and makes them feel more confident around others. We know that alcohol is a mood-altering drug that affects the mind and body in unpredictable ways. Young people lack the judgment and coping skills to handle alcohol wisely.

- Alcohol use is also linked with teen deaths by suicide and homicide, not to mention drowning and fires and injuries.

  –This week marks the beginning of the first national conference on suicide prevention. It is being hosted by HHS, particularly the Substance Abuse and Mental Health Services Administration (SAMSHA) and the Health Resources and Services Administration (HRSA). It is the first time health professionals, suicide survivors, and policy makers have been brought under one roof, in an effort to shape a different future for this country as it relates to suicide and mental health. We hope to gain out of that a Surgeon General's Conference Report on Suicide Prevention. The role of alcohol in suicide and homicide is central. And in the next year or so, we anticipate a Surgeon General's Report on mental health.

**What Can We Do?**

*"Life is full of golden opportunities carefully disguised as irresolvable problems."* –John Gardner

The news is not all bad; there is hope. To combat the ravages of alcohol on our society, we must educate, motivate, and mobilize people and communities about the consequences of irresponsible drinking and drug use. We have to develop partnerships of all types – private, public and public-private – to combat this problem from every level.

Clearly our nation is not doing enough to curtail this serious public health problem. I offer this prescription.

- Help parents by strictly enforcing minimum age of sale laws.
- Reduce alcohol advertising and marketing campaigns that appeal to underage youth.
- End the promotion of college athletics by alcoholic beverage companies.
- Set personal examples for our children about appropriate drinking behavior. Be a role model.
- Understand that anyone can develop a serious alcohol problem,

including a teenager.

- Talk with our children about alcohol. Research shows that when parents talk with teens about drinking and clearly express that they don't want their children to drink, those teens are less likely to use alcohol.
- Continue our research efforts. Through research we will learn how best to prevent and treat alcohol problems among our youth.

Finally, and perhaps most importantly, recognize the importance that communities can play in providing children positive after-school activities that keep children on the right track and reduce the risk of alcohol and other drug use.

**Where Is Our Community?**

This reality can really best be illustrated by telling you about a conversation I had with some teenagers during the Eighth International Conference on AIDS in Africa, which was held in Morocco some years ago. After I had questioned them about seemingly high risk behavior of teenagers throughout the world, I asked them for an explanation. They responded with a question: "Dr Satcher, If it takes a community or village to raise a child, where in the 1990s is our community?" And today, as we approach the next millennium, it is still appropriate to ask: "Where is the community?"

**Conclusion**

Drugs, alcohol, violence, and sex are pervasive problems in the United States, and they are even more problematic in younger populations. We must put every effort to work to put preventive measures in place to curb their ill-effects.

We have to begin regarding alcohol as the serious, destructive problem that it is and not as the lesser of many evils if we are to curtail underage drinking. It will take the combined efforts of all of us -- educators, policy makers, administrators, and all others -- to make this work. The government cannot do it alone. The Surgeon General cannot do it alone. I look forward to working with you. Thank you.

JOSEPH P. KENNEDY II
8TH DISTRICT, MASSACHUSETTS

COMMITTEE ON BANKING AND
FINANCIAL SERVICES
SUBCOMMITTEES
HOUSING AND COMMUNITY OPPORTUNITY
RANKING MINORITY MEMBER
DOMESTIC AND INTERNATIONAL
MONETARY POLICY

COMMITTEE ON VETERANS AFFAIRS
SUBCOMMITTEES
HOSPITALS AND HEALTH CARE
COMPENSATION, PENSION, INSURANCE
AND MEMORIAL AFFAIRS

Alcohol

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## House of Representatives

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**Statement of Congressman Joseph P. Kennedy II**
**on the Introduction of the**
**"Voluntary Alcohol Advertising Standards for Children Act"**
**April 10, 1997**

This Bud's for you... It's Miller Time... Tap into the Rockies... I love you Man... these phrases have become familiar sounds in the living rooms of homes across the country. Soon, you will also be able to recall slogans for Seagram's Crown Royal whiskey and Hiram Walker's Kahlua liqueur, and a host of other spirits. In too many cases, it is children that are influenced by such ads -- remembering and reciting these jingles, leading many to their first drink of alcohol in hopes of imitating the athletic, academic, or social success be being sold to them over the airwaves.

The Wall Street Journal and Ad Age recently reported on the prevalence of alcohol advertising on television stations and during programming that have large youth audiences. For example, beer ads were shown to run frequently on MTV, a rock music station that is popular with kids. So the message to kids is to sit down with a brew to watch Beavis and Butt-Head?

Alcohol use and abuse among our children is on the rise. Alcohol-related deaths are the number one killer of people under the age of twenty-four -- killing more than 100,000 people each year, five times as many as the death toll from illicit drugs. There are approximately 18 million alcoholics or problem drinkers in our country, 4 million of whom are minors.

We spend $15 billion a year fighting the war on drugs in this country. Yet alcohol, America's number one drug, is promoted by billions of dollars in slick ad campaigns that tell kids if they want to be the first down the mountain, or get a good-looking date, or win the bicycle race, all they need to do is drink a beer, a wine cooler, or a shot of whiskey.

For nearly fifty years the Distilled Spirits Council of the United States (DISCUS) had the right idea. As model corporate citizens, they voluntarily agreed not advertise their product on television.

However, by ending their voluntary industry ban last November, they made a decision to lower the bar at a time when it needs to be raised.

The hard liquor industry had a legitimate argument that they were at a competitive disadvantage under their old code because the beer and wine industries advertise aggressively. But they took the wrong direction in an effort to even the playing field. We want fewer alcohol advertisements on television, not more.

I have in the past, and will again, introduce legislation which places specific restrictions on all alcohol advertising (beer, wine, and distilled spirits) -- particularly where alcohol products are being marketed to young audiences. These bills, the Just Say No Act and the Comprehensive Alcohol Abuse Prevention Act, prescribe specific restrictions with which I feel the alcoholic beverage industry should comply.

However, today we are embarking on a new, voluntary approach to solving this problem -- not to be confused, though, as abandoning old strategies. We are convinced that television broadcasters, under their public interest obligations, should be expected to add their voices to this important debate by developing a voluntary code of conduct for alcohol advertising that will limit the exposure of such ads to children.

Some broadcasters have taken the first step. When the hard liquor industry abandoned its voluntary pledge not to advertise on television, all of the major network stations publicly stated that they would not accept their ads. Yet viewing audiences have been baptized with hard liquor ads around the country because network affiliates have agreed to air them. More can and should be done about <u>all</u> televised alcohol advertising that targets young audiences.

The legislation that I will introduce with my colleagues today, the "Voluntary Alcohol Advertising Standards for Children Act," is a tool that will bring to bear a new benchmark for responsible advertising of beer, wine, and distilled spirits. Under this legislation, an anti-trust exemption is established so that television broadcasters can come together to devise the new code of "kid-friendly" standards.

While the legislation does not prescribe or mandate what the final code should look like, it does lay out five general guidelines for consideration:

1. Content -- Alcoholic beverage companies often market their products by using sex, fantasy, sports figures, cartoons, and fast music. Advertisements using such content clearly have a strong market appeal to youthful audiences.

2. Frequency -- Families should be able to turn on their televisions without being overwhelmed with alcohol advertising campaigns. Alcohol ads should not be airing in homes at a rate that surpasses advertisements of other products.

3. Timing -- Children are less likely to be watching TV late at night. Alcohol advertisements should not be airing during prime time viewing hours or hours when children are likely to be a significant portion of the overall viewing audience.

4. Program Placement -- What television shows are sandwiched in between alcohol advertisements? "The X-Files" ? Early Saturday sporting events? Alcohol ads should not be aired immediately preceding, during, or directly following television programming that has a significant youth audience.

5. Balanced Messages -- Some deliberation should be given to the issue of balancing advertisements promoting alcohol consumption with public information messages about the risks of alcohol use by minors.

This bill would give the broadcasters one year to develop their code. The Federal Communications Commission (FCC) is required to approve the code before it is implemented, seeking public comment. If after one year, the broadcasters fail to develop their own standards, the FCC is given the authority to impose their own code, using the same five guidelines.

Any FCC-imposed code must be developed in a partnership with an advisory committee composed of parents, broadcasters, public interest groups, and other interested individuals from the private sector. The final, approved code would be enforced as a regulation by the FCC, punishable by monetary penalties.

This is largely a "hands-off" governmental approach. Regulators do not get involved in the creation of this code unless broadcasters abandon their responsibility to do so.

Alcohol is not a legal product for consumption by minors and therefore should not be advertised in a manner, place, or time where children are likely to be influenced. This legislation gives concerned parents and the public a voice in protecting their children from these negative influences. And this bill gives broadcasters the latitude to voluntarily develop alcohol advertising standards which they believe will protect children under their public interest obligations. All would be served well by passage of this legislation.

###

105TH CONGRESS
1ST SESSION

# H. R. 1292

IN THE HOUSE OF REPRESENTATIVES

Mr. KENNEDY of Massachusetts introduced the following bill; which was referred to the Committee on ______________

# A BILL

To amend the Communications Act of 1934 to authorize the establishment of a voluntary broadcasting code for alcohol advertising, and for other purposes.

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

**SECTION 1. SHORT TITLE.**

This Act may be cited as the "Voluntary Alcohol Advertising Standards for Children Act".

**SEC. 2. FINDINGS.**

The Congress finds the following:

(1) Television advertising influences children's perception of the values and behavior that are common and acceptable in society.

(2) Television station operators and cable television system operators should follow practices in connection with the advertising of alcoholic beverages that take into consideration that television broadcast and cable advertising have established a uniquely pervasive presence in the lives of American children.

(3) The average American child is exposed to 25 hours of television each week and some children are exposed to as much as 11 hours of television a day.

(4) In 1995, alcohol producers, led by brewers, spent $682,600,000 advertising their products in the broadcast media. Much of that advertising appeared on sports programming, in prime time, or at other times when substantial numbers of underage persons were in the viewing and listening audience. Many of the themes used in the ads—humor, parties, athletic pursuits—have great appeal for young people. The most popular beer ads use animated characters, animals, or music which also amuse and attract children and teens.

(5) The current advertising codes of brewers and distillers, even when observed by industry members, provide inadequate standards to restrain most of the current advertising messages that reach young people and teach them to drink. These codes are unenforceable, do not apply to all alcohol companies, and institutionalize, rather than restrict, advertising practices that subject young people to massive, continuous, and persuasive inducements to drink. Although individual broadcast networks and independent stations have adopted standards governing the acceptance of advertising for alcoholic beverages, those standards lack uniformity, do not apply to all broadcasters, nor do they help shield large audiences of underage persons from alcohol promotions.

(6) Alcohol producers claim to have no interest in attracting underage persons, for whom the purchase and use of their products are illegal. The development of voluntary broadcast industry alcohol advertising standards to protect children would avoid broader government restrictions on alcohol advertising and permit alcohol producers to continue to legitimately promote their products to adult consumers. Therefore, enforceable voluntary broadcast

standards provide a minimally restrictive, necessary condition on alcohol producer marketing activities, one that is consistent with their business missions and social responsibility.

## SEC. 3. ESTABLISHMENT AND IMPLEMENTATION OF TELEVISION ADVERTISING CODES.

Part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end the following new section:

**"SEC. 337. ESTABLISHMENT AND IMPLEMENTATION OF TELEVISION ADVERTISING CODES.**

"(a) AUTHORITY TO PRESCRIBE STANDARDS.—Except as otherwise provided by this section, the Commission shall prescribe, on the basis of recommendations from an advisory committee established by the Commission, a code of conduct that limits the exposure and appeal to minors of alcoholic beverage advertisements in video programming, taking into consideration the content, frequency, timing, and program placement of such ads, as well as the role of public information messages about the risks of alcohol use by minors.

"(b) ADVISORY COMMITTEE REQUIREMENTS.—In establishing an advisory committee for purposes of subsection (a) of this section, the Commission shall—

"(1) ensure that such committee is composed of parents, television broadcasters, cable operators, appropriate public interest groups, and other interested individuals from the private sector and is fairly balanced in terms of political affiliation, the points of view represented, and the functions to be performed by the committee;

"(2) provide to the committee such staff and resources as may be necessary to permit it to perform its functions efficiently and promptly; and

"(3) require the committee to submit a final report of its recommendations within one year after the date of the appointment of the initial members.

"(c) ANTITRUST EXEMPTION.—

"(1) EXEMPTION.—The antitrust laws shall not apply to any joint discussion, consideration, review, action, or agreement by or among persons in the television industry for the purpose of, and limited to, developing and disseminating a voluntary code designed to limit the exposure and appeal to minors of alcoholic beverage advertisements in video programming.

"(2) LIMITATIONS.—The exemption provided in paragraph (1)—

"(A) shall not apply to any joint discussion, consideration, review, action, or agreement which results in a boycott of any person; and

"(B) shall apply only to any joint discussion, consideration, review, action, or agreement engaged in only during the 1-year period beginning on the date of the enactment of this section.

"(d) ENFORCEMENT OF CODES BY FORFEITURE PENALTIES.—For the purposes of sections 503 and 504 of this Act, any advertising code established pursuant to subsection (a) or (c) of this section shall be considered to be a regulation prescribed by the Commission pursuant to this Act.

"(e) APPLICABILITY OF REQUIREMENT FOR COMMISSION TO PRESCRIBE CODE.—The requirement of subsection (a) shall take effect 1 year after the date of enactment of this section, but only if the Commission determines, in consultation with appropriate public interest groups and interested individuals from the private sector, that—

"(1) persons in the television industry have not, by such date, established and implemented a voluntary code of conduct that limits the exposure and appeal to minors of alcoholic beverage advertisements in video programming, taking into consideration the content, frequency, timing, and program placement of such ads, as well as the role of public information messages about the risks of alcohol used by minors; and

"(2) such code is acceptable to the Commission.

"(f) ANNUAL REPORT.—The Commission shall include in each annual report pursuant to section 4(k) of this Act submitted after the date of enactment of this section an assessment of the extent to which a code established under subsection (a) or (c) of this section has been successfully implemented, and is rigorously complied with, by distributors of video programming.

"(g) DEFINITIONS.—For purposes of this section:

"(1) The term 'antitrust laws' has the meaning given it in subsection (a) of the first section of the Clayton Act (15 U.S.C. 12(a)), except that such term includes section 5 of the Federal Trade Commission Act (15 U.S.C. 45) to the extent that such section 5 applies to unfair methods of competition.

"(2) The term 'person in the television industry' means a television network, any entity which produces programming (including theatrical motion pictures) for telecasting or telecasts programming, the National Cable Television Association, the Association of Independent Television Stations, Incorporated, the National Association of Broadcasters, the Motion Picture Association of America, the Community Antenna Television Association, and each of the networks' affiliate organizations, and shall include any individual acting on behalf of such person.

"(3) The term 'video programming' has the meaning provided in section 602 of this Act.".