The Distilled Spirits Council welcomes the opportunity to comment upon the August 9 version of the Montevideo Roadmap 2018-2030 on NCDs as a Sustainable Development Priority (“Draft Roadmap”). The Council is a national trade association representing U.S. producers, marketers, importers, and exporters of distilled spirits products.

We fully support the WHO’s effort to accelerate progress to reduce by one third by 2030 the premature mortality from non-communicable diseases set out in the Sustainable Development Goal 3.4. We appreciate the opportunity to participate in this consultation process on the Draft Roadmap and to provide information on evidence-based efforts to address the harmful use of alcohol.

The Distilled Spirits Council fully acknowledges that beverage alcohol products can be abused and result in harm. It is for these reasons that, throughout the decades, we have focused upon and pursued solutions that effectively address and combat the harmful use of alcohol. We look forward to a dialogue about productive and effective measures to achieve our shared goal of reducing the harmful use of alcohol. Our specific comments are provided below.

**Private Sector Engagement**

We wholeheartedly welcome and support the WHO’s acknowledgment that non-state actors, including the private sector, should be engaged in the effort to address NCDs, as indicated in paragraphs 31-33 of the Draft Roadmap. Further, we appreciate the WHO’s commitment, as stated in paragraph 24 “to enhancing the national capacity to engage constructively with the private sector for NCDs prevention and control in a way that maximizes health gains.”

We look forward to working with the WHO towards this objective and we strongly agree with developing coherent policies and ensuring evidence-based regulatory frameworks.

Effective policy initiatives must be supported by scientific evidence and the views of all stakeholders, including the private sector, should be taken into account in order to achieve the best possible outcomes.

While the Draft Roadmap generally welcomes and encourages the participation of the private sector, paragraph 3, however, refers to regulatory and fiscal measures which “can be hampered by industry interference, including through legal disputes.” As a stakeholder in the effort to address NCDs, the private sector has both a legitimate and important role
in contributing to policy proposals, and providing views as to whether such proposals, in fact, will achieve the stated policy objectives. Therefore, and in order to align the Draft Roadmap with the other commitments to work with the private sector, we respectfully request that this sentence be deleted.

In addition, paragraph 26 states, “we further encourage the private sector to produce and promote more food products consistent with a healthy diet, including by reformulation products to provide healthier options…, while taking into account existing national legislation and policies.”

As to Paragraph 26, the 2015 Dietary Guidelines for Americans, which establish the scientific and policy basis for all Federal nutrition programs, define moderate drinking for adults of legal drinking age as up to one drink per day for women and up to two drinks per day for men. According to the Guidelines, if consumed in moderation, alcohol “can help individuals achieve healthy eating patterns.” There has been a Guideline for beverage alcohol consumption in the Dietary Guidelines since the initial publication of those Guidelines in 1980.

These Guidelines have been used for decades by the Federal government, State governments, health experts, consumer groups, educators, and health professionals to assist consumers who choose to drink in drinking responsibly and following the Dietary Guidelines.

Furthermore, distilled spirits in the United States and in most other spirits-producing countries are extensively and highly regulated in terms of their production processes, labeling, distribution and sale. Thus, any proposed reformulation of distilled spirits must take into account the strict production requirements established by governments.

Paragraph 28 states that the WHO will “take steps, where needed, to implement reliable national accountability systems to monitor the implementation of private sector commitments and their contribution to national NCDs responses.” We urge that the objectives of paragraph 28 be expanded not only to address private sector activities, but also to address initiatives by all parties, including governments and civil society, and should also take into account different levels of development and cultural differences.

Finally, we believe the Draft Roadmap should include a positive statement evidencing the longstanding public-private and civil society partnerships, which are encouraged and promoted in SDG 17 and as expressed in the recently adopted Ministerial declaration of the high-level political forum on sustainable development, that “a stronger commitment to partnership and cooperation is needed to achieve the Sustainable Development Goals.” By working together, greater progress can be made in addressing the mutual goal of reducing the harmful use of alcohol.
Taxation

Under the section “Increase significantly the financing of national NCD responses and international cooperation”, paragraph 15 states that, where appropriate, the WHO will "consider using interventions that have the capacity to generate revenues such as taxations of …alcohol” etc.

However, such an approach that focuses mainly on generating revenue is misguided, as evidence has shown that increasing taxes on alcohol does not reduce alcohol abuse, and, in fact, may lead to unintended consequences of increased illicit alcohol production and consumption. Furthermore, designating alcohol tax revenues for public policy initiatives targeting alcohol abuse risks the long-term viability of any such programs, and instead penalizes all consumers, including those that consume the products in a responsible manner. Finally, other interventions that are described in the Global Strategy to Reduce the Harmful Use of Alcohol (WHO, 2010) which are effective solutions in addressing the harmful use of alcohol, such as education, screening and brief intervention, are not included. Each of these points are discussed in detail below.

1) Higher Tax Rates on Alcohol Do Not Reduce Alcohol Abuse

Like other products, higher taxes/higher prices reduce overall purchases of beverage alcohol products. Higher prices, however, have little to no impact upon alcohol abuse. In fact, responsible consumers are most sensitive to prices and are the ones who cut back the most when prices rise. On the other hand, studies repeatedly have shown that the small percentage of chronic alcohol abusers are affected little by price.

Set forth below are examples of the literature that consistently have shown that the heaviest drinkers are not particularly responsive to higher prices. Raising taxes on beverage alcohol only serves to penalize responsible beverage alcohol consumers.

A 2011 study (An R., 2011) reviewed 26 years of detailed data and concluded:

Tax policies aimed to reduce alcohol-related health and social problems should consider whether they target the most harmful drinking behaviors….Tax increases also appear to be less effective among the heaviest consumers who are associated with the highest risk.

➢ A 2013 study (Ayyagari P., 2013) that examined the impact of prices on alcohol consumption among older populations concluded:

The unresponsive group drinks more heavily, suggesting that a higher tax would fail to curb the negative alcohol-related externalities….These results have policy implications.

➢ The NIAAA reported in its January 2001 issue of Alcohol Alert (NIAAA, 2001) that research suggests that the heaviest drinkers (5 percent of the population) do not
reduce their consumption significantly in response to price increases, unlike drinkers who consume alcohol at lower levels.

➢ Consistent with NIAAA’s findings was a 2009 meta-analysis (Wagenaar A.C., 2009), which found that heavy drinkers are far less responsive to price increases than the total population of drinkers.

➢ Another 2009 study (Ayyagari P., 2009), published by the National Bureau of Economic Research showed that heavy drinkers were not at all responsive to higher prices. This study concluded that higher alcohol taxes could not be justified based upon a public health or economic rationale. The authors stated:

> [O]ur results suggest that the heavier drinkers were least likely to respond to the higher taxes, thus neither the externality nor ‘internality’ justification for higher alcohol taxes is supported by our results.

➢ A 2008 study (Zhang Y., 2008) showed that, for over 50 years (1948-2003), the prevalence of alcohol use disorders in the population has been constant, despite the fact that, during the same period, the affordability of beverage alcohol and alcohol control policies in general have varied widely—from the highly restrictive distribution policies and relatively high tax rates of the late 1940’s and 1950’s to the 1970’s and early 1980s when the legal drinking age was only 18 in many states. Despite these wide swings, the level of alcohol use disorders remained relatively constant.

2) High Tax Rates on Alcohol Can Result in Unintended and Potentially Negative Consequences for Public Health

In many countries, a significant proportion of all alcohol consumed is unrecorded and, as such, is not within the reach of regulation. When taxes are increased, the consumption of illicit alcohol increases, which can result in acute and chronic adverse health consequences, due to uncontrolled production methods and materials. Raising taxes on legitimate products will only increase consumption of illicit alcohol and will do nothing to reduce alcohol abuse. Since heavy drinkers are unlikely to reduce their consumption, alcohol related harms are not diminished when higher taxes are imposed. Light to moderate drinkers are most sensitive to prices and will reduce their consumption when prices rise.

In fact, moderate alcohol consumption is associated with a lower risk of heart disease, the leading cause of death among women and men in the United States. Studies also show moderate alcohol consumption is associated with the lowest all-cause mortality among middle-aged and older adults. A 2011 report from the U.S. Centers for Disease Control and Prevention (CDC) cited moderate alcohol consumption as one of four key healthy lifestyle behaviors. (Ford E.S., 2011)

In its 2013 Alcohol Awareness Month release, the National Institute for Alcohol Abuse and Alcoholism (NIAAA), the U.S. government’s lead agency on alcohol issues, stated: “Most adults who drink do so responsibly with no harm to their health. In fact, for some
people, drinking moderately is associated with a variety of potential health benefits including a decreased risk of coronary artery disease, heart attacks, and certain types of strokes.” (NIAAA, 2013) To the extent tax increases unduly affect moderate drinking patterns of responsible adults, these potential benefits would be jeopardized.

3) Utilizing Alcohol Taxes as a Funding Mechanism for Public Policy Initiatives is Ill-Advised

While we certainly support government-funded programs to address alcohol abuse, in our view, governments should not “earmark” revenues from beverage alcohol taxes for these specific public policy programs. Earmarking tax revenues in such a manner makes the budgetary process too rigid, thus preventing officials from weighing the relative merits of each program in relation to the total funds available. Second, earmarking does not lead to revenue stability. By tying important programs to the fluctuation of product sales, it could lead to uncertain funding of services and, as we understand, there is declining sales/consumption of legal alcohol volumes. Third, most consumers do not abuse alcohol or incur health or safety related costs. Thus, such earmarked taxes penalize all alcohol consumers. For the reasons noted above, we urge that this be reconsidered.

4) Other Measures Demonstrated to Be Effective Are Not Highlighted

The WHO’s Global Strategy to reduce the harmful use of alcohol highlights 10 policy areas for multi-sectoral national action, which also are outlined in the Global NCD Action Plan. Among these policy areas, some have been shown to be effective in addressing harmful drinking in a more targeted approach. These interventions include education, school-based programs, family-based interventions, screening and brief interventions, social norms approaches, and multi-component interventions. (Hingson R., 2014)

Recent studies show that interventions aimed at strengthening family relationships in the middle-school years can have a lasting effect on students’ drinking behavior. (NIAAA, 2014)

Numerous studies consistently support the efficacy of brief individual motivational interventions to prevent underage drinking and reduce the quantity and frequency of heavy drinking and alcohol-related problems. (Cronce J.M., 2011)

A recent study showed that a 4-hour on-the-job classroom training session improved help-seeking attitudes and behaviors and decreased alcohol risks. The reductions in drinking alcohol were directly correlated with on-the-job classroom training. (Reynolds G.S., 2015)
References:


