

**Written Testimony
for
Little Hoover Commission**

Thursday, September 26, 2002

Wine Industry Contributions to Alcohol Prevention and Treatment

Alcohol Use Education and Abuse Prevention

A 1999 comparative analysis of alcohol education programs sponsored by the licensed beverage industry showed: 1) trade associations and social aspects organizations have increased their level of activity regarding alcohol education programs; 2) independent evaluation of these programs is being taken more seriously; 3) drinking/driving and youth issues continue to dominate program activities; 4) the message of moderation in wine, beer, and spirits consumption is still a prevalent one, but that individual responsibility is gaining currency for a number of social aspects organizations; and 5) the gap between industry-funded bodies and public health funding agents is not as great as it once was. The development of partnerships between social aspects organizations and public sector bodies illustrate the licensed beverage industry's increased commitment to prevent misuse of the adult beverages.

Reference: Houghton E. Comparative analysis of alcohol education programs sponsored by the beverage alcohol industry. *Journal of Alcohol and Drug Education (JADE)*, 1999; 43(3):15-33.

The following examples will demonstrate the California wine industries support for a number of alcohol use education and abuse prevention initiatives.

Wine Industry's Contributions to Moderate Alcohol Use Education and Abuse Prevention

As the leading public policy association for over 600 California wineries and affiliated businesses, the Wine Institute's membership represents more than 90 percent of all California wine shipped to markets here and abroad.

Wine Institute Initiatives

Wine Institute recognizes the complex public health problem of alcohol abuse and emphasizes the importance of responsible consumption behavior in its policy, educational and science – related statements. Through a wide variety of initiatives the organization has sought to communicate the theme of responsible consumption, condemning socially irresponsible

depictions of attitudes toward or behaviors involving alcohol. The distinction is always made between use and abuse.

Dietary Guidelines for Americans

Since 1995, the wine industry has shown strong support of the Dietary Guidelines for Americans, federal nutrition policy developed and advocated by the U.S. Departments of Agriculture and Health and Human Services. The Wine Institute has emphasized the alcohol guideline's primary "Advice for Today" in nearly every policy and educational statement released. This document carefully outlines the health effects of consumption for those adults who choose to drink, and it provides detailed information about the risks of abuse and individuals who should not drink.

With the release of the revised Dietary Guidelines for Americans 2000, Wine Institute provided an initial \$150,000 unrestricted gift grant to the National Stroke Association (NSA) to distribute copies of the updated federal nutrition policy to 50,000 U.S. physicians. In addition, the Institute provided additional support for conferences on alcohol, diet and lifestyle issues.

Code of Advertising Standards

The wine industry has a long history of observing principles of responsible advertising practice, including the voluntary development and adoption of a strict Code of Advertising Standards in 1949 and updated periodically as recently as December, 2000. This Code has been lauded by many government officials and public health groups. **(See accompanying copy of the Code of Advertising Standards.)**

Unrestricted Educational Gift Grants

Over the past two decades, Wine Institute has supported a variety of educational programs addressing social concerns related to alcohol. Under the auspices of the Licensed Beverage Information Council (LBIC) – a coalition formed solely to provide information on the prevention of alcohol abuse – Wine Institute has worked closely over the years with beer, spirits and other allied industry groups to implement educational and prevention programs on a number of important social issues. Such issues include underage drinking, drunk driving, identifying and treating alcoholism, and drinking and pregnancy. These programs have been the result of cooperation between the LBIC and organizations such as the American Medical Association, the American Council on Alcoholism, the Harvard Alcohol & Drug Research Center, the U.S. Department of Transportation, the National Organization for Fetal Alcohol Syndrome, and the U.S. Department of Health and Human Services.

(Reference: Wine Institute's Education Efforts: Summary on Social Responsibility Initiatives, 2001.) **(See attachment.)**

Wine Institute continues to sponsor a number of national organizations through unrestricted educational gift grants that provide support for ongoing outreach activities. Some recent examples of such initiatives include:

Research Society on Alcoholism – Support provides a forum for communication among researchers who work in the fields of prevention and treatment of alcoholism.

American Council on Science and Health – A consumer education consortium concerned with issues related to nutrition, lifestyle and health. Board members include physicians, scientists, and policy advisors.

National Organization on Fetal Alcohol Syndrome (NOFAS) – Organization committed to raising public awareness of Fetal Alcohol Syndrome (FAS) and to developing innovative programs in prevention, intervention, and advocacy in communities.

National Commission Against Drunk Driving – Support efforts to reduce impaired driving and its consequences by uniting a broad-based coalition of public and private sector organizations on this issue.

TIPS Program – The TIPS (Training for Intervention Procedures) program educates servers, sellers, and consumers of alcohol regarding drinking limits, drunk driving and underage drinking. Our Wine Tasting Room Guidelines provides among many other helpful advice, suggested policies for wine tastings which are in accordance with the Department of Motor Vehicles policy. **(See attached brochure.)**

Partnership for Safe Driving – Educates consumers on consequences of dangerous driving and encourages strong law enforcement and appropriate court penalties.

American Council on Alcoholism – Provides a national network of resources on prevention, treatment, research, education and rehabilitation of alcoholism.

Regional Associations and Individual Winery Efforts

The top 10 wine benefit auctions in the United States last year raised a total of nearly \$21 million for various charities, according to a trade publication (Wine Spectator).

The Napa Valley Wine Auction, celebrating its 22nd year in June 2002, raised \$6.12 million to benefit more than 25 local Napa County charities. Last year, a full 95 percent of the \$7.6 million amount raised at the Auction went directly to local Napa charitable organizations. In addition to being the largest auction, Napa Valley also hosted the third highest grossing auction last year, The V Foundation Wine Celebration, which in its third year raised \$2.2 million for cancer research.

Another wine auction held to support a school in Napa Valley raised \$200,000 this year. In this period where institutions are not receiving adequate funds from the state for programs they are turning to wine auctions as a means to raise money.

The Sonoma County Wineries Association's 22nd Annual Sonoma County Showcase Auction raised \$387,000 a portion of which went to support programs at the Medical Alliance and the Sonoma County Farm Worker Health Care Program.

The 10th Annual Sonoma Valley Harvest Wine Auction raised \$586,390 this year and more than \$3 million since its beginning in 1993. Aside from assisting poor children by purchasing health care policies, the auction also benefited Vineyard Workers Service, the Sonoma Valley Hospital Foundation and the Sonoma Valley Education Foundation.

The Wine Auction presented by the Santa Barbara Vintners' Foundation, the philanthropic arm of the Santa Barbara County Vintners' Association, is an annual event where the proceeds benefit Direct Relief International, a Santa Barbara-based organization that provides medical assistance to victims of poverty, natural disasters, and civil unrest worldwide.

Yet another example of the support provided to health programs was the Culinary Evening with the California Winemasters to Benefit Cystic Fibrosis. Now in its 12th year, the event raised over \$1 million compared to \$840,000 last year. Of this amount, 91 percent goes directly to fund research, care and education programs on cystic fibrosis.

Among the efforts of individual wineries, many sponsor and make direct donations to support medical research, prevention, and treatment programs in their local communities. Others provide professional time and leadership to local agencies working in the areas of alcohol education, underage drinking, and alcohol abuse prevention. One such example is the Sonoma County Wineries Association who provide staff that sit on the Santa Rosa Policy Panel on Youth Access to Alcohol.

(Reference: Various press releases)

A number of wineries and their founders have set up foundations, such as the Chalone Wine Group LTD, that award financial grants to wine and food related and other non-profit organizations in the communities where the companies conduct business. Examples of recent awards include local schools and the Soledad Chamber of Commerce.

As one of the leading centers on basic neuroscience and the effects of alcohol on the brain, the Ernest Gallo Clinic and Research Center, a part of the Neurology Department of the University of California (UCSF), is fully equipped for research in genetic and cellular, molecular, and behavioral neuroscience.

Wine Institute's Position on Alcohol Taxes/Fees

AB 2744 (Thomson) would have more than doubled existing state excise taxes on wine, beer, and spirits. SB 928 (Romero) would have imposed a nickel-a-drink fee on spirits and beer specifically for emergency health care. Both measures died when the 2001-2002 Session ended on August 31st.

There are numerous reasons while these and other efforts to either increase existing excise taxes or impose new fees are bad public policy:

The industry already pays an extra, hefty share. State excise taxes on wine, beer, and spirits alone have generated nearly **\$3 billion** in General Fund revenue over the last decade. California's wineries annually generate an additional **\$1 billion** in state and local taxes.

There is no causal relationship Licensed beverages consumed in moderation do not cause social costs. The few people who abuse them do.

They are misguided blame. Many scientifically validated studies point towards moderate alcohol consumption as a component of a healthy lifestyle for many adults.

Such tax/fee approaches are wrongly levied on every consumer. These are imposed on all wine, beer, and spirits consumers when the abuse is caused by only a small percentage of the population. In contrast, SB 807 (Dunn), which is on the Governor's desk, would require any person convicted of a DUI or reckless driving violation to pay an additional \$200 assessment. The estimated annual revenue of \$50 million would be earmarked 75% for emergency services and 25% for trauma care centers. The offenders should pay, not the general public.

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(Testimony and attachments submitted on 9/11/02)