



The American Beverage Institute

STATEMENT OF

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BEFORE THE

**INTERAGENCY COORDINATING COMMITTEE ON THE
PREVENTION OF UNDERAGE DRINKING**

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**HUBERT H. HUMPHREY BUILDING
DEPARTMENT OF HEALTH AND HUMAN SERVICES**

Drink Responsibly.
Drive **Responsibly.**

Good afternoon. My name is Kristen Eastlick and I represent the American Beverage Institute (ABI). I am honored to be here today to testify.

The American Beverage Institute is a coalition of restaurants and on-premise retailers committed to the responsible service of adult beverages. Representing America's leading family restaurants, ABI has become the voice of the hospitality industry on adult beverages issues.

Underage drinking is a serious problem, but has realized tremendous declines over the last two decades as a result of increased efforts by the hospitality industry, the federal government, and others. According to a 2003 Monitoring the Future study, drinking among high school seniors was 32% lower in 2003 than in 1982.¹

The hospitality industry has always been a key part of the solution to underage drinking. We are committed to responsible beverage service and have collectively spent hundreds of millions of dollars to educate the public and train our employees on the responsible use of adult beverages. We are much more than commentators—we have been on the front lines in stopping product abuse and underage purchases.

Our efforts continue to bear fruit. Surveys consistently report that restaurants are one of the least likely places for underage people to even *try* to buy adult beverages. For instance, a recent survey by the Century Council found that “65% of underage youth who

¹ Johnston, L.D., O'Malley, P.M., & Bachman, J.G. (2003, December 19). National press release, "[Ecstasy use falls for second year in a row, overall teen drug use drops.](#)" University of Michigan News and Information Services, Ann Arbor.

drink obtain alcohol from family and friends. Equally important, only 7% of youth report that they obtained alcohol from retailers who failed to check for identification.”²

And as a vested partner in the prevention of underage drinking, the hospitality industry takes issue with some of the recommendations of the National Academy of Sciences (NAS) panel. The NAS was given the responsibility to “provide a cost-effective strategy to prevent and reduce underage drinking,”³ based upon the findings of existing research. Too often, though, it made anti-consumer recommendations despite its own acknowledgement that it lacked the necessary research to do so.

Let me give you two examples.

First, although “the committee did not find any studies addressing the effects of [roadblocks] on drinking or drinking and driving among adolescents,”⁴ the panelists recommended that “states and localities should routinely implement sobriety checkpoints.”⁵ It should be noted that there is no way to target roadblocks to underage drinkers, but that they do function as an effective mechanism to scare the general population out of drinking.

²The Century Council. “65% of Underage Youth Who Drink Get Alcohol From Family and Friends,” http://www.centurycouncil.org/underage/65_percent.html.

³ Bonnie, Richard and Mary Ellen O’Connell, (Eds.). *Reducing Underage Drinking: a collective responsibility*. Washington, DC: National Academy Press, 2003, p. 283.

⁴*Ibid*, p. 182.

⁵*Ibid*.

On excise taxes, the panel again acted without evidence. The panel argued that “there are reasons to believe that underage drinking is more responsive to price changes than adult drinking,” but admitted that “there are no studies that provide evidence” for that position.⁶

In fact, there is strong evidence that underage drinkers are *less* price sensitive than adults. Henry Wechsler, a leading underage drinking researcher, conducted a study to determine the price sensitivity of college students, and found:

[M]ale college students are virtually unresponsive to price ... [and] substantial increases in taxes would be necessary to achieve relatively modest reductions in binge drinking by female students. For example, a doubling of the Federal beer tax to 64 cents per six-pack would lead to less than a 2% reduction in binge drinking participation rates among female students ...⁷

Citing this study, the National Institute of Alcohol Abuse and Alcoholism (NIAAA) concluded in its “10th Special Report to the U.S. Congress on Alcohol and Health” that “The results suggested that alcohol prices were a less salient determinant of the drinking behavior of college students than they were in other population groups.”⁸ The NAS was clearly aware of Wechsler’s study and the NIAAA’s conclusions, since they referenced other aspects of the NIAAA report in their document.

⁶ *Ibid*, p. 243.

⁷ Chaloupka, Frank J; Wechsler, Henry. “Binge drinking in college: The impact of price, availability, and alcohol control policies.” *Contemporary Economic Policy*, Vol. 14 (Oct. 1996), No. 4 Pg. 112-124.

⁸ National Institute on Alcohol Abuse and Alcoholism. “10th Special Report to the U.S. Congress on Alcohol and Health,” June 2000.

Despite the fact that teens are not price sensitive, the panel recommended that “Congress and state legislatures should raise excise taxes ... [and that] excise tax rates for all alcoholic beverages should be indexed to the consumer price index ...”⁹

These recommendations are designed to suppress responsible adult beverage consumption by adults and will have little bearing on the underage drinking problem. Data prove that underage drinkers overwhelmingly get alcohol from friends and peers, so we need to use solutions that address both the supply and demand sides of the underage drinking equation by increasing—and enforcing—the penalties for people, whether adults or minors, who break the law by providing alcohol to youth.

The hospitality industry has repeatedly stated its concerns about the prior anti-product bias inherent in the makeup of the NAS panel and our belief that anti-consumer outcomes were a foregone conclusion, since eight of the 12 panelists have publicly endorsed higher taxes or other restrictions on the sale of adult beverages independently of their appointment to the NAS panel. But we’re looking forward to the opportunity to work together with SAMHSA and the Department of Health and Human Services to implement solutions that address the problem, instead of imposing sanctions that seek to restrict moderate and responsible adult beverage consumption by people 21 years of age and older.

⁹ *Reducing Underage Drinking*, p. 246.