

COMMENT ON THE CLASSIFICATION, DEFINITION, MARKETING, SALE, AND TAXATION OF FLAVORED MALT BEVERAGES AND ALCOHOL ENERGY DRINKS

The Office of Alcohol and Drug Abuse Programs (ADAP) of the Vermont Department of Health strongly supports the reclassification of flavored malt beverages and alcohol energy drinks from “malt beverages” to spirits for the purpose of marketing, sales, and taxation.

Previous research from the Marin Institute in support of a similar and successfully implemented proposal in California determined that reclassification would decrease overall consumption of these beverages by 35% and subsequently reduces underage consumption and associated harms. These harms include alcohol-related traffic accidents (injuries and fatalities), other alcohol-related injuries, and high-risk and unwanted sex among others. The California analysis also determined that underage drinkers consume 5.5 times more flavored malt beverages (also called “alcopops”) per year than adult drinkers and that 47% of all alcopops are consumed by underage drinkers¹. Due in part to these data, the California Board of Equalization recently reclassified alcopops as spirits. The other part of the equation is that although they are called “flavored malt beverages” by the industry, most, if not all, of the alcohol content in these beverages are derived from distilled spirits and not from brewing. Therefore, it seems appropriate to consider these beverages as spirits.

These beverages appear to be marketed primarily to adolescents and young adults. Survey data suggest that adolescents as young as 13 prefer the taste of alcopops to beer by almost a 2 to 1 margin even though the alcohol content is similar. Furthermore, 78% of 8th graders who are drinkers consume alcopops compared to 36% of drinkers who are 25-30 years of age².

The American Medical Association has expressed a concern that “hard-liquor brands are using these sweet-flavored malt beverages as ‘gateway’ beverages to attract less-experienced drinkers.” (AMA, 2004)². The AMA report also presents survey data showing teen girls are particularly attracted to alcopops compared to teen boys. While the alcohol industry asserts that they are marketing to legal-age drinkers, surveys indicate that underage girls see and remember significantly more ads for alcopops than adult women. Indeed, industry spokesman have been clear about the niche alcopops appeal to:

- “The beauty of this category is that it brings in new drinkers, people who really don’t like the taste of beer” (Marlene Coulis, Director of New Products, Anheuser-Busch, quoted in *Advertising Age*, April 22, 2002).



- “With younger drinkers, their palates haven’t quite matured yet to drinks like bourbon. Malternatives [alcopops] are a sweeter drink, they’re easier to drink and it takes less time to mature the taste.” (Trish Rohrer, Brand-Development Manager, Boston Beer Company, quoted in *Restaurants USA*, May, 2002).

There are international and domestic precedents for reclassifying alcopops as spirits for the purpose of marketing, sales, taxation, and prevention. Germany, Austria, France, Great Britain, Ireland, Australia, and Switzerland have already dramatically increased taxes on alcopops in order to directly reduce their appeal to adolescents.^{4,5} In Germany the reduction in sales after tax increases of two alcopop beverages resulted in their being pulled from the market by the distiller. Furthermore, data from countries where alcopop taxes resulted in a significant decline in consumption showed that there was not a parallel increase in other forms of alcohol.³ In the United States, Maine, Utah, and, as we have already noted, California recently reclassified alcopops as spirits. If the administrative action in California successfully withstands industry court challenges, a portion of the income generated by increased taxes on these products will be used to fund prevention and enforcement efforts in the state. Several other states are currently considering administrative and/or legislative action to reclassify alcopops as distilled spirits.

ADAP also strongly supports the reclassification of alcohol energy drinks. These beverages are specifically marketed to young people and have become the target of several state attorneys-general investigations as well as a lawsuit filed by the Center for Science in the Public Interest. These drinks contain more alcohol than standard beer as well as several ingredients that may not have been approved by the relevant federal authority. In February of this year, Anheuser-Busch voluntarily stopped production, distribution, and sale of two alcohol energy products as a result of the threatened lawsuit and state investigations.⁶ A recent study showed that college students who consumed alcohol energy drinks were more likely to binge drink, get drunk more often, drink more per occasion, and suffer significantly more alcohol-related negative consequences than students who did not drink these beverages.⁷ Those who consumed alcohol energy drinks were twice as likely to ride with an intoxicated driver, get hurt or injured, require medical treatment, and take advantage of another sexually than drinkers of alcohol alone⁷. Also, caffeine may mask the intoxicating effects of alcohol leading to a belief that an individual is less drunk than they really are. This can lead to increased consumption and, in turn, increased risky behavior and adverse health consequences.⁸ Mixing alcohol with stimulants in a pre-packaged delivery system combined with opportunistic marketing to a vulnerable group appears to be a dangerous idea. We note also the similarity in appearance of the alcohol energy drinks with regular energy drinks which has resulted in confusion among retailers, consumers, and parents⁹. For example, following a presentation on energy drinks at a middle school in California, teachers checked during lunch time and found 12 of 43 energy drinks being consumed by students contained alcohol¹⁰.



In Vermont, since spirits are distributed and sold exclusively through State controlled liquor stores, reclassification would significantly restrict the number of outlets that could sell alcopops and alcohol energy drinks. Reduction of access and increases in the taxation rate is likely to have a major impact on attenuating consumption of these beverages in general, but more importantly, will diminish consumption among underage individuals. Any reduction in underage consumption of alcohol will have a net positive impact on the health and welfare of Vermonters.

¹ www.marininstitute.org/alcopops

² http://alcoholpolicymd.com/press_room/Press_releases/girlie_drinks_release.htm

³ http://www.ias.org.uk/resources/publications/theglobe/globe200802/gl200802_p25.html

⁴ http://www.ias.org.uk/resources/publications/theglobe/globe200802/gl200802_p25.html

⁵ <http://www.dw-world.de/dw/article/0,2144,1291395,00.html>

⁶ <http://www.cspinet.org/new/200809082.html>

⁷ <http://cspinet.org/new/pdf/obrien.pdf>; OBrien et al. (2008) Caffeinated cocktails: Energy drink consumption, high-risk drinking, and alcohol-related consequences among college students. *Academic Emergency Medicine*, 15, 453-460

⁸ <http://www.jointogether.org/news/yourturn/announcements/2007/alcohol-energy-drinks-and.html>

⁹ <http://www.jointogether.org/news/headlines/inthenews/2007/confused-retailers-sell.html>

¹⁰ http://www.venturacountylimits.org/pdfs/alcohol_energy_drinks_dec07.pdf

