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FCC - Liquor Letter [1]

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DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	Sample E-Mail Messages Received as of June 17, 1997 Supporting DICUS Position on Liquor Advertising [partial] (2 pages)	06/17/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
 Domestic Policy Council
 Elena Kagan
 OA/Box Number: 14362

FOLDER TITLE:

FCC - Liquor Letter [1]

2009-1006-F

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RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

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Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

EK

DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES

August 25, 1997

The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, D.C. 20500

Dear Mr. President:

This is to follow up on my April 4 letter in which I expressed our industry's concern that the Administration has singled out distilled spirits for criticism in connection with the issue of alcohol advertising. I suggested in that letter that you encourage all segments of the industry — beer, wine and spirits — as well as representatives of the broadcasting industry, to come together to develop a common code of advertising.

On behalf of our industry I would like to thank you for the courtesies extended to us by your Administration during the past few months in connection with meetings we have had with your staff to discuss this proposal in more detail.

At this point I would like to renew my request that you encourage a meeting between all segments of our industry and the broadcasters to address this issue. I would also like to reiterate the points we have made in discussions with your staff and in my letter:

- Your Administration is concerned with the issue of alcohol advertising and youth. In communicating your concern you have singled out the spirits industry for criticism and have refrained from discussing the other segments of the industry, such as beer and wine.
- The beer industry has spent approximately \$3 billion on television advertising since you became President in 1993.
- Your Administration fully acknowledges the equivalency doctrine. The equivalency doctrine provides that standard servings of beer, wine and spirits all contain the same amount of alcohol, and there is no scientific basis for treating distilled spirits differently from other beverage alcohol.



- If you are concerned about spirits advertising on television and you acknowledge the equivalency doctrine, there is no way to address this issue responsibly without including beer and wine as part of the discussion. As the Marin Institute stated in its April 1, 1997 letter to you, "advertising beer on television and radio raises the same issues as broadcasting distilled spirits advertisements."

Mr. President, as we pointed out to your staff, your Administration has confronted similar issues involving youth and the media by bringing the affected parties together and has done so with great success. Your initiative in bringing together representatives from all segments of the television industry resulted in the voluntary system of ratings for television programs. Similarly, you recently called industry leaders and other interested parties together to address the issue of content on the Internet. We strongly urge you to demonstrate this same leadership and initiative with respect to the alcohol advertising issue.

Thank you for your consideration of this request, and we look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Fred Meister". The signature is written in a cursive, flowing style.

Fred A. Meister
President/CEO

FAM:led

MEMORANDUM

TO: BRUCE REED
ELENA KAGAN

FROM: TOM FREEDMAN
MARY L. SMITH
DREW HANSEN

RE: ALCOHOL MARKETING TO CHILDREN ON THE INTERNET

DATE: AUGUST 1, 1997

SUMMARY

Alcohol companies are currently engaged in a series of creative marketing efforts on the Internet, most of which seem to be targeted at children and adolescents. Home pages for beers and liquors offer games, contests, and virtual environments to attract younger Web surfers. These pages have no effective way to make sure that their visitors are over 21, and often do not even make a serious effort to warn younger readers away from the sites.

HOW ALCOHOL COMPANIES MARKET TO CHILDREN ON THE INTERNET**1. Games**

Most alcohol sites on the web offer free games, with inevitable product tie-ins, to visitors. Many companies offer games that seem designed to appeal to young children. On the José Cuervo site (www.cuervo.com), the visitor is greeted with an opportunity to play "Beasts in a Blender," a game where the contestant must match three beasts to win. Other games on the Cuervo site feature J.C. Roadhog (potentially the Joe Camel of the late 1990s), the Cuervo mascot, in games such as the "Cuervo River Run," where the player moves J.C. Roadhog down a river, avoiding snakes and alligators and picking up Cuervo Gold bottles, salt shakers, and limes. Molson's (www.molson.com) makes "SRP," an interactive racecar game, available for download so that the visitor can "race" with other Molson's fans. Stolichanya Vodka (www.stoli.com) offers a game room that includes "Stoli Says," a Concentration-like game in which the player matches the mixed drink with the ingredients, and a virtual *coloring book* of a Stolichanya Vodka bottle.

Several alcohol companies introduce the visitor to more complex games of the kind that would appeal to adolescents, such as "mysteries" that the visitor must solve. Dewars (www.dewars.co.uk), for instance, urges the visitor to save disappeared multimillionaire Tommy Dewar by solving a set of four puzzles. Heineken (www.Heineken.com) offers the visitor a chance to play "Heineken Quest," a game in which the visitor accompanies "Sidney," the son of a millionaire, on a trip from Amsterdam to Australia. In each city, the player receives travel updates which present him or her with problems to solve to get to the next stage. Email messages are sent to the player when he or she has a new problem to solve. Of course, Heineken

appears everywhere -- a day in Amsterdam is finished off by a quiet drink of Heineken in a local bar.

Another common type of game environment is the "virtual casino." Canadian Mist (www.canadianmist.com), for instance, offers access to the "Mist Arcade," where visitors can play blackjack online. The Smirnoff site (www.purethrill.com) contains a casino where the visitor can play casino-style games.

2. Contests

Many sites offer contests with company-related merchandise as prizes. On the Budweiser site (www.budweiser.com), visitors are urged to submit a form predicting where Bud racecar driver "Ricky" will finish in his races. The Bacardi rum site (www.bacardi.com) has a contest to see who can build the best virtual sand castle. The weekly winner gets a bag of Bacardi gear. The Malibu Rum site (www.malibu-rum.com) boasts a "Surfin' Safari" contest, in which entrants are urged to surf the Web to find the right answers to the contest questions. The contest, though, has only three questions: the first two are about surfing, and the third is "What two fruit juices, combined with Malibu Rum and creme de banana, make a Malibu Tropicale?"

3. Virtual Environments

Several alcohol companies attempt to create "virtual environments" on their Web sites for the visitor to explore. Malibu Rum introduces the visitor to a bright yellow page dotted with palm trees, and says "Welcome to the Malibu Beach Home! We're Ready to Start the Party!" A visit to "Cabana Cool" on the site is touted as an opportunity to relax at "a little poolside bar where you can discover island specialties...and let the bartenders in on your special trade secrets for making a *Malibu* drink that is ALWAYS the hit of the party." Bacardi offers "Club Bacardi," with an introductory scene of a nightclub with cartoon dancing girls, bartenders, and other guests. The homepage for Captain Morgan's Rum (www.rum.com) is headed by a grinning pirate who presents "CyberShip 2: Voyage to the Bottom of the Net." The rest of the page is filled with pirate-theme messages like "Welcome Aboard, Swabbie!" and a chance to visit the "Yo Ho Ho Room." Rum isn't even mentioned until near the bottom of the page.

One of the more imaginative virtual environments on offer is Smirnoff's "Purethrill Hotel," where "nothing is as it seems." Playing on Smirnoff's popular, surreal ad campaign, the Purethrill Hotel places the visitor in an interactive world of shifting images and strange rooms to explore. The whole effect is much like that produced by "Myst," the popular home computer game.

AGE RESTRICTIONS ON ALCOHOL SITES

Age restrictions on alcohol sites range from small-print ("This site is not to be accessed unless you are 21 years of age or older. Thank you." (Cuervo)) to oblique ("Your visit to BUD ONLINE is subject to The Legal Stuff." (Budweiser)) to tongue-in-cheek ("Remember, alcoholic beverages should be consumed in moderation and by persons of legal drinking age (21 in the

U.S.) -- so if that isn't you, scram!" (Bacardi)).

Most sites will note on the "Age" section of contest entry forms that the contestant must be 21 or over, but there is no mechanism for ensuring that this is the case. In fact, I submitted a completely blank "registration" form to Canadian Mist to get into the casino, and instead of making me fill the form out again, they just linked me right into the blackjack area.

Some sites make the whole age requirement into a joke (see Budweiser and Bacardi above). Captain Morgan's Rum has a hypertext link on "Avast! You Must be Twenty-one Years Old to Enter This Site" (which doesn't even appear until halfway down the page). Following the hypertext link leads to a quiz to find out if you are legal or not: a set of ten true/false questions like "You think classic rock means the early Hootie" and "You are sitting on a phone book right now."

CONCLUSION

Alcohol companies appear to be engaged in an aggressive campaign to market beer and liquor to children through the Internet. Games, contests, and virtual environments provide younger Web surfers with an opportunity to engage with the company's images and marketing material, and even offer a chance for young visitors to win free bags of company merchandise. At this time, there is no way for companies to make sure that their viewers are over age 21, and most companies do not seem to take the age requirement at all seriously.



NATIONAL COUNCIL ON ALCOHOLISM AND DRUG DEPENDENCE, INC.

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National Headquarters:
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July 31, 1997

Mr. Rahm Emmanuel
Senior Advisor to the President to Pitofsky?
The White House
Washington, D.C. 20500

Bruce -
This doesn't rise to Presidential level, but I think an FTC workshop of this kind might be a good thing. What do you think about getting Rahm to send this letter

Elena

Dear Mr. Emmanuel:

Thank you again for your interest in alcohol advertising and children. In addition to our continuing efforts to get the FCC and Congress to address this issue, we are encouraging the FTC to utilize its authority.

We urge President Clinton to ask the FTC to hold public workshops on alcohol advertising. The FTC has held numerous workshops in the past, including a recent effort that discussed advertising on the Internet. Chairman Pitofsky has held public workshops and drawn up advertising guidelines at least four times during his three-year tenure.

Public health and consumer groups, the alcoholic beverage industry and others with an interest in this issue would be allowed to offer testimony to the FTC, which could then use that information as a basis for taking action on specific alcohol ads or developing industry-wide guidelines if necessary.

At the same time, it is crucial that the FCC issue a Notice of Inquiry and proposed rulemaking which would focus on the issues raised by the broadcast advertising of distilled spirits and more generally on the matters of counter-advertisements and other remedies in light of the public trustee nature of broadcasting. We hope President Clinton will again urge the FCC, when the new commissioners are confirmed, to examine the effects of broadcast advertising on children.

Following is additional information on action the FTC can take on alcohol advertising:

- 1) Regulate "Unfair" and "Deceptive" Advertising and Marketing Practices on a Case-by-Case Basis

Mr. Emmanuel
Page 2

In an unfairness proceeding, the FTC has to show that someone has suffered, or is likely to suffer, substantial injury as a result of the advertising or marketing practice. In a number of cases, the FTC has recognized that specific groups — such as children — may be particularly susceptible to certain types of advertising and marketing practices. This is the basis for taking action against "Joe Camel" ads aimed at kids.

The FTC can also take action against "deceptive" advertising, in which inaccurate claims are made about a product. For example, were a beer ad to claim the product contains 5 percent alcohol when it actually contains 6 percent, that would be construed as "deceptive."

It is generally acknowledged that unfair advertising is more difficult to prove than deceptive advertising. Rulemaking pursuant to the FTC's unfairness authority is particularly constrained by statute.

2) Conduct Public Workshops and Develop Advertising Guidelines

The FTC has the authority to develop industry-wide "guidelines" that interpret the implementation of the FTC Act in certain areas. Although these do not have the force of law, they can be used to educate the public and industry about legal expectations. They can also be used to establish minimal standards of conduct to which industry members can aspire. Guidelines can be established using a consultative process that brings together industry, regulators, consumers, and advocacy groups, under the aegis of the FTC, much the same as a "negotiated rulemaking."

In addition to FTC and FCC activity, the Vice President's Advisory Committee on the Public Interest Obligations of Digital Broadcasters could also address the issue of alcohol advertising and its impact on children. In light of the unique public trustee nature of broadcasting, which continues to be applicable in the digital era, the Administration should urge that broadcasters be required to air counter-advertisements to prevent or discourage underage drinking (similar to the successful efforts on tobacco 30 years ago).

The Office of National Drug Control Policy could include alcohol in its paid media campaign to educate and enable America's youth to reject drugs. The Administration is right on target to use television and radio to deglamorize drug use, and alcohol should be a part of that effort.

The President need not wait on Congress to draft a bold program

Mr. Emmanuel
Page 3

to address alcohol advertisements and young people -- Congress has already defined alcohol as unique among all other consumer products. Alcohol is the subject of two Constitutional Amendments and federal laws that, in effect, established a national drinking age of 21 and adopted a zero tolerance level for drinking and driving for those under 21. Congress and the American public have not identified any other product that requires those kinds of protections for young people.

While smoking has been described as a pediatric disease, drinking alcohol can be described as a pediatric killer. Ethnic minority groups are particularly concerned about the double dose of advertising their children are receiving -- they are the targets of ads in the Spanish- and English-language media -- and the potential health-related problems they face.

Thank you for your time and consideration. We look forward to working with you and others in the Clinton Administration to protect the health and well-being of all of America's youth. Please do not hesitate to call on any of us if you need any additional information.

Sincerely,



Sarah Kayson
National Council on Alcoholism and Drug Dependence

on behalf of:

Charlie Brown, National Organization for Victim Assistance
National Victim Center
Henry Geller, Markle Foundation
George Hacker, Center for Science in the Public Interest
Tom Howarth, Mothers Against Drunk Driving
John Larson, National PTA
Jeanette Noltenius, Latino Council on Alcohol and Tobacco
Sue Thau, Community Anti-Drug Coalitions of America

Etawa

Fcc liquor
letter

UPDATE ON HARD LIQUOR ISSUE

Background

The President, the Attorney General, dozens of Members of Congress, numerous State Attorneys General, and over 240 public interest groups (including MADD, U.S. Catholic Conference, AMA, and American Academy of Pediatrics) have asked the Commission to study the issue of hard liquor advertisements of TV and radio.

Chairman Hundt directed the Mass Media Bureau to send a Notice of Inquiry (NOI) to the Commission on this issue.

The NOI seeks only to gather basic facts (e.g., how many broadcasters are carrying these ads?) and to provide a forum for interested parties to voice their views. The Commission would then report its findings to the President, Congress, and the American people.

6/2/97 *Wall Street Journal*, "Trickle of TV Liquor Ads May Increase," reported that, in the wake of the announcement of Chairman Hundt's departure, "liquor companies already are laying the groundwork to expand the nation's current trickle of TV ads for spirits." "The liquor industry blames Mr. Hundt's noisy rhetoric for its failure to gain a wider exposure for ads." The article reports that distillers are planning to expand their efforts to advertise on TV.

Current status

Commissioner Chong asked that the proposed NOI set for the June 19 Commission Meeting be delayed until the July 10 meeting. In July, Commissioner Quello may ask that the NOI again be delayed, until the August 7 meeting.

On June 13, Attorney General Reno wrote to urge the Commission to issue an NOI. She emphasized that the FCC has a "unique role in ensuring that the public interest is not undermined by certain uses of the public airwaves." This statement by the nation's chief law enforcement official puts to rest any question about FCC jurisdiction.

Commissioners Chong and Quello are acting as obstructionists -- both in trying to avoid taking a vote on the record and in preventing the public from getting the facts.

If the vote on the NOI is frustrated until three new commissioners arrive, the Administration wins the credit for getting the NOI adopted.

It appears now that the vote is split 2-2. This is precisely the situation faced in the battles over kids' educational TV, the DTV standard, and the DTV build-out schedule. In each of those cases, public debate caused the broadcasters to agree to a compromise that fundamentally supported our position. The likelihood of compromise is even greater here, because broadcasters are not eager to carry these ads (the networks and the major groups have already pledged not to carry them). While Chong and Quello will not change their public views, they will change their votes if the broadcasters agree to the NOI. Adoption of the NOI by the current Commission would be a major victory for the Administration.

MEMORANDUM TO ELENA KAGAN

FROM: HIMA VATTI

THROUGH: ELIZABETH DRYE
Associate Director, Domestic Policy Council

LEANNE SHIMABUKURO
Associate Director, Domestic Policy Council

DATE: JUNE 30, 1997

SUBJECT: BROADCAST ALCOHOL ADVERTISING

Purpose

In a letter to the President on April 4, 1997, Fred Meister, President and CEO of the Distilled Spirits Council of the United States ("DISCUS"), characterized the Administration's disapproval of liquor advertising as discriminatory in light of the \$626 million in beer advertisements broadcast each year. He urged the President to "publicly request and expect" all members of the beverage alcohol and broadcast industries to develop an advertising code that would hold all beverage alcohol companies to a common standard.

This memo places this request in context, discusses its merits, offers alternative actions, and evaluates each option. We look, in particular, at how each approach educates the public of the need to consume any form of beverage alcohol in moderation.

Background

On November 11, 1996, the liquor industry, represented by the Distilled Spirits Council of the United States ("DISCUS"), lifted the self-imposed ban on broadcast advertising of liquor products that had been in effect since Prohibition. DISCUS hopes this will bolster sales that have dropped 30% since 1980 and help them to compete on an equal footing with beer and wine companies which have consistently used the broadcast media to promote their beverages.

In a radio address to the nation on November 9, 1996, the President criticized the liquor industry's decision as "irresponsible." On April 1, 1997, the President sent a letter to FCC Chairman Hundt requesting that his agency explore the impact the liquor industry's decision to advertise might have on underage drinking. Chairman Hundt supports an inquiry, and believes the FCC can execute it under its authority to grant and renew broadcast licenses according to the dictates of the "public interest, convenience, and necessity." The public interest includes the public health.

To open the inquiry, Hundt needs the votes of two of the three other FCC commissioners. While Commissioner Susan Ness supports Hundt, Rochelle Chong and

James Quello believe jurisdiction over the inquiry properly belongs to the FTC which regulates advertising by policing unfair methods of competition and unfair or deceptive practices. FTC Chairman Pitofsky has recently suggested that his agency may be looking into the extent to which alcohol advertising is aimed at children. The Attorney General sent a letter to Hundt on June 13, 1997 urging an inquiry into the various issues surrounding liquor advertising, but DOJ has not formally found that FCC has jurisdiction over the inquiry. DOJ staff note, however, that the FCC can exercise its regulatory authority to impact an entire industry, whereas the FTC normally investigates and penalizes individual companies on a case-by-case basis.

Hundt himself has taken steps to slow the entry of liquor commercials onto the airwaves. In December 1996, he challenged broadcasters to reject liquor ads, and to date, the major networks have complied. Only Black Entertainment Television and a few small, mostly Hispanic cable stations have carried the new ads, spawning concern that the industry is targeting minority groups.

DISCUS asserts that liquor companies are as entitled to advertise on television as the beer giants, because "alcohol is alcohol" and affects humans the same way regardless of the beverage in which it is consumed. Therefore, policies which single out liquor companies for criticism or advertising restrictions ignore the reality of alcohol equivalency. As evidence of their good faith, DISCUS points to the low consumption of liquor by underage Americans, the content of liquor ads to date which do not intend to attract children as many beer ads arguably do, and the industry's willingness to help develop and heed alcohol advertising guidelines.

The Administration's Options:

Call on Alcohol Companies and Broadcasters to Develop Common Advertising Code

The first option is to accept the DISCUS proposal and convene a commission of alcohol companies and broadcasters to develop advertising guidelines applicable to all beverage alcohol companies within ninety days. The advantages to this approach include: treating all segments of the alcohol industry equally to show that any form of beverage alcohol can be hazardous depending on the amount consumed, a concept not understood by most underage Americans; allowing the President to use the bully pulpit to publicly tackle the problem of underage drinking and direct the alcohol industry and broadcasters to assist in his efforts; addressing beer ads, which many parental and anti-alcohol groups argue brazenly target youngsters.

There are a few concerns with accepting the DISCUS proposal. It would be the first time the Administration has raised concerns about beer and wine ads. The beer and wine industries have little incentive to embrace the proposal and could strongly oppose it to sidestep challenges to the dominance and content of their ads. Furthermore, it is difficult for financially interested parties to restrict their self-promoting strategies in a meaningful way. Finally, DISCUS did not ask the President to involve parental groups or consumers in the code creation process.

Alcohol Counteradvertisements Required by the FCC

Mothers Against Drunk Drivers ("MADD") recently pursued a different and bold approach to the issue. On May 15, 1997, MADD petitioned the FCC to require broadcasters that air alcohol commercials to air *gratis* a significant amount of counterads informing children and adults of the dangers of beverage alcohol. We could embrace this proposal. MADD favors it, in part, because the counterads would convey to the public that it is dangerous to abuse beer and wine as well as liquor. The proposal may very well help reduce the incidence of alcohol abuse, since it models itself after the successful 1967 cigarette counterad campaign which the FCC legally compelled broadcasters to carry in the late 1960's. A counterad program falls clearly under the FCC's authority to regulate broadcasters, and, therefore, does not engender a jurisdiction dispute with the FTC.

There are, however, three problems with this proposal. First, the FCC may not be able to legally *require* broadcasters to carry alcohol counterads. The DC Circuit Court in Banzhaf v. FCC upheld the FCC's authority to require cigarette counterads, because the danger of cigarettes is inherent in the normal use of the product. Alcohol is not hazardous when ingested in moderation. Second, a counterad program would restrict neither the number nor placement of alcohol commercials, and, therefore, may fail to achieve a meaningful public health result. Third, we expect the alcohol and broadcast industries to strongly oppose the proposal.

Other Options

Prevent Backsliding by Continuing to Support Hundt's Efforts to Restrict Liquor Ads on TV

The Administration could prevent the growth of the liquor industry's minimal presence on television by encouraging the FCC to pressure the major networks to continue to refuse liquor ads or to produce advertising guidelines that severely restrict their number and placement. Such action would prevent backsliding on national alcohol policy and would convey clearly to the public that liquor is wholly inappropriate and illegal for persons under 21. The liquor industry would not have the opportunity to encourage teens who currently consume little liquor to consider a new substance that they do not know how to consume moderately. Finally, preventing liquor companies from promoting their products on mass media may help sustain the downward trend in liquor consumption by Americans.

The President can assert already that he has acted aggressively on the issue of youth and alcohol by pushing for the Zero Tolerance provision in the National Highway System Bill of 1995 and directly addressing the present advertising controversy in a radio address. He could declare that to help inform any further action he may take, he intends to wait for progress on the FCC and FTC inquiries and on pending research at NIH addressing advertising's effects on children. While present inaction would not engender great benefits, it would cause little harm. FCC Chairman Hundt is likely keep pressure on the networks to reject liquor ads. While various Representatives have encouraged Hundt to investigate the effects of liquor ads on youth, Congress is not jumpstarting concrete action on the issue.

The Senate has not convened any hearings on the matter and does not plan to at present.

Although a wait-and-see approach minimizes backsliding, it does not improve the public's awareness of the danger of abusing any form of beverage alcohol and allows beer companies to continue to flood television screens with characters like the Budweiser Frogs and Spuds Mackenzie that appeal to children.

Encourage the FTC to Examine the Extent to Which Current Alcohol Ads Target Children

The Administration could ask the FTC to determine whether any specific, widely broadcast alcohol ads target children. Pitofsky has hinted to the Senate Consumer Affairs Committee that his agency is investigating the matter. [By publicly urging the FTC to focus sharply on any alcohol ads that may be targeting underage drinkers, the President would express his support for both agencies' assuming a helpful role in the controversy. The President's request to the FTC would also appease parental and anti-alcohol groups which believe the President should voice concern over all alcohol ads. Studies show that teens widely recognize and appreciate beer ads that feature animal characters and youthful cavorting. The beer industry would have difficulty objecting to the FTC's undertaking an inquiry in furtherance of its duty to regulate advertising practices.

DISTILLED SPIRITS COUNCIL OF THE UNITED
STATES

*File: FCC liquor
letter*

WHITE HOUSE MEETING
JULY 25, 1997

DISCUS meeting with Bruce Reed

Introduction

President Clinton has singled out the spirits industry for criticism and discriminatory treatment even though scientific evidence and his own cabinet members acknowledge the reality of the equivalency doctrine.

His concern is the effect of broadcast alcohol advertising on youth. This issue cannot be realistically or responsibly addressed by singling out one segment of the industry for discriminatory treatment. Broadcast alcohol advertising should be addressed in the same manner in which the Administration has previously addressed issues involving youth and the media -- by encouraging members of *all* segments of the industry to come together and work toward a responsible and voluntary solution.

This is precisely what DISCUS proposed to the President over three months ago. On April 4, 1997, DISCUS President and CEO Fred Meister wrote to President Clinton and asked him "to take pointed action by issuing a call for spirits, beer, wine, and the broadcasters to 'come to the table' and...develop and agree to a common code of advertising." DISCUS has never received a response.

This request is totally consistent with the ways in which the White House and the President have dealt with other issues affecting youth and the media -- specifically with respect to (1) television programs and (2) creating a family-friendly Internet. These approaches are apparently working well and the Administration seems pleased with them. Let's review the record briefly:

Television programming

The President was concerned about violence and adult content on television. He responded to this by calling upon representatives from all segments of the industry to address the problem and voluntarily develop a solution.

On February 29, 1996 President Clinton announced "[O]ur administration, spearheaded by the Vice President, has worked with broadcasters, cable firms, production studios and others to encourage them to find ways to take more responsibility toward meeting our shared goals."

He added, "As a result of our discussions, the media and the entertainment industry has agreed to a voluntary system of ratings for television programs.

"The work we began here is just that -- a beginning. In our meeting I invited the industry leaders to come back to the White House to report once they have developed their rating systems and I look forward to the work that they will do."

On December 19, 1996, the President, in a White House briefing with the Vice President immediately following his meeting with Jack Valenti, Eddie Fritts and Decker Anstrom, said "I want to thank the industry leaders for the television rating system which they have proposed today. Earlier this year I asked them to do this."

The Vice President said, "Mr. President, what you did a year-and-a-half ago...resulted in your White House summit and the unprecedented willingness of this industry to respond as it has, by trying to bring itself together and present the country with its version of what it thinks will work..."

Creating a family-friendly Internet

Similarly, the President called industry leaders and other interested parties together to address the issue of content on the Internet.

On July 16, just a little over a week ago, in a White House press briefing Mike McCurry announced that the Vice President had a working meeting with "some of the industry leaders and representatives of the industry, parents groups and others who are working together in a strategy to create a family-friendly Internet." He also mentioned that the President dropped by this meeting and "clearly enjoyed it a great deal."

Don Gips, Domestic Policy Advisor to the Vice President, was also present at this briefing. Mr. Gips noted "[t]his was a first set of meetings. We will have continuing meetings...this will be an ongoing process..."

He also noted: "And today the President and Vice President laid out the challenge; industry and parents groups accepted the challenge and were very much looking forward to working together to achieve it."

Conclusion

The President has invited industry leaders and other interested parties to the White House and urged them to work together to develop voluntary solutions for other issues involving youth and the media. He should do the same for the broadcast alcohol advertising issue.

If the President is concerned about spirits advertising on television and its possible effect on our youth, he should be equally concerned about *all* alcohol advertising on television. His own administration has stated, "alcohol is alcohol. Beer has the same effect as straight scotch." The beer industry spends approximately \$600 million annually advertising on television, and it is a well established fact that beer is the alcoholic beverage of choice among young people.

From the standpoint of consistent, sensible and even-handed public policy -- for which the Administration is known -- it simply does not make good sense to address the issue of broadcast alcohol advertising by focusing solely on one segment of the industry and ignoring the others. As the Marin Institute stated in a letter to President Clinton earlier this year, "advertising beer on television and radio raises the same issues as broadcasting distilled spirits advertisements."

DISCUS reiterates its request that the President invite all segments of the industry to come together, as he has done in connection with television programming and Internet content, and work out a voluntary solution to the broadcast alcohol advertising issue.

July 25, 1997

DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES

DISTILLED SPIRITS COUNCIL OF THE UNITED STATES

WHITE HOUSE MEETING

JULY 25, 1997

DISCUS • 1250 Eye Street, N.W. • Suite 900
Washington, D.C. 20005-3998
202/628-3544 • FAX: 202/682-8888

A FACT ABOUT ALCOHOL CONTENT:



APRIL 4 LETTER TO PRESIDENT
CLINTON



DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES

April 4, 1997

*The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500*

Dear Mr. President:

While we strongly disagree with your Administration's attempt to single out only distilled spirits advertising for discriminatory examination and action, we want to propose a bold approach to the issue of alcohol advertising and youth.

Given the fact that your Administration is concerned with youth and alcohol advertising, the issue of advertising by other forms of alcohol must be addressed concurrently. Distilled spirits has been advertising on television and radio in a very responsible way, but with relatively few ads for only the past several months. Beer, however, has been advertising for decades and has spent billions of dollars doing so without any great public outcry or controversy.

*The fact is that there can be no sensible or effective analysis of the issue of youth, alcohol and advertising if beer and wine are not part of that process. I doubt that there is one alcohol education or anti-abuse group anywhere that would not support this view that any Federal analysis of alcohol advertising **absolutely must** have beer and wine included. Attached are some recent letters from such groups.*

As distillers, as parents and as good citizens, we are as concerned as anyone about illegal alcohol use among the underage. Indeed, our companies have a long and proud record of educating all segments of society about responsible alcohol consumption and alcohol abuse. The distillers collectively, through the Century Council, conduct effective community-based programs directed at combatting illegal, underage drinking.

It is with this tradition of responsibility that we propose a process that goes far beyond your position of "no backsliding."

The President
April 4, 1997
Page Two

Respectfully, the distillers call on your Administration to publicly request and expect that the distillers, brewers and vintners together with the broadcasters will meet under the aegis of your Administration. **Your tasking to the group would be for them to develop a unified code that sets the same responsible standards for all forms of beverage alcohol (beer, wine and spirits) advertising and also would be the guidelines for broadcasters.**

Currently, each segment of beverage alcohol has its own code that addresses the issues of responsibility and youth, but a **common code** would improve the status quo by holding all segments of the beverage alcohol industry and the broadcasters to the same responsible standard.

We respectfully urge you to take pointed action by issuing a call for spirits, beer, wine, and the broadcasters to "come to the table" and, within no more than 90 days, develop and agree to a common code of advertising. Your Administration then could use its "bully pulpit" to attain an effective impact.

Your Administration prides itself on creative, dynamic and bold solutions and thus surely can do more than not just "backslide." Your Administration has the courage to bring all parties in the beverage alcohol industry (beer, wine and spirits) and the broadcasters to the table to achieve this comprehensive and sustaining objective.

The spirits industry is responsible -- we are willing to come to the table now. Your Administration only has to secure the same commitment from the beer and wine industries and the broadcasters to work toward this common end.

We would be pleased to discuss this soon with you or anyone in your Administration.

Sincerely,


Fred A. Meister
President/CEO

FAM:ck
Attachments



Mothers Against Drunk Driving

511 E. John Carpenter Frwy., Suite 700 • Irving, Texas 75062-8187 • Telephone (214) 744-MADD • FAX (972) 869-2206/2207
NATIONAL OFFICE

FOR IMMEDIATE RELEASE
(April 1, 1997)

CONTACT: Michelle Bennett, ext. 248
Tresa Coe, ext. 245
(214) 744-6233

STATEMENT FROM MOTHERS AGAINST DRUNK DRIVING (MADD) IN RESPONSE TO CLINTON ADMINISTRATION'S REQUEST FOR FEDERAL COMMUNICATIONS COMMISSION (FCC) TO INVESTIGATE HARD LIQUOR ADS ON TV AND RADIO

Mothers Against Drunk Driving (MADD) applauds the announcement today by President Clinton that he is requesting the Federal Communications Commission to "take all appropriate action" to explore the potential effects of the decision of the distilled liquor industry to end their voluntary ban on broadcast advertising.

MADD has long been concerned about the impact of all alcohol advertising on underage consumption and last year requested the FCC to exercise its authority to hold public hearings on this issue to examine and evaluate the role of alcohol advertising in the problem of underage drinking pursuant to the FCC's authority to determine if the use of the airwaves to broadcast alcohol advertising is in the public's best interest.

MADD was disappointed earlier this year when scheduled Congressional hearings on alcohol advertising were cancelled. However, it has always been our position that the FCC has the jurisdiction and the authority to provide a public forum for all issues surrounding alcohol advertising and we urge the FCC to move quickly in response to the President's request.

MADD has long advocated that any alcoholic beverage advertising, distilled spirits, beer or wine, should not target our youth or be created or presented in such a fashion as to be overly appealing to those under the legal drinking age.

###

NCADD News

NATIONAL COUNCIL ON ALCOHOLISM AND DRUG DEPENDENCE, INC

12 WEST 21st STREET
NEW YORK, NY 10010
212/208-8770 FAX 212/848-1880

For More Information, Contact:
Jeffrey Hon, Director for Public Information
212/208-8770, ext. 18
Sarah Kayson, Director for Public Policy
202/737-8122

For Immediate Release:

Statement re: **PRESIDENTIAL LETTER URGING FCC TO
EXAMINE IMPACT OF DISTILLED SPIRITS RADIO
& TELEVISION ADVERTISING ON CHILDREN**

Attribute to: **Senator George McGovern
NCADD National Spokesperson**

The National Council on Alcoholism and Drug Dependence, Inc. strongly supports President Clinton's request to the Federal Communications Commission (FCC) to examine the impact that radio and television advertising of distilled spirits will have on children. The President is correct to be wary of the makers of vodka, gin and whiskey and their attempts to appeal to a new generation of drinkers.

The President and the FCC should not, however, overlook the fact that our airwaves have long been swash in beer commercials that make drinking seem like a harmless activity enjoyed by people who are always happy, attractive and successful. Is it any wonder that teenagers already consume more than a billion cans of beer each year? Or that 33% of high school seniors, 21% of tenth graders and 8% of eighth graders report that they have been drunk during the past month?

It would be a mistake to focus only on distilled spirits advertising because this would send the wrong message that these beverages are more alcoholic than beer or wine. While so called "hard" liquor may pose a greater threat of alcohol poisoning, standard servings of distilled spirits, beer and wine all contain the same amount of alcohol and all can be equally addictive.

Children like the beer commercials they see on television and for many, the ads make them want to use the product. We can expect more of the same from the makers of distilled spirits; children do not need encouragement from the likes of Budweiser's frogs and RJ Reynolds' Joe Camel to drink sweetened alcohol beverages that taste good.

NCADD welcomes President Clinton's efforts to address the issue of alcohol advertising.

4/1/87

NEWS RELEASE

For Immediate Release
April 1, 1997

Contact: Tara Siegman
(202) 332-9110, ext. 341

CSPI Applauds President Clinton's Concerns About Liquor Advertising

Michael F. Jacobson, executive director of the Center for Science in the Public Interest, had the following comment on President Bill Clinton's speech urging the FCC to investigate alcohol advertising on radio and television.

"President Clinton clearly recognizes that America's War on Drugs must include restricting the advertising of alcoholic beverages. Alcohol is a factor in the three leading causes of death for 15- to 24-year-olds: unintentional injuries, homicides, and suicides. We hardly need whiskey ads during baseball games to further tempt youths to drink. We urge the FCC to investigate whether the broadcast of TV and radio commercials for liquor, as well as for beer and wine, is consistent with stations' public-interest responsibilities."

CSPI is a nonprofit health-advocacy organization that focuses on alcoholic-beverage problems, nutrition, and food safety. It is based in Washington, D.C., and is supported largely by its 900,000 members and foundation grants. It does not accept industry or government funding. CSPI led efforts to win passage of the law requiring warning labels on alcoholic beverages and has publicized the nutritional content of many popular restaurant foods.

The Marin Institute
for the Prevention of Alcohol and Other Drug Problems



TRANSMITTED BY FAX

April 1, 1997

President William J. Clinton
The White House
Washington, D.C.

Dear Mr. President:

I am writing on behalf of the Marin Institute for the Prevention of Alcohol and Other Drug Problems to commend you for your letter to the Federal Communication Commission requesting that they investigate the impact of television and radio advertising of distilled spirits on children.

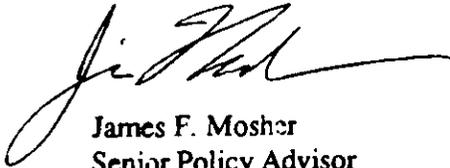
The decision of the distilled spirits industry to rescind its voluntary ban on broadcast advertising represents a giant step in the wrong direction. Beer advertising already saturates the airwaves, using images and slogans that clearly appeal to young people and aggravate our most serious youth drug problem — alcohol. Beer is by far the alcoholic beverage of choice among young people, particularly among heavy youthful drinkers and drinking drivers. Their preference for beer is not surprising given the beer industry's deliberate targeting of this age group with slick, sophisticated broadcast advertising. Research studies find that beer advertising on television is a powerful tool for reaching the youth market.

Clearly the distilled spirits industry is seeking to level the playing field by moving their advertising onto the airwaves. This highly unfortunate trend warrants immediate action by your administration and by the FCC. The lifting of distilled spirits industry's voluntary ban will increase the attractiveness of distilled spirits among young people, undermining your administration's drug policy goals and putting the lives and safety of our young people at further risk due to alcohol problems.

Until last year, the distilled spirits industry has taken a responsible stand — one that recognizes that alcohol is a powerful psychoactive drug that poses serious health and safety risks, particularly among young people. We believe the beer and wine industries should be following the past voluntary policy of the distilled spirits industry, not the reverse.

We therefore fully support your call for an FCC investigation. Advertising beer on television and radio raises the same issues as broadcasting distilled spirits advertisements. We urge you to follow up this first step with a call for a broader investigation by the FCC and the Federal Trade Commission to assess the impact of all alcohol advertising on broadcast media.

Sincerely,



James F. Mosher
Senior Policy Advisor

cc: Diana M. Conti, Executive Director, The Marin Institute

EQUIVALENCY



FACT SHEET

DISCUS is the trade association representing producers and marketers of distilled spirits sold in the United States.

Website: <http://www.discus.health.org>

BEVERAGE ALCOHOL EQUIVALENCE

All alcohol beverages have one thing in common - they contain alcohol. Standard servings of beer, wine and spirits -- a 12-ounce can of beer, a 5-ounce glass of wine and a cocktail with 1 1/2-ounces of 80-proof spirits -- all contain the same amount of absolute alcohol. A diverse collection of established experts recognize that "alcohol is alcohol," and that there is no scientific basis for treating distilled spirits differently from other beverage alcohol.

- The federal government (Departments of Health and Human Services, Agriculture, Transportation and Education), Mothers Against Drunk Driving, the National Council on Alcoholism and Drug Dependence, Blue Cross/Blue Shield and the National Alcohol Beverage Control Association all measure beverage alcohol equivalence the same way.
- The Dietary Guidelines for Americans, published by the U.S. Departments of Agriculture and Health and Human Services, define a drink of alcohol as "12 ounces of regular beer, 5 ounces of wine, or 1.5 ounces of 80-proof distilled spirits."
- The Department of Transportation's National Highway Traffic Safety Administration concurred with other federal agencies in a 1995 Fact Sheet: "Alcohol is alcohol. Beer has the same effect as straight scotch."
- In a June 30, 1993, USA Today Editorial, former U.S. Surgeon General Antonia Novello wrote: "They (young people) don't realize that one can of beer, five ounces of wine, or one wine cooler has roughly the alcohol equivalent of one shot of vodka. So deep is their misunderstanding that 80% of the students did not know that a 12-ounce can of beer has the same amount of alcohol as one shot of whiskey."
- From the National Council on Alcoholism and Drug Dependence, Inc. (NCADD): "Beer and wine contain as much alcohol as liquor in standard servings. A lot of people think there is less risk in drinking beer or wine than in drinking liquor. They may have heard that the percentage of alcohol is lower in beer (around 5 percent) and wine (12 percent) than in liquor (usually 40 to 50 percent). But they may not know that beer, wine and liquor are also usually served in different sizes (12 ounces for beer; 5 ounces for wine; and 1 1/2 ounces of 80 proof liquor). So it works out that each one has the same amount of alcohol. It's just more diluted in beer and wine than in liquor. Beer, wine and liquor have the same effect if a person drinks them in a standard size serving and at the same rate."
- "... a standard drink of regular beer, wine or liquor contains roughly the same amount of alcohol in different overall volume of liquids." Enoch Gordis, M.D., Director of the National Institute on Alcohol Abuse and Alcoholism (NIAAA), January 21, 1997 letter to Senator Wendell H. Ford.



- Most state driver's license manuals teach the facts of beverage alcohol equivalency.
- A 1991 U.S. Department of Health and Human Services, Office of Inspector General Report "Youth and Alcohol: A National Survey. Do They Know What They're Drinking?" states: "Students do not know the relative strengths of different alcoholic beverages. Almost 80 percent of the students do not know that one shot of whiskey has the same amount of alcohol as a 12-ounce can of beer. Similarly, 55 percent do not know that a 5-ounce glass of wine and a 12-ounce can of beer have the same amount of alcohol. One out of three students do not know that all wine coolers contain alcohol."
- A 1996 survey conducted by Yankelovich Partners, Inc. shows an alarmingly high level of misunderstanding among American adults about equivalence. Only 39% of Americans correctly answer that a 12 ounce can of beer, a 5 ounce glass of wine, and a mixed drink with 1.5 ounces of distilled spirits contain the same amount of alcohol. 53% of Americans believe a typical mixed drink is more potent than a typical 5 ounce glass of wine while only 16% say the two drinks are equally potent.
- The National Alcohol Beverage Control Association, the association of the 19 alcohol control jurisdictions in the U.S., conducted a public education campaign on equivalency. Public service advertisements with the message, "A Sobering Fact About Alcohol: It's Not What You Drink, It's How Much" were widely disseminated throughout the 19 control jurisdictions.
- The U.S. Supreme Court's recent reinforcement of the beverage alcohol industry's commercial free speech rights, in its decision in 44 Liquormart v. Rhode Island, did not distinguish among distilled spirits, beer or wine.
- On June 12, 1995, the Federal Court of Canada repealed the country's prohibition of distilled spirits advertising on television and radio. Prominent researchers and clinicians in Canada testified that all alcohol should be treated equally under the law. Allan Wilson, MD, Ph.D., Clinical Director of Royal Ottawa Hospital Addiction Programs, testified that "There is no coherent body of scientific evidence to support the differential treatment of beer, wine and distilled spirits."
- In an affidavit before the Court, Harold Kalant, MD, Ph.D., Professor Emeritus in Pharmacology, University of Toronto and Assistant Research Director of the Addiction Research Foundation of Ontario concluded, "... there is no logical basis in scientific evidence for differential treatment of different types of alcoholic beverage."
- Alcohol warning labels, minimum drinking age laws and drunk driving laws do not distinguish among distilled spirits, beer or wine.
- The National Institute on Alcohol Abuse and Alcoholism, HHS, recognizes that alcohol is alcohol: "A standard drink is generally considered to be 12 ounces of beer, 5 ounces of wine, or 1.5 ounces of 80-proof distilled spirits. Each of these drinks contains roughly the same amount of absolute alcohol - approximately 0.5-ounce or 12 grams." (source: Alcohol Alert, No. 16)

THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

APR 15 1996

Mr. Fred A. Meister
President/CEO
Distilled Spirits Council
of the United States
1250 Eye Street, N.W., Suite 900
Washington, D.C. 20005-3998

Dear Mr. Meister:

Thank you for taking the time to follow up on our meeting with additional information about public misunderstanding of the definition of a drink. It seems clear from both the survey work you have done and the Department's own Inspector General's report that there is considerable confusion among the general public about what constitutes a drink and the alcohol equivalencies of beer, wine and distilled spirits.

We certainly agree with your assessment that public misconceptions interfere with informed decision making. With that in mind, the Department has used the definition of a drink (12 ounces of regular beer, 5 ounces of wine or 1.5 ounces of 80-proof distilled spirits) in a number of public education materials, including, as you know, the Dietary Guidelines for America. In addition, the National Institute of Alcohol Abuse and Alcoholism (NIAAA), at the National Institutes of Health, has incorporated the definition into a number of publications, including the Alcohol Alert issue on moderate drinking you included in your package to me and the recently published Physicians' Guide to Helping Patients with Alcohol Problems. Furthermore, NIAAA is in the process of preparing three patient education brochures on fetal alcohol syndrome which will explain that any kind of alcohol -- beer, wine, wine coolers, liquor, or "mixed drinks" -- is harmful during pregnancy. Finally, the Substance Abuse and Mental Health Services Administration's Center for Substance Abuse Prevention has included this definition of a drink in its recently revised Editorial Guidelines.

Please be assured that we will continue to work to clear up confusion on this issue through our many departmental publications. You should feel free, as we discussed in our meeting, to distribute our public education materials widely.

I hope this information is helpful.

Sincerely,


Donna E. Shalala

**FINDINGS OF THE OFFICE OF INSPECTOR GENERAL
DEPARTMENT OF HEALTH AND HUMAN SERVICES
(OEI-09-91-00652)**

Youth and Alcohol: A National Survey. Drinking Habits, Access, Attitudes, and Knowledge

Students do not know the relative strengths of different alcoholic beverages.

Almost 80 percent of the students do not know that one shot of whiskey has the same amount of alcohol as a 12-ounce can of beer. Similarly, 55 percent do not know that a 5-ounce glass of wine and a 12-ounce can of beer have the same amount of alcohol. One out of three students do not know that all wine coolers contain alcohol.



NEWS RELEASE

For Immediate Release:
April 24, 1997

Contact: George Hacker (202) 332-9110, ext. 343
Bill Bryant (202) 332-9110, ext. 370

PETITION DEMANDS FCC INQUIRY OF ALCOHOL ADS

Public Interest Organizations From Every State Call For Action

More than 240 organizations from every state in the Union today urged the Federal Communications Commission (FCC) to waste no more time before launching a full investigation into broadcast alcohol commercials that reach and appeal to millions of children.

The groups urged the Federal Communications Commission (FCC) not to abandon America's children to liquor, beer, and wine marketers. They formally petitioned the FCC to examine the effects on children of radio and television advertising for all forms of alcoholic beverages.

George Hacker, director of the Alcohol Policies Project at the non-profit Center for Science in the Public Interest (CSPI), which coordinated the petition, said, "The FCC is supposed to insure that broadcasters serve the public interest. It has acted to shield children from harmful programming, including obscenity and indecency. Helping protect our children from the seduction of alcohol advertisements certainly deserves as much attention."

James E. Copple, President and CEO of Community Anti-Drug Coalitions of America (CADCA), which represents 4,300 coalitions across the country, said, "We have looked in the past to alcohol marketers for restraint in their advertising. That restraint has broken down. We call upon the FCC to conduct a thorough and balanced investigation into whether public airwaves are being used to induce our children to drink."

The groups said that the decision by the Distilled Spirits Council of the United States to abandon its 48-year voluntary ban on broadcast ads raises "significant public interest issues" requiring a comprehensive Notice of Inquiry by the FCC.

Beer and wine industries alone poured \$700 million into broadcast advertising in 1995. Citing the glut of youth-oriented advertising, the petition also documented numerous risks and consequences of youth drinking that could be aggravated by liquor commercials on television and radio.

--MORE--

CSPI--PAGE TWO

For youth, alcohol use more than any other single factor is responsible for more pregnancies, sexually transmitted diseases, and HIV infections. Alcohol is a factor in the three leading causes of death for youth aged 15 to 20 years: unintentional injuries (including motor vehicle crashes), homicides, and suicides.

Earlier this month, President Clinton urged the FCC to investigate the effects of liquor commercials on young people. In addition to the President, some two dozen U.S. Representatives, led by Joseph P. Kennedy II (D-MA), have requested an FCC investigation of liquor advertising on radio and television.

Twelve states and Puerto Rico have joined a petition to the agency filed last summer by Alaska's Governor Knowles seeking a ban on broadcast liquor ads. Broadcasters, advertisers, and alcoholic-beverage producers oppose Commission action.

The petition filed today, however, seeks an expanded inquiry into beer and wine advertising as well as liquor commercials.

The petition calls for the FCC Notice of Inquiry to focus on three issues:

- Whether permitting liquor and other alcoholic-beverage commercials is consistent with the FCC's responsibility to serve the public interest;
- Whether the FCC should take regulatory action to ban such advertisements, limit ads to particular time slots, propose informational campaigns to discourage underage alcohol consumption, or otherwise reduce the influence of alcohol commercials on audiences below the legal drinking age;
- Whether new legislation is necessary to serve the public interest.

"We welcome public discussion and review of alcohol advertising standards," said Hacker. "This petition by national, state, and local organizations that represent tens of millions of Americans, demonstrates widespread concern about the expansion of alcohol advertising in the broadcast media. It reflects the failure of the alcoholic-beverage industries' voluntary advertising guidelines to protect kids from a steady torrent of alcohol ads. Parents need the Commission's help, not its indifference."

"Broadcasters, advertisers, and alcoholic-beverage companies will claim that they have a Constitutional right to air beer, wine, and liquor commercials that reach millions of children," Hacker said. "The Constitution is not a suicide pact. The FCC -- and Congress -- have the power to act to protect children from inducements to drink that are transmitted on the public airwaves. Challenges based on the First Amendment, for example, have failed to overturn FCC restrictions and a Congressional ban on broadcast advertising for cigarettes."

Joining in the petition, besides CSPI, are the American Academy of Pediatrics, American Academy of Family Physicians, American Public Health Association, Center for Media Education, Children's Defense Fund, Child Welfare League of America, Community Anti-Drug Coalitions of America, Consumer Federation of America, Latino Council on Alcohol and Tobacco, National Association of Alcoholism and Drug Abuse Counselors, National Council on Alcoholism and Drug Dependence, National Organization for Victim Assistance, National PRIDE, National Family Partnership, National Families in Action, National PTA, Trauma Foundation, and Victims Rights Political Action Committee.

The complete list of petitioners, which is available upon request, also includes dozens of other national, state and local health-promotion, child-advocacy, safety, and alcohol treatment and prevention groups. Copies of the petition also are available.

--END--

CSPI is a nonprofit health-advocacy organization that focuses on alcoholic-beverage problems, nutrition, and food safety. Based in Washington, D.C., it is supported in large part by the 900,000 subscribers to its Nutrition Action Healthletter. It does not accept funding from industry or government.

Co-Signers

Petition for Notice of Inquiry on Alcohol Advertising

'Cause Children Count Coalition, Inc., Washington, DC
Action on Alcohol and Teens - A Citizens' Group, St. Paul, MN
Alabama Association of Addiction Counselors, Mobile
Alameda County Friday Night Live, Fremont, CA
Alaska Association of Alcoholism and Drug Abuse Counselors, Anchorage
Alaska Council on Prevention of Alcohol and Drug Abuse, Anchorage
Alaska Council on Prevention of Drug and Alcohol Abuse, Eagle River
Alaska School Nurse's Association, Anchorage
Alaska Women's Resource Center, Anchorage
Alcohol Policy Network, Berkeley, CA
Alcohol Research Information Service, Lansing, MI
Alcohol Services, Inc., Syracuse, NY
Alcohol and Drug Abuse Services, Inc., Port Allegany, PA
Alcohol and Drug Abuse of Greater Baton Rouge, LA
Alcohol-Drug Information Center, Bloomington, IN
Alcoholism Council of New York, Inc.
Alcoholism and Drug Abuse Council of Ocean, Inc., Lakewood, NJ
American Academy of Family Physicians, Washington, DC
American Academy of Health Care Providers in the Addictive Disorders, Cambridge, MA
American Academy of Pediatrics, Washington, DC
American College Health Association, Baltimore, MD
American College of Emergency Physicians, Washington, DC
American College of Nurse-Midwives, Washington, DC
American College of Physicians, Washington, DC
American College of Preventive Medicine, Washington, DC
American Council on Alcohol Problems, Bridgeton, MO
American Medical Student Association, Reston, VA
American Muslim Council, Washington, DC
American Public Health Association, Washington, DC
American Society of Addiction Medicine, Chevy Chase, MD
Anchorage School District, AK
Arizona Association of Alcoholism and Drug Abuse Counselors, Phoenix
Atlantic Prevention Resources, Inc., Northfield, NJ
Benton Foundation, Washington, DC
Born Free of Mississippi, Inc., Jackson
Burke County Council on Alcoholism and Chemical Dependency, Inc., Morganton, NC
Butler Alcohol/Drug and Community Services Inc., Meridian, MS
California Association of Alcoholism and Drug Abuse Counselors, Sacramento
California Council on Alcohol Policy, Berkeley
California Latino Alcohol and Other Drug Coalition, Oakland
California Prevention Congress, Sacramento
Camden County Council on Alcoholism and Drug Abuse, Inc., Voorhees, NJ
Catholic Charities, Inc., Jackson, MS
Center for Media Education, Washington, DC
Center on Alcohol Advertising, Berkeley, CA
Certified Addictions Counselors of Maryland, Bel Air

Co-Signers, continued
Petition for Notice of Inquiry on Alcohol Advertising

Champions for a Drug Free Kentucky, Frankfort
Charter Behavioral Health System at Cove Forge, Williamsburg, PA
Chemical Dependency Professionals of Washington State, Bremerton
Chester Valley School, Anchorage, AK
Child Welfare League of America, Washington, DC
Children of Alcoholics Foundation, Inc., New York, NY
Children's Defense Fund, Washington, DC
Chinook Elementary, Anchorage, AK
Christian Citizens of Arkansas, El Dorado
Christian Life Commission of the Southern Baptist Convention, Washington, DC
Chugiak High School, Eagle River, AK
Clínica Msr. Oscar A. Romero, Los Angeles, CA
CommPre/Horizon Services, Inc., Mt. Eden, CA
Committee For Children, Washington, DC
Commonwealth Prevention Alliance, State College, PA
Communities in Prevention, Central, Santa Ana, CA
Community Action Network, Newberry Park, CA
Community Alcohol Problem Prevention Project, Santa Barbara, CA
Community Anti-Drug Coalitions of America, Alexandria, VA
Community Counseling and Education Center, Fremont, CA
Community Prevention Coalition of Hennepin County, Minneapolis, MN
Connecticut Coalition on Youth and Alcohol Drugs Don't Work, Hartford
Connecticut Federation of Alcoholism and Drug Abuse Counselors, Wallingford
Consumer Federation of America, Washington, DC
Consumer Project on Technology, Washington, DC
Council of Chief State School Officers, Washington, DC
Council on Alcohol and Drug Abuse for Greater New Orleans, Melarie, LA
Council on Alcoholism and Drug Abuse, Santa Barbara, CA
Council on Alcoholism and Drug Abuse of Northwest Louisiana, Shreveport
Council on Alcoholism and Drug Abuse of Sullivan County, Inc./Recovery Center, Monticello, NY
Dakota County Receiving Center, Inc., Hastings, MN
Dauphin County RADAR Network, Harrisburg, PA
Delaware Association of Alcoholism and Drug Addiction Counselors, Wilmington
Delaware County Council on Alcoholism and Other Drug Addictions, Inc., Delhi, NY
Developing Resources for Education in America Inc., Jackson, MS
Didi Hirsch Community Mental Health Center, Culver City, CA
District of Columbia Arc, Inc.
Employee and Family Resources, Inc., Des Moines, IA
Florida Association of Alcoholism and Drug Abuse Counselors, Coral Springs
Foundry Community School, San Jose, CA
Gateway Center for Human Services Substance Abuse Services Division, Ketchikan, AK
Gay and Lesbian Community Center of Ventura County, CA
General Board of Church and Society, The United Methodist Church, Washington, DC
General Board of Global Ministries, The United Methodist Church, Washington, DC
Georgia Addiction Counselors Association, Atlanta
Greater Buffalo Council on Alcoholism and Substance Abuse, NY
Greater Indianapolis Council on Alcoholism, Inc./NCADD, IN

Co-Signers, continued
Petition for Notice of Inquiry on Alcohol Advertising

Gwinnett United In Drug Education, Lawrenceville, GA
 Hawaii Association of Alcoholism and Drug Abuse Counselors, Honolulu
 Health Through Art: Signs of Recovery of Health and Human Resource Education Center, Oakland, CA
 Hollis/Brookline Schools, Student Assistance Program, Hollis, NH
 Horizon Community Center, San Leandro, CA
 Horizon Services, Inc., Hayward, CA
 Illinois Association of Addiction Professionals, Bensenville
 Indiana Communities for Drug-Free Youth, Indianapolis
 Indiana Counselors Association on Alcohol and Drug Abuse, Indianapolis
 Indiana Middle Level Leadership Institute, Indianapolis
 Interfaith Prevention Program, Inc., Hayward, CA
 International Commission for the Prevention of Alcohol and Drug Dependency, Silver Spring, MD
 Joyner and Associates, University Heights, OH
 "Just Say No" Foundation, Oakland, CA
 Kansas Alcoholism and Drug Addiction Counselors Association, Topeka
 Kentucky Association of Addiction Professionals, Louisville
 Lake County Citizens Committee for Alcohol Health Warnings, Tavares, FL
 Latino Council on Alcohol and Tobacco, Washington, DC
 Laurens County Commission on Alcohol and Drug Abuse, SC
 Loma Linda University Children's Hospital, CA
 Los Alamos Council on Alcoholism/Drug Dependence, NM
 Los Angeles County Commission on Alcoholism, Palmdale, CA
 Los Angeles County Juvenile Assistance Coalition, Lynwood, CA
 Louisiana Association of Substance Abuse Counselors and Trainers, Baton Rouge
 Maine Association of Alcoholism and Drug Abuse Counselors, Portland
 Maryland Underage Drinking Prevention Coalition, Annapolis
 Massachusetts Association of Alcoholism and Drug Abuse Counselors, Fall River
 Mercer Council on Alcoholism and Drug Addiction, Trenton, NJ
 Metropolitan Atlanta Council on Alcohol and Drugs, Inc., Atlanta, GA
 Michigan Alcohol Issues Forum, Okemos
 Michigan Association of Alcoholism and Drug Abuse Counselors, Southfield
 Minneapolis Urban League, MN
 Mississippi Association of Alcoholism and Drug Abuse Counselors, Jackson
 Missouri Addiction Counselors Association, Columbia
 Missouri Youth/Adult Alliance Against Underage Drinking, MO Assoc. of Community Task Forces, Columbia
 Montana Association of Alcohol and Drug Abuse Counselors, Billings
 Montgomery County Community Partnership, Rockville, MD
 National Association For Better Broadcasting, Beverly Hills, CA
 National Association For Public Health Policy, Reston, VA
 National Association of Alcoholism and Drug Abuse Counselors, Arlington, VA
 National Association of State Alcohol and Drug Abuse Directors, Inc., Washington, DC
 National Association on Alcohol, Drugs and Disability, Oregon, WI
 National Association on Alcoholism and Drug Dependence:
 California; Central and Northern Arizona, Phoenix; Central Mississippi Area, Inc., Jackson; Greater Detroit
 Area, MI; Juneau, AK; Michigan, Lansing; Middlesex County, Inc., East Brunswick, NJ; New Jersey;
 North Jersey Area, Inc., Montclair; Northwest Ohio, Toledo; Oakhurst, NJ; Rochester Area, NY; St. Louis
 Area, MO; San Fernando Valley, Van Nuys, CA; San Jose, CA; South Bay Area, Torrance, CA; Tulare
 County, Inc., CA; Washington, DC
 National Families in Action, Atlanta, GA

Co-Signers, continued
Petition for Notice of Inquiry on Alcohol Advertising

National Family Partnership, Saint Louis, MO
National Institute on Media and the Family, Minneapolis, MN
National Organization for Victim Assistance, Washington, DC
National Organization on Adolescent Pregnancy, Parenting and Prevention, Inc., Washington, DC
National Parent Teacher Association, Washington, DC
National Prevention Network, Washington, DC
Nebraska Association of Alcoholism and Drug Abuse Counselors, Omaha
Nevada Association of Drug and Alcoholism Counselors, Las Vegas
New Hampshire Alcoholism and Drug Abuse Counselors Association, North Chelmsford
New Hampshire Prevention Association, Concord
New Jersey Association of Alcoholism and Drug Abuse Counselors, Riverton
New Mexico Alcoholism and Drug Abuse Counselors Association, Albuquerque
New York Federation of Alcohol and Chemical Dependency Counselors, Albany
North Bay Health Resources Center, Petaluma, CA
North Dakota Addiction Counselors Association, Minot
Northern Lights Elementary School, Anchorage, AK
Northern Nevada Association of Alcohol and Drug Abuse Counselors, Carson City
Ohio Association of Alcoholism and Drug Abuse Counselors, Columbus
Ohio Public Health Association, Pickerington
Oklahoma Drug and Alcohol Professional Counselor Association, Moore
Orange County Health Care Agency, Alcohol and Drug Abuse Services, Santa Ana, CA
Oregon Office of Alcohol and Drug Abuse Programs, Salem
Oregon Student Safety On the Move, Corvallis
Oregon Teen Leadership in Prevention Institute, Corvallis
PRIDE (National Parents Resource Institute for Drug Education), Atlanta, GA
PRIDE - Omaha, Inc., NE
PRIDE of St. Tammany, Covington, LA
Parents Association to Neutralize Drug and Alcohol Abuse, Alexandria, VA
Partnership for a Drug Free New Hampshire, Concord
Pasadena Family Center, CA
Pennsylvania Association of Alcoholism and Drug Abuse Counselors, Shippensburg
Pennsylvania Council on Alcohol Problems, Harrisburg
Phase: Piggy Back, Inc., Harlem, NY
Preventing Alcohol Related Trauma in Salinas, CA
Professional Alcoholism and Drug Abuse Counselors Association of the District of Columbia
Public Voice for Food and Health Policy, Washington, DC
RID-USA, Inc. (Remove Intoxicated Drivers), Schenectady, NY
Racine Council on Alcoholism and Other Drug Abuse, WI
Rhode Island Association of Alcoholism and Drug Abuse Counselors, Providence
Ruth Lilly Center for Health Education, Indianapolis, IN
STAR Alliance, Indianapolis, IN
Salina All-American Prevention Partnership, KS
San Benito County Alcohol and Drug Program, Hollister, CA
San Francisco Medical Society, CA
San Lorenzo Unified School District, CA
Santa Barbara Council on Alcoholism and Drug Abuse, CA

Co-Signers, continued
Petition for Notice of Inquiry on Alcohol Advertising

Santa Cruz Police Department, CA
Scott Newman Center, Los Angeles, CA
Second Chance, Inc., Newark, CA
Seventh Day Adventist Church, Silver Spring, MD
South Carolina Association of Alcoholism and Drug Abuse Counselors, Columbia
South Dakota Chemical Dependency Association, Sioux Falls
South Dakota Plus Community Prevention Council, Sioux Falls
Southern Minnesota Association of Alcoholism and Drug Abuse Counselors, Fairmont
St. Vincent College Prevention Projects, Latrobe, PA
Substance Abuse Counselors of Colorado, Denver
Summit County Community Partnership, Inc., Akron, OH
Support Team for Youth, Hollis, NH
T.H.U.M.B.S.-U.P. Association, Akron, OH
Taku Elementary, Anchorage, AK
Temperance League of Kentucky, Louisville
Tennessee Association of Alcoholism and Drug Abuse Counselors, Nashville
Texas Association of Alcoholism and Drug Abuse Counselors, Austin
The Arc, Washington, DC
The Association of Alcoholism and Drug Abuse Counselors of Oregon, Portland
The Children's Health Fund, New York, NY
The Health Network, New City, NY
The Manocherian Foundation, New York, NY
The Marin Institute, San Rafael, CA
The Praxis Project, Oakland, CA
The Urban Coalition, St. Paul, MN
Trauma Foundation, San Francisco, CA
United School District, Armagh, PA
University of Massachusetts, University Health Services, Amherst
University of Minnesota at Duluth, Health Services, Duluth
University of Notre Dame, Office of Alcohol and Drug Education, IN
Ursa Major Elementary School, Fort Richardson, AK
Utah Association of Alcoholism and Drug Abuse Counselors, Salt Lake City
Vallejo Alcohol Policy Coalition, CA
Vallejo Fighting Back Partnership, CA
Vermont Alcohol and Drug Abuse Counselors Association, Wallingford
Victims Rights Political Action Committee, Washington, DC
Virginia Association of Alcoholism and Drug Abuse Counselors, Richmond
West Virginia Association of Alcoholism and Drug Abuse Counselors, Wheeling
Wisconsin Association of Alcoholism and Drug Abuse Counselors, Appleton
Wyoming Association of Addiction Specialists, Cheyenne
YMCA - Communities in Prevention - North, Fullerton, CA
Youth Leadership Institute, San Rafael, CA

American Medical Association

Physicians dedicated to the health of America



P. John Seward, MD
Executive Vice President

515 North State Street
Chicago, Illinois 60610

312 464-6000
312 464-4184 Fax

May 8, 1997

Reed Hundt
Chair
Federal Communications Commission
1919 M Street, NW -- Room 202
Washington, DC 20554

Dear Chairman Hundt:

The American Medical Association (AMA) supports President Clinton's request of the Federal Communication Commission (FCC) to study the impact of the recent decision by the distilled spirits industry to lift its voluntary ban on broadcast advertising. The AMA, however, urges the FCC, to broaden the study to include the impact of all alcohol advertising on children.

The AMA supports a total ban on all alcohol advertising outside of wholesale and retail sites. Such a ban, to have the most beneficial effect on our nation's youth, should also include beer and wine products. The drug of choice of our youth is overwhelmingly beer. This is not surprising given the pervasive advertising and promotion of beer, and the major beer brands on TV, radio and at professional sports events, rock concerts, on college campuses, community events, and on billboards in every community. These ubiquitous messages make it difficult for youth not to be affected. By the time minors reach age 18, it is common for them to have seen over 100,000 beer advertisements.

Today, juvenile consumption of alcohol and college binge drinking are increasing. Illegal sales of alcohol products to minors are extensive and highlight the ineffectiveness of current regulations as well as the beverage industry's self-monitoring in reducing underage drinking. Rather than expand alcohol advertising, we should restrict the promotion of alcohol to them.

The FCC should address this critical public health problem by examining the impact of all alcohol advertising on the behavior of our nation's youth. As the FCC process proceeds, please consider that any discussion of a revised code of advertising for alcohol products should include extensive input from the medical, public health, education and parent communities. In every state, alcohol is an illicit drug for minors. The AMA urges the FCC to adopt policies which support these state laws.

Thank you for the opportunity to comment on this important public health matter. If you have any questions, please contact Margaret Garikes at 202-789-7409.

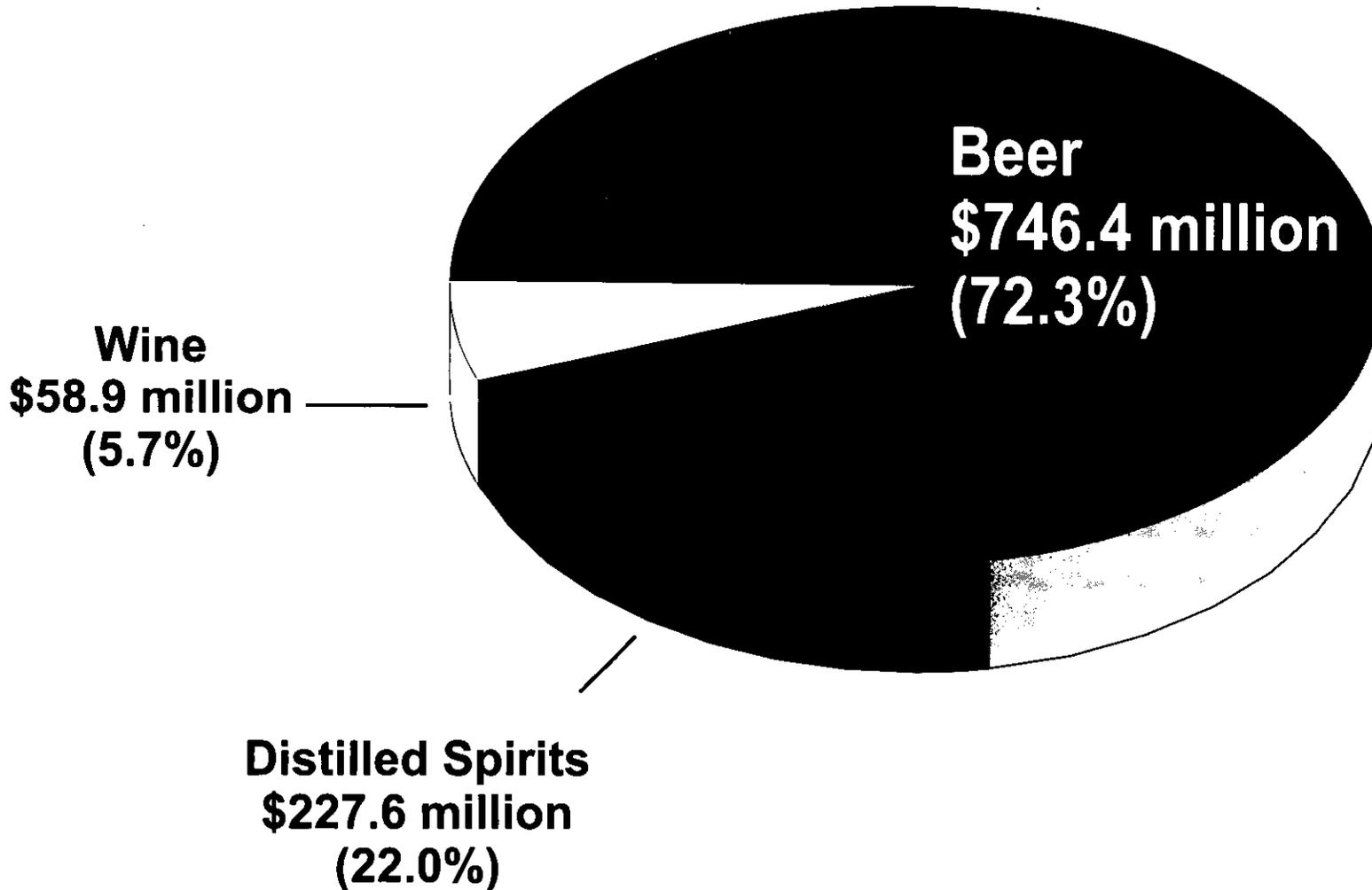
Sincerely,

A handwritten signature in cursive script that reads "P. John Seward, M.D.".

P. John Seward, MD

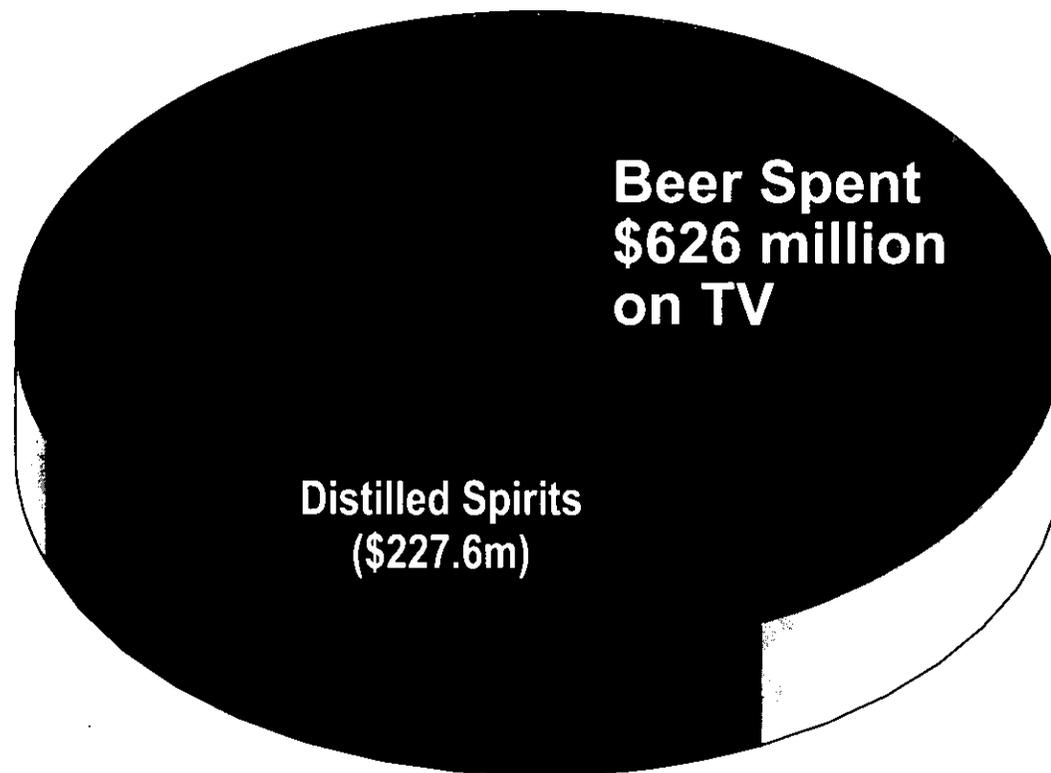
150 *Years of Caring for the Country*
1847 • 1997

In 1995, Only 22 Percent of the Total Beverage Alcohol Advertising Costs Were for Distilled Spirits



Note: Figures based on measured national media expenditures
Sources: CMR and Impact Databank, as reported in impact

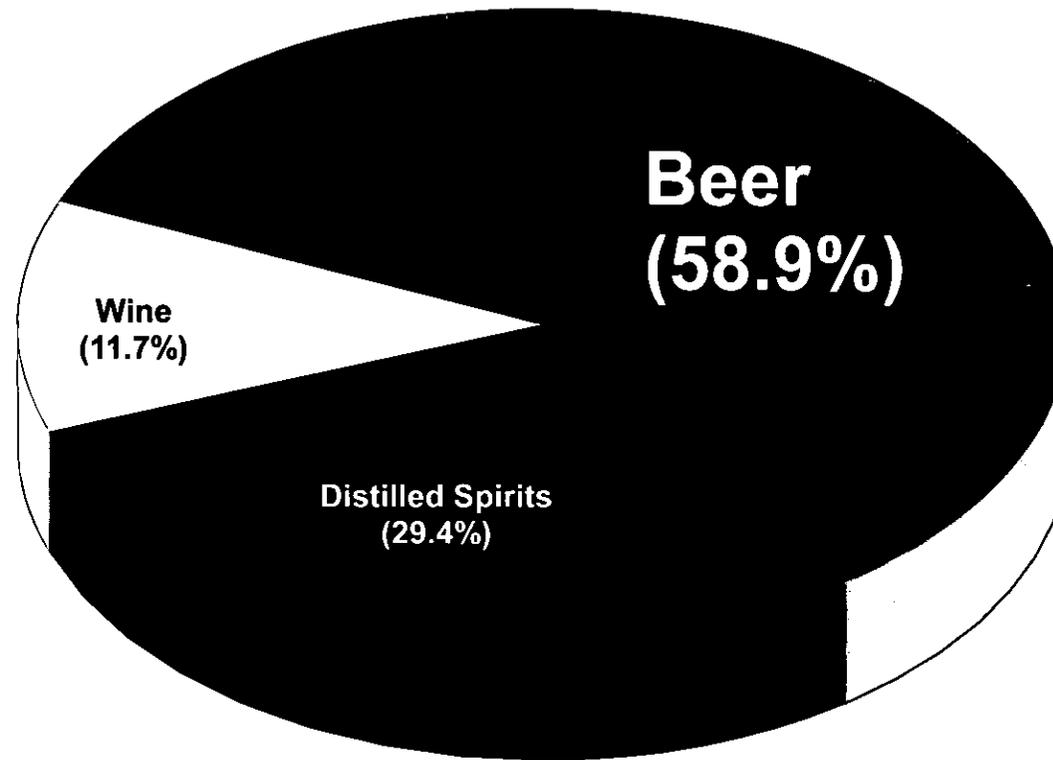
In 1995, Beer Spent More on Television Advertising Alone than Distilled Spirits Spent on all Advertising Mediums



Note: Figures based on measured national media expenditures

Sources: CMR and Impact Databank, as reported in Impact, October 1996

Distilled Spirits Accounted for Only 29 Percent of all Alcohol Consumed in 1995



Note: Conversion from wine gallons to gallons of pure alcohol was made using the following conversion factors: Beer=4.5%; Wine=11%; Distilled Spirits=40%

Sources: DISCUS; Beer Institute; Steve L. Barsby & Associates



BEER FACTS

Beer and youth.

- o "[B]eer seems to have carved out an image ... in the minds of youth, as a virtually non-alcoholic, run-of-the-mill soft drink."
 "They don't realize that one can of beer, five ounces of wine or one wine cooler has roughly the alcohol equivalent of one shot of vodka."
 (U.S. Surgeon General, Dr. Antonia Novello, *USA Today*, June 30, 1993, page 11A.)

 "So I'm giving you confused messages. I'm also telling you that you cannot advertise Seagrams, but you can advertise beer and it's the same alcoholic equivalency. It's just that one's permitted and the other one is not."
 (U.S. Surgeon General, Dr. Antonia Novello, on "To The Contrary", WETA-TV(PBS), November 30, 1996.)
- o "[O]ur sample of young adults perceive beer drinking as significantly less risky than the consumption of spirits."
 (Hennessy and Saltz, *Journal of Studies on Alcohol* 51: 422-427, 1990, page 426.)

Beer and drinking drivers.

"Beer Is The Beverage Preference of Drinking Drivers"

<u>Population</u>	<u>Percent Drinking Beer</u>	<u>Source</u>
13,000 In Jail For DWI	75%	Greenfeld, 1988
5,000 Arrested for DWI in MD	78%	NHTSA, 1986
3,000 Arrested for DWI in NH	77%	New Hampshire, 1985
100 Drivers with BAC >.10 at Roadside Survey	78%	Lund and Wolfe, 1989
2,000 Drivers Admitting Impaired Driving in Past Year	81%	SRBI, 1992
1,287 Drinkers	66%	NHTSA, 1995

(A review of published and unpublished reports compiled by
the National Highway Traffic Safety Administration.)

- o The Harvard study identifies "... a subgroup of individuals at high risk for involvement in drinking and driving. This subgroup is comprised of young, predominantly white, males (21-34) in blue-collar occupations with a high school education or less who most often drink beer."
 (Harvard School of Public Health, Injury Control Center, Strategic Advertising Plans to Deter Drunk Driving: Executive Summary, 1995, page 1.)

- o “Those who preferred beer typically drank to higher levels of intoxication, were more likely to drive after drinking and tended to consider driving while intoxicated to be less serious.”
“These data contradict the popular perception of beer as a relatively harmless drink of moderation, and challenge policies of special concessions for the legal purchasing age and advertising of beer.”
(Berger and Snortum, *Journal of Studies on Alcohol* 46: 232-239, 1985, especially page 232.)
- o Data from 50 states and the District of Columbia show that "beer consumption was significantly and positively associated with highway fatalities perhaps because many drivers consider it a 'soft' alcoholic beverage that will not impair their ability to drive."
(Colon and Cutter, *Journal of Safety Research* 14:83-89, 1983, page 83.)
- o “Since heavy beer drinkers were found to be over-represented among these crash and citation problem drinkers,
(1) more research, administrative, and public education concern should be focused on the effects of beer, the frequent heavy users of beer, and the counteracting of the erroneous and contrived image of beer as a less harmful beverage than distilled spirits; and
(2) eradication of the double standards for beer (as opposed to distilled spirits) which sanction and institutionalize the advertising and distributing of beer at a more permissive social level than distilled spirits.”
(Perrine, Waller & Harris, “Alcohol and Highway Safety: Behavioral and Medical Aspects”, prepared for NHTSA, 1971, section 11.2 under “Recommendations”. Underscoring is in the original.)

Alcohol is alcohol is alcohol.

- o “A standard drink is generally considered to be 12 ounces of beer, 5 ounces of wine, or 1.5 ounces of 80-proof distilled spirits. Each of these drinks contains roughly the same amount of absolute alcohol -- approximately 0.5 ounce or 12 grams.”
(National Institute on Alcohol Abuse and Alcoholism, “Moderate Drinking”, *Alcohol Alert*, April 1992, page 1.)



**Community Intervention:
The Saving Lives Program**

Everyone wants to know about programs that work. An example of a community intervention program that has been evaluated is the Saving Lives Program. It was designed to reduce drinking and driving and to promote safe driving practices in six communities in Massachusetts. These communities involved the media, businesses, schools and colleges, citizens' advocacy groups, and the police in activities such as high school peer-led education, college prevention programs, alcohol-free prom nights, beer keg registration, increased liquor outlet surveillance, and other efforts. This program was accompanied by declines in fatal crashes among drivers ages 15-25, who experienced a 39 percent reduction in such crashes compared with young people in the rest of the State. In addition, the proportion of 16- to 19-year-olds who reported driving after drinking in the month before being interviewed declined 40 percent compared with teens in the rest of Massachusetts. Regarding teens' perception of law enforcement in Saving Lives communities, the proportion of those who believed that the license of a person caught driving after drinking could be suspended before a trial increased, while there was no such change in perception among young people in the rest of the state. The researchers note that "...the Saving Lives Program provided a community organizational structure that enabled private citizens and public officials...to develop their own innovative initiatives that markedly reduced drunk driving and speeding as well as related fatal crashes, particularly among young drivers."

Here's the bottom line—preventing drinking and driving among youth requires laws, their highly visible enforcement, and community support of and involvement in prevention programs. Prevention also depends on

changing young people's attitudes and behaviors about drinking and driving. Attitudes and behaviors may be changed by public information programs designed to persuade young people that their risk for a crash after drinking is higher than they think; that the majority of their peers do not condone or practice driving after drinking; and that alternatives to driving after drinking are available. Perhaps, most importantly, parents and caring adults need to let kids know that their safety and well-being are important—that it matters very much that they grow-up to become the terrific human beings that we know they are.

**Two Out
Of Three
Drunk Drivers
Prefer Beer
LET'S
DRAW
THE LINE**

**APRIL IS ALCOHOL
AWARENESS MONTH**

FCC License Letter

THE WHITE HOUSE
Chief of Staff to the President

Elena

- To: 1. Bruce Reed
 2. _____
 3. _____
 4. _____

Lets Discuss: _____
 Schedule Meeting: _____

Assignment: Bruce, EBB told Sen. Daschle that he would set up a mtg. with you for DISCUS' att'y, Tom Jally. Could

Please Advise By: you have that done. Please
 For Your Information Only: _____
 Comments: let me know when scheduled. Thank you.

Carole
6-19-88

- cc: Mathews Podesta Radd

JOLLY/RISSLER, INC.
818 Connecticut Avenue, N.W., 10th Floor
Washington, D.C. 20006
(202) 293-3330
Facsimile (202) 293-3515

TELECOPY TRANSMITTAL SHEET

To: Carole A. Parmalee
Telecopier Telephone: 456-1907
From: Thomas R. Jolly
Date: 7/8/97
Number of Pages (Including This Page): 8
Client: DISCUS

Bruce - I talked with them last week + told them that we didn't think this was the time to do a "conference," but that we were still considering other policy options. (Among other things, we are awaiting a memo from a # number of advocacy groups - MADD et al - on policy options. (These groups do not think we should hold the conference process requested, without mine.) They told me about this phone call to Evchine, and we agreed that you would have a meeting with them and that we would follow this meeting with a letter stating that we were considering options. For some reason, this will make them feel better. So I had to push this

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back onto you, but I think you have to have a meeting with them Eeva

JOLLY/RISSLER, INC.
GOVERNMENT AND PUBLIC RELATIONS
10TH FLOOR
818 CONNECTICUT AVENUE, N.W.
WASHINGTON, DC 20006
(202) 293-3330
FAX (202) 293-3515
E-Mail: jris@jollyrissler.com

JOLLY/RISSLER

MEMORANDUM

TO: Carole A. Parmalee
FROM: Thomas R. Jolly
DATE: July 8, 1997
SUBJECT: Follow up on Mr. Bowles' suggestion to Senator Daschle that we arrange through your office a meeting with Bruce Reed

This is to follow up on our telephone conversation today. As I mentioned, Senator Daschle's staff called and said that Erskine Bowles suggested to Tom Daschle (apparently today) that I call you to arrange an appointment with Bruce Reed to discuss the issue of fair and equal treatment of the spirits industry by the Administration, specifically with regard to alcohol advertising.

As I mentioned to you on the phone, the concern is that the President has never responded to the Distilled Spirits Council of the United States' (DISCUS) letter of April 4, 1997 in which DISCUS asked the President to bring together the beer, wine, distilled spirits and broadcast industries to devise a common code of advertising. This was in response to two previous statements of the President in which he singled out only spirits advertising on television, despite the fact that most of the Executive Branch recognizes the doctrine of alcohol equivalency which makes no distinction between beer, wine and spirits.

The spirits industry has been treated with courtesy by the Administration, but so far there has been no response to its April 4 request. We met with Elena Kagan and Cheri Carter on May 22 and were led to believe, after that meeting, that a response would be forthcoming from the Domestic Policy staff by the first week of June. There has still been no response.

We would like very much to take advantage of Mr. Bowles' offer to Senator Daschle to arrange a meeting with Bruce Reed, and the purpose of this memo, as we discussed, is to follow up on this invitation. I am enclosing a copy of DISCUS' April 4, 1997 letter to the President and some additional material for your reference. Please let me know if you need anything further.

Thanks again and I shall look forward to hearing from you.

Attachments

Thanks, Carole - it was great to talk with you! My best to Ken.

DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES

April 4, 1997

*The President
The White House
1600 Pennsylvania Avenue, N.W.
Washington, DC 20500*

Dear Mr. President:

While we strongly disagree with your Administration's attempt to single out only distilled spirits advertising for discriminatory examination and action, we want to propose a bold approach to the issue of alcohol advertising and youth.

Given the fact that your Administration is concerned with youth and alcohol advertising, the issue of advertising by other forms of alcohol must be addressed concurrently. Distilled spirits has been advertising on television and radio in a very responsible way, but with relatively few ads for only the past several months. Beer, however, has been advertising for decades and has spent billions of dollars doing so without any great public outcry or controversy.

*The fact is that there can be no sensible or effective analysis of the issue of youth, alcohol and advertising if beer and wine are not part of that process. I doubt that there is one alcohol education or anti-abuse group anywhere that would not support this view that any Federal analysis of alcohol advertising **absolutely must** have beer and wine included. Attached are some recent letters from such groups.*

As distillers, as parents and as good citizens, we are as concerned as anyone about illegal alcohol use among the underage. Indeed, our companies have a long and proud record of educating all segments of society about responsible alcohol consumption and alcohol abuse. The distillers collectively, through the Century Council, conduct effective community-based programs directed at combatting illegal, underage drinking.

It is with this tradition of responsibility that we propose a process that goes far beyond your position of "no backsliding."

The President
April 4, 1997
Page Two

Respectfully, the distillers call on your Administration to publicly request and expect that the distillers, brewers and vintners together with the broadcasters will meet under the aegis of your Administration. Your tasking to the group would be for them to develop a unified code that sets the same responsible standards for all forms of beverage alcohol (beer, wine and spirits) advertising and also would be the guidelines for broadcasters.

Currently, each segment of beverage alcohol has its own code that addresses the issues of responsibility and youth, but a common code would improve the status quo by holding all segments of the beverage alcohol industry and the broadcasters to the same responsible standard.

We respectfully urge you to take pointed action by issuing a call for spirits, beer, wine, and the broadcasters to "come to the table" and, within no more than 90 days, develop and agree to a common code of advertising. Your Administration then could use its "bully pulpit" to attain an effective impact.

Your Administration prides itself on creative, dynamic and bold solutions and thus surely can do more than not just "backslide." Your Administration has the courage to bring all parties in the beverage alcohol industry (beer, wine and spirits) and the broadcasters to the table to achieve this comprehensive and sustaining objective.

The spirits industry is responsible -- we are willing to come to the table now. Your Administration only has to secure the same commitment from the beer and wine industries and the broadcasters to work toward this common end.

We would be pleased to discuss this soon with you or anyone in your Administration.

Sincerely,


Fred A. Meister
President/CEO

FAM:ck
Attachments

JOLLY/RISSLER, INC.
GOVERNMENT AND PUBLIC RELATIONS
10TH FLOOR
818 CONNECTICUT AVENUE, N.W.
WASHINGTON, DC 20006
(202) 293-3330
FAX (202) 293-3515
E-Mail: jris@jollyrissler.com

JOLLY/RISSLER

April 11, 1997

Ms. Cheri Carter
Special Assistant to the President
Office of Public Liaison
The White House
Washington, D.C. 20500

Dear Cheri:

This is to follow up on our recent conversation regarding the letter dated April 4 our client, the Distilled Spirits Council of the United States, Inc. (DISCUS), sent to President Clinton urging him to encourage the beer, wine, distilled spirits and broadcast industries to devise a common code of advertising.

We would hope very much that you could arrange a meeting to discuss this further with the President's Domestic Policy staff. We would anticipate that Fred Meister, DISCUS President and CEO, and Tim Dudgeon and I would be present at this meeting.

Thanks again for your continuing interest in this matter. I hope we will be able to meet in the very near future.

Sincerely,



Thomas R. Jolly

TRJ:ks





THE SECRETARY OF HEALTH AND HUMAN SERVICES
WASHINGTON, D.C. 20201

APR 15 1996

Mr. Fred A. Meister
President/CEO
Distilled Spirits Council
of the United States
1250 Eye Street, N.W., Suite 900
Washington, D.C. 20005-3998

Dear Mr. Meister:

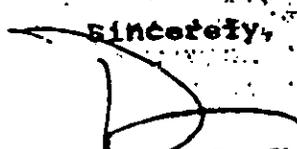
Thank you for taking the time to follow up on our meeting with additional information about public misunderstanding of the definition of a drink. It seems clear from both the survey work you have done and the Department's own Inspector General's report that there is considerable confusion among the general public about what constitutes a drink and the alcohol equivalencies of beer, wine and distilled spirits.

We certainly agree with your assessment that public misconceptions interfere with informed decision making. With that in mind, the Department has used the definition of a drink (12 ounces of regular beer, 5 ounces of wine or 1.5 ounces of 80-proof distilled spirits) in a number of public education materials, including, as you know, the Dietary Guidelines for America. In addition, the National Institute of Alcohol Abuse and Alcoholism (NIAAA), at the National Institutes of Health, has incorporated the definition into a number of publications, including the Alcohol Alert issue on moderate drinking you included in your package to me and the recently published Physicians' Guide to Helping Patients with Alcohol Problems. Furthermore, NIAAA is in the process of preparing three patient education brochures on fetal alcohol syndrome which will explain that any kind of alcohol -- beer, wine, wine coolers, liquor, or "mixed drinks" -- is harmful during pregnancy. Finally, the Substance Abuse and Mental Health Services Administration's Center for Substance Abuse Prevention has included this definition of a drink in its recently revised Editorial Guidelines.

Please be assured that we will continue to work to clear up confusion on this issue through our many departmental publications. You should feel free, as we discussed in our meeting, to distribute our public education materials widely.

I hope this information is helpful.

Sincerely,


Donna E. Shalala

**DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES**

NEWS RELEASE

DISCUS is the trade association representing producers and marketers of distilled spirits sold in the United States.

CONTACT: ELIZABETH BOARD

PHONE: 202-682-8840

DISTILLERS CALL ON PRESIDENT CLINTON TO REQUEST A COMMON CODE FOR ALL ALCOHOL ADVERTISING

Washington, D.C., April 4, 1997 -- The Distilled Spirits Council of the United States (DISCUS) sent a letter to the White House, calling on President Clinton to use his "bully pulpit" to bring together the beer, wine, distilled spirits and broadcast industries to devise a common code of advertising. DISCUS President and CEO Fred Meister announced at a press conference today.

DISCUS' call for action came in response to President Clinton's statements Tuesday asking the FCC to examine the effects, if any, of spirits advertising on television. DISCUS criticized the President's proposal stating that it ignores more than 99 percent of the alcohol advertising on television.

"During the President's address, he made a statement that is seriously incomplete. The President said the 'kids should have no business with liquor,'" said Meister. "I believe that every parent and alcohol abuse expert would say that kids should have no business with any form of alcohol -- beer, wine or distilled spirits -- period."

In the letter, DISCUS urged the President to ask for the distillers, brewers, and vintners together with the broadcasters to "come to the table" to develop and adopt a common code for alcohol advertising within 90 days.

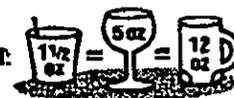
"The spirits industry is responsible -- we are willing to come to the table now. Your Administration only has to secure the same commitment from the beer and wine industries and the broadcasters to work toward this common end," said Meister.

The code would set the same responsible standard for all beverage alcohol advertising and also would provide uniform guidelines for the broadcasters.

-more-

DISCUS • 1250 Eye Street, N.W. • Suite 900
Washington, D.C. 20005-3998
202/628-3544 • FAX: 202/682-8888
<http://www.discus.health.org/>

A FACT ABOUT ALCOHOL CONTENT:



"For decades, our members have demonstrated through numerous alcohol education efforts that we are a responsible industry dedicated to combatting alcohol abuse, including illegal, underage drinking," said Meister. "It is with this tradition of responsibility that we propose a bold and innovative call for action that goes forward and far beyond the President's stated goal of 'not backsliding.'"

Meister cited new polling data from Yankelovich Partners that showed that 61 percent of Americans did not know that typical servings of beer, wine and spirits contained virtually the same amount of alcohol. The poll also showed that the majority of Americans -- 62 percent -- said that understanding the equivalency of standard servings of different types of alcohol beverages is helpful to them in making decisions about responsible drinking.

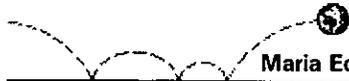
"These findings demonstrate why the U.S. Departments of Health and Human Services, Agriculture, Transportation and Education teach alcohol equivalence," said Meister. "It is a basic, essential and critical fact."

Meister also unveiled an industry-produced commercial about alcohol equivalence that was rejected by a network.

"To encourage other groups to expand their alcohol equivalency education, we recently tried to deliver this important equivalence message to the public through a commercial produced by the spirits industry," said Meister. "Unfortunately, the network we wanted to buy time from to run the message would not accept the ad."

###

Copies of the DISCUS commercial are available for members of the media. If you are interested in receiving a VHS or Betacam (oxide) copy of the commercial, please contact the Public Issues Division at (202) 682-8840.



Maria Echaveste

06/30/97 02:19:05 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Bruce N. Reed/OPD/EOP
cc: Cheryl M. Carter/WHO/EOP
Subject: Call from Distilled Spirits Council

Folks--I know you are all busy, but do you need some help here to answer the letter from the Distilled Spirits Council. We would be happy to help you, if you'll tell us how.

----- Forwarded by Maria Echaveste/WHO/EOP on 06/30/97 02:18 PM -----



Cheryl M. Carter 06/30/97
01:54:13 PM

Record Type: Record

To: Maria Echaveste/WHO/EOP, Marjorie Tarmey/WHO/EOP, Mark Hunker/WHO/EOP
cc:
Subject: Call from Distilled Spirits Council

FYI...I may need your help with this situation if I don't get an answer in a couple of days from Elena and Bruce. I've been pushing them for over a month now to give Distilled Spirits an answer to their letter to POTUS from April and they haven't been able to focus on it yet. If you see them could you please give them a little push for me? We could have a bad press problem on our hands next week if I don't tell Distilled Spirits something this week...they haven't shared details on their public campaign but I assume it will be an all out effort to get the WH to bring all sides of the alcohol advertising issue to the table.

I'll keep you posted.

----- Forwarded by Cheryl M. Carter/WHO/EOP on 06/30/97 01:53 PM -----



Cheryl M. Carter 06/30/97
01:45:42 PM

Record Type: Record

To: Bruce N. Reed/OPD/EOP, Elena Kagan/OPD/EOP, Rahm I. Emanuel/WHO/EOP, Michelle Crisci/WHO/EOP
cc: Peter O'Keefe/WHO/EOP
Subject: Call from Distilled Spirits Council

Heads up...got my weekly call from Tim Dudgeon with Distilled Spirits Council this morning and he really needed to hear from us this week because he has held his folks off of a public campaign effort on this issue about as long as he can...as of next week he's not sure what will happen. We REALLY need to focus on this and give them an answer to their April letter to POTUS calling for him to convene a meeting of all sides.

Cheryl M. Carter

06/18/97

01:30:53 PM

Record Type: Record

To: Elena Kagan/OPD/EOP, Bruce N. Reed/OPD/EOP, Rahm I. Emanuel/WHO/EOP, Michelle Crisci/WHO/EOP

cc: Peter O'Keefe/WHO/EOP

Subject: Distilled Spirits Council

Things continue to heat up on this issue...I'm sending over copies of letters and press releases of interest from FCC Commissioners for your information. Please take the time to review because you will see that Distilled Spirits thinks the letter from Reno to Hundt is the President's response to them. They are waiting on a response from POTUS to their letter asking him to convene a meeting.

Open Agenda meeting at FCC is tomorrow. And so far two of the Commissioners have come out opposed to consideration of this issue.

----- Forwarded by Cheryl M. Carter/WHO/EOP on 06/18/97 01:18 PM -----

Cheryl M. Carter

06/17/97

11:18:41 AM

Record Type: Record

To: Elena Kagan/OPD/EOP

cc: Peter O'Keefe/WHO/EOP

Subject: Distilled Spirits Council

I just got an urgent message from Tim Dudgeon with Distilled Spirits regarding a letter that went to Reed Hundt from Attorney General Reno asking him to act. Dudgeon's call has a very urgent tone and he is concerned that the AG's letter to Hundt is the WH's answer to their letter to POTUS. We need to talk about this asap...please call me at 62682.

**DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES**

**STATEMENT OF FRED A. MEISTER
PRESIDENT AND CEO
DISTILLED SPIRITS COUNCIL OF THE UNITED STATES
June 18, 1997**

DISCUS President Fred Meister issued the following statement in response to the press conference held today by the Center for Science in the Public Interest attacking FCC Commissioner Chong for striking the call for a vote on a Notice of Inquiry into broadcast spirits advertising.

The nation's distillers commend Federal Communications Commission (FCC) Commissioner Rachelle Chong for weighing all the facts carefully and regulating by authority, not by intimidation. Commissioner Chong has stated repeatedly that the Federal Trade Commission, not the FCC, has jurisdiction over alcohol advertising. She has made it clear that the FCC's authority to ensure broadcasters serve the public interest does not give the FCC the authority to censor or discriminate against the advertising of one form of beverage alcohol. By striking down the vote for the consideration of a Notice Of Inquiry (NOI) into broadcast spirits advertising, Commissioner Chong sent a clear message that she will not tolerate the use of one's position of power to promote a personal agenda.

Commissioner Chong has the backing of many influential members of Congress who agree that the FCC has absolutely no jurisdiction over alcohol advertising. Yesterday Senator Conrad Burns, Chairman, Senate Subcommittee on Communications, and Senator John Ashcroft, Chairman, Senate Subcommittee on Consumer Affairs, sent a letter to FCC Chairman Reed Hundt stating that the FCC does not have the authority to limit broadcast advertising. Their letter states: *Congress specifically limited the FCC's oversight of advertising by giving that authority to the FTC. ...we urge you to commit the FCC's scarce resources to the regulatory work at hand -- specifically, the implementation of the universal service provision (as it pertains to rural and high cost areas) of the Telecommunications Act of 1996.*

As Mr. Hundt should know by now, the U. S. Departments of Health and Human Services, Education, Transportation, and Agriculture, as well as virtually every alcohol education group, teach the basic fact of alcohol equivalence -- that alcohol is alcohol is alcohol.

Mr. Hundt has so often repeated his personal bias against distilled spirits that it would be impossible for the FCC to fairly evaluate the industry's limited amount of broadcast or cable advertising. If Mr. Hundt was truly serious about alcohol advertising, he would join us in our call to the President to bring together the beer, wine, spirits and broadcast industries to develop a common code for all alcohol advertising on television. This code would set the same responsible standards for all alcohol advertising and would provide uniform guidelines for broadcasters.

DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES

FEDERAL GOVERNMENT RELATIONS

TIM DUDGEON, Director
JAN KINNEY, Assistant Director
JOHN FLATLEY, Assistant Director
REBECCA HONEYCUTT ADLER, Assistant Director

FEDERAL GOVERNMENT RELATIONS DIVISION

FAX TRANSMITTAL FORM

TO: Cheri Carter

FROM: _____

DATE: 6/17/97

FAX #: _____

Cheri - Here is Attorney General Reno's letter. We hope this is not the President's answer, but really are wondering if there some kind of coordinated campaign going that overrides any willingness to work together.

Tim

We are transmitting _____ pages (including this cover page). If there is a problem with this transmission, please call (202) 682-8879. Thank you for your cooperation.



Office of the Attorney General
Washington, D. C. 20530

June 13, 1997

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Dear Mr. Chairman:

As the Nation's chief law enforcement official, I am concerned about the introduction of hard liquor advertisements on television and radio. I would urge the Federal Communications Commission to issue a Notice of Inquiry into the many issues surrounding such advertising.

I believe that the introduction of hard liquor advertisements onto television and radio are matters that require careful study. In particular, such advertising may aggravate an already serious risk to the youth of our Nation. Recent research shows a clear link between alcohol consumption and increased domestic violence, youth violence and delinquency. These are among the many questions which should be fully explored before hard liquor advertising on television and radio becomes widespread.

I further believe that the Federal Communications Commission should examine this matter because of its unique role in ensuring that the public interest is not undermined by certain uses of the public airwaves. Therefore, I strongly urge the Commission to begin an investigation of this issue as soon as possible; to allow all interested parties to come forward and present their views; and to report on its findings to Congress and to the President.

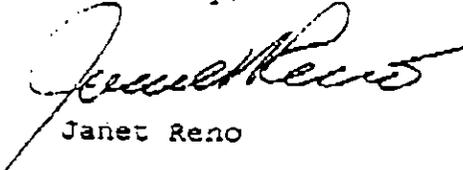
The Commission should explore whether liquor advertising over the electronic media poses a risk to children and to other groups that may be particularly susceptible to alcohol abuse. In particular, the Commission should explore whether the possible risks to children would be mitigated by time and place restrictions on such advertising. I would urge the Commission to elicit information from members of the public, the medical and academic communities, broadcasters, cable operators and other programming providers, as well as the alcoholic beverage industry, in order to determine the possible effects of such advertising, the mitigating impact of various terms and

Chairman Reed Hundt
Page 2

conditions that could be imposed, and other appropriate responses
to this issue.

Thank you for your consideration of the foregoing.

Sincerely,



Janet Reno

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FEDERAL GOVERNMENT RELATIONS

TIM DUDGEON, Director
JAN KINNEY, Assistant Director
JOHN FLATLEY, Assistant Director
REBECCA HONEYCLIFF ADLER, Assistant Director

FEDERAL GOVERNMENT RELATIONS DIVISION

FAX TRANSMITTAL FORM

TO: Cheri Carter

FROM: Tim Dudgeon 682-8882

DATE: 6/18

FAX #: 456-6218

Cheri - ⁶¹¹⁸¹⁹⁷
Another example of why Hamelt is
going nowhere despite his sound + funny.
A positive response to our voluntary code
for all beverages alcohol remains a very positive
action for the President. Please get Elena.

We are transmitting _____ pages (including this cover page). If there is a problem with this transmission, please call (202) 682-8879. Thank you for your cooperation.

Tim

**Press Statement
of
Commissioner James H. Quello**

June 12, 1997

Re: Proposed Notice of Inquiry on Broadcast Advertisement of Distilled Spirits

I am issuing this press statement as a summary of a more detailed expression of my views on the FCC's lack of jurisdiction to inquire into the issue of advertising of distilled spirits on television. To cut through the demagoguery, rhetoric, and mischaracterization of my position, I want to reiterate that I think that this issue is an important societal concern requiring government action.

Hardly a family in this country has been untouched by the tragic consequences of abuse of alcohol. I believe not only that the government should respond but that the government already has responded. I want to report what has been lost in the press spin: the proper governmental agency is already investigating the matter. The Federal Trade Commission has two investigations in process.

Accordingly, I support the decision of Commissioner Chong to ask the Chairman to pull the proposed NOI on Broadcast Advertising of Distilled Spirits from consideration at the upcoming open agenda meeting. I cannot support the issuance of the draft NOI because I believe that the Federal Communications Commission lacks jurisdiction to consider the subject matter.

It is precisely because I want to see the issue of liquor ads on TV responsibly and effectively handled that I do not support engaging the FCC's investigative, rule making, or hearing processes in what I fear would ultimately be a futile, and possibly counterproductive, effort to devise an FCC mandated regulatory "solution." As I stated when this issue first arose: "In my view, the issue is not whether something must be done, but rather who can most capably do it."

This issue is undeniably important. What is equally clear to me is that this Federal Communications Commission is an unauthorized forum. We lack jurisdiction and no amount of hectoring from the Chairman's supposed "bully pulpit" can change that. I find it significant that key Congressional leaders agree with Commissioner Chong's and my decision on the jurisdictional boundaries between the FCC and the FTC. The good news for all of us concerned about the effect of advertising on underage drinking is that the matter is being handled competently by the FTC, an agency that has the requisite jurisdiction and expertise. The only down side is that the FCC will not get to claim credit for resolving the issue in the first instance. When balanced against an unauthorized and unwise foray into jurisdictional power grabbing, that is a result that I can support.

I believe that a significant measure of our duty as Commissioners to seek and serve the public interest in our decisions is to refrain from regulating wherever possible and certainly where we are not authorized to act. I look forward to the conclusion of the FTC's investigations and will be guided by their analysis and recommendations that will be transmitted to this commission pursuant to the long-standing interagency agreement.

June 12, 1997

Press Statement of FCC Commissioner Rachelle Chong
on Broadcast Advertisement of Distilled Spirits Draft Notice of Inquiry

Today, I asked the FCC's Chairman to remove a draft Notice of Inquiry regarding broadcast advertisement of distilled spirits from the Federal Communication Commission's June 19 agenda meeting. While I share concern about the serious societal problems of underage drinking, drunk driving and alcoholism, these problems should be addressed *directly*, by stronger enforcement of laws restricting the sale of alcohol to minors, by improving drivers' education, and by programs that assist recovering alcoholics. They should not be addressed *indirectly*, by an FCC attempting to reduce perceived demand by a blanket ban on the advertising of lawful products under the guise of public interest considerations relating to broadcasters.

To the extent that the Chairman's concern is liquor advertising that tempts minors to purchase alcohol, the expertise to examine the effects of liquor advertising on underage persons clearly resides at the Federal Trade Commission (FTC), whose job it is to investigate false, deceptive and misleading advertising or advertising aimed at illegal audiences. In fact, the FTC has taken up the issue and has two ongoing investigations on alcohol advertising already. I am confident that our sister agency will take action if necessary to protect the public interest.

I agree with the statement of Senator Conrad Burns in his April 14, 1997 letter to Chairman Hundt, that "any further investigation of this matter by the FCC would be inappropriate and would be a waste of the FCC's resources." Moreover, all the major networks on behalf of their owned and operated stations and many major broadcasting groups have already voluntarily pledged to decline hard liquor advertising on their stations. As a fiscally responsible Commissioner, I believe the FCC ought to be focusing on the unfinished tasks that remain before it in implementing the Telecommunications Act of 1996.

To the extent that the Chairman's concern is the mere presence of truthful liquor advertising on television directed at adults, I oppose any FCC inquiry into such constitutionally-protected commercial speech. I strongly disagree with those who suggest that the FCC must open this inquiry as a step toward ensuring that broadcasters serve the public interest. The FCC's general mandate to ensure that spectrum is used to serve the public interest is not a plenary authorization to conduct broad-ranging inquiries ultimately aimed at dictating program content. Nor should our processes be used in a biased manner to pursue only one sector of the industry - distilled spirits - while allowing the beer and wine industry to continue to place advertisements on TV, as the draft NOI proposes.

I continue to emphasize the important First Amendment considerations raised in this debate. This is not unexplored ground. In the past, individuals have asked the FCC to take regulatory action on broadcast advertisements of products ranging from snowmobiles to hand guns and air bags. The courts have offered direction on what the FCC may and may not do, absent Congressional direction. The Supreme Court has recognized that truthful liquor advertising is entitled to First Amendment protection. While concerned parties can argue that alcohol advertising presents a health hazard sufficient to justify a restriction on this commercial speech, such arguments should be addressed to Congress. In the past, courts have looked to whether Congress had reached a conclusion that restrictions on speech are justified to further an important government interest. In the case of distilled spirits, Congress has not made such a judgment. Thus, I do not believe the FCC should be stepping into areas well beyond our expertise without express statutory direction.

In light of all of the above, I believe that the issue of advertising practices by the hard liquor industry would be best left in the hands of our sister agency, the FTC, to address these issues in its ongoing proceedings. If further action is warranted, Congress is in the best position to decide what government action may be appropriate.

Meanwhile, I join in the call for all broadcasters and advertisers to be responsible and responsive to the concerns about alcohol advertising. We do not want to encourage underage drinking or drunk driving, and any voluntary actions they can take should be undertaken as good corporate citizens. Such voluntary actions could include airing the ads during hours when children are not likely to be watching, screening the advertisements for appropriateness, or voluntarily developing and airing counter advertisements to educate the public about the hazards of drinking irresponsibly.

-FCC-

United States Senate

WASHINGTON, DC 20510

June 17, 1997

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, NW
Washington, DC 20554

Dear Chairman Hundt:

As members of the Senate Commerce Committee, we have been following closely the debate over alcohol beverage broadcast advertising. We share your concerns about underage drinking and about the effects of alcohol abuse, and, like you, we believe that the alcohol beverage industry has a duty to promote responsible drinking by adults only.

We do not agree, however, with your proposal to open a formal inquiry at the Federal Communications Commission in response to distilled spirits advertising on television. While the FCC does have the authority to ensure that the nation's airwaves are operated in a manner which protects the public's interest, this authority should not be interpreted as an invitation to the FCC to limit broadcast advertising.

As you know, pursuant to Section 5 of the Federal Trade Commission Act, the FTC has the responsibility to ban or restrict false, deceptive or unfair advertising. Likewise, the FTC can order an end to advertising directed at illegal audiences. The FTC is the federal agency with both the advertising expertise and the authority to evaluate and regulate broadcast advertising, including the advertising of alcohol beverage products.

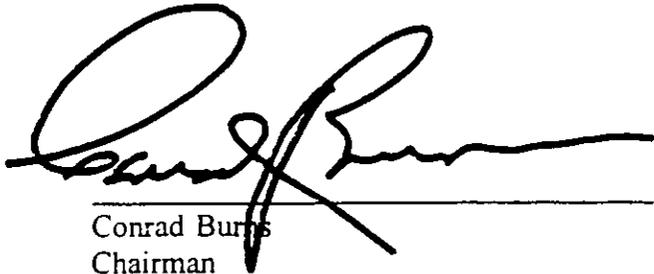
Congress established the FCC over sixty years ago to provide for the orderly development of the United States' telecommunications services, including radio and television. Congress specifically limited the FCC's oversight of advertising by giving that authority to the FTC. We are not aware of any provision of the Telecommunications Act of 1996 that directs the FCC to ban or limit alcohol beverage advertising.

We oppose any advertising directed at children that promotes the use of a product which they cannot legally purchase or consume. However, we believe that the FTC -- and not the FCC -- is the appropriate agency to investigate and to take appropriate action, should it deem it necessary. Further, we understand that the FTC has active investigations into alcohol advertising, and we trust that, if the law has been violated, the FTC will take appropriate steps to resolve these cases.

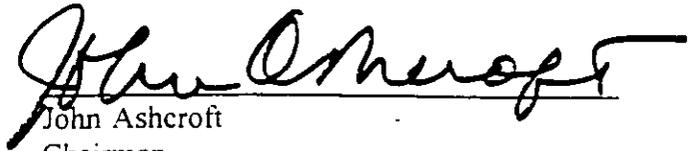
We appreciate the concerns that you and others at the FCC have raised about alcohol

advertising. However, we urge you to commit the FCC's scarce resources to the regulatory work at hand -- specifically, the implementation of the universal service provision (as it pertains to rural and high-cost areas) of the Telecommunications Act of 1996.

Sincerely,



Conrad Burns
Chairman
Senate Subcommittee on Communications



John Ashcroft
Chairman
Senate Subcommittee on Consumer Affairs

DISTILLED
SPIRITS
COUNCIL
OF THE
UNITED
STATES

FEDERAL GOVERNMENT RELATIONS

TIM DUDGEON, Director
JAN KINNEY, Assistant Director
JOHN FLATLEY, Assistant Director
REBECCA HONEYCUTT ADLER, Assistant Director

FEDERAL GOVERNMENT RELATIONS DIVISION

FACSIMILE FORM

TO: Cheri Carter

FROM: Tim Dudgeon

DATE: 6/18/97

FAX #: _____

MESSAGE:

Cheri -
FCC receiving thousands of these type messages.
President and Vice President could be getting same.
There is public support for our proposal to the President.
Next week, we plan to solicit very much more
of same. Hopefully, we can work something out
before then. At least get things started or some kind of

We are transmitting _____ pages (including this cover page). If there is a problem with this transmission, please call (202) 682-8879 and ask for Lisa Davis. Thank you for your cooperation.

Clear, favourable signal.

DISCUS • 1250 Eye Street, N.W. • Suite 900 • Washington, D.C. 20005-3998 • 202/628-3544

If time permits, please call me this afternoon.
Tim

SAMPLE E-Mail Messages Received as of June 17, 1997 Supporting DISCUS Position on Liquor Advertising

MESSAGE #1:

I do not support drunkenness, alcoholism, underage drinking, drinking and driving, or any other abuse of alcohol. However, I do support the right of liquor companies and retailers to market their products. Censoring their television advertisements will not solve the problem -- but it will incense Americans who love freedom. Don't do it!

Lynne Tierney

MESSAGE #2:

THIS MAN MUST BE STOPPED!!!! Banning any kind of liquer advertisment is insane. Last time I checked I wasn't living in Russia! Your country needs you. Go 1st amendment!

> From: SDoyle@aol.com
> To: doyle@epsenergy.com
> Subject: Fwd: Need Your Immediate Help To Stop Censorship by FCC's Reed Hundt
> Date: Tuesday, June 17, 1997 1:58 PM

MESSAGE #3:

Ban Liquor ads - Sounds familiar - Booze is legal and so are Cigarettes!!!

Leave us alone!!!!!!!!!!!!!!!!!!!!

MESSAGE #4:

Dear Sir;

It has come to my attention that Chairman Hundt is trying to ban advertising for liquor (but not beer or wine) on television. Since liquor is a legal product, how is it possible to ban advertising for it? His omission of beer and wine makes it seem as if there is a hidden agenda. This makes no sense, and I am opposed to it. Although not a liquor drinker myself, I still believe in free speech.

Sincerely,

Margie Padgitt
MPadgitt@aol.com

MESSAGE #5:

Mr. President,

I understand that the FCC Chairman is opposing alcohol advertising on TV. When did the FCC become the guardian of our virtues?
I am a law obedient, taxpaying and voting American of mature age (63), with very moderate drinking habits.
If excessive drinking is a problem in this country a advertising ban would only be a band aid approach.
I STRONGLY OPPOSE THIS TYPE OF INFRINGEMENT ON THE 1st AMENDMENT.

Sincerely
Rbrogren

MESSAGE #6:

I support stopping R Hundt from censorship of our first right!

Thank You....Bill Dunbar....Iowa

MESSAGE #7:

Dear Mr. Hundt,

Please keep in mind that as a bureaucrat, you have no authority to flaunt the Constitution of the United States, or its Amendments.

Do not attempt to censor the rights of Americans or American business by forbidding certain advertisements (such as liquor) on television. It is not up to you or anyone else to decide what people can or cannot say.

Dan Kramer
dan@volatile.com

MESSAGE #8:

Renegade federal regulator - FCC's Reed Hundt - is trying to ban liquor advertising on TV. It's OK to advertise beer and wine on TV, why not liquor? What's the difference? None. The internet is next! Censorship is the activity of tenacle like government control. It must stop.

I caught wind of this news going around and would like to say a few words. The FCC and all gov. should stay out of the people's jurisdiction. We do not need a nanny to take care of us or to cause us problems. I am a person of honor and decency I live by God's laws which means I never break state laws. I am a law abiding citizen due to the fact that I have a moral code. The imposition of heavy handed gov. will never peacefully cause law abiding citizens to give way to the law.

On a side note, if gov. wants law abiding citizens then why do they seem to work so hard to crush good morals via the schools and media controlled propaganda?

--

Matthew Woodbury
Mechanical Design
Louisville Colorado

Withdrawal/Redaction Marker

Clinton Library

DOCUMENT NO. AND TYPE	SUBJECT/TITLE	DATE	RESTRICTION
001. list	Sample E-Mail Messages Received as of June 17, 1997 Supporting DICUS Position on Liquor Advertising [partial] (2 pages)	06/17/1997	P6/b(6)

COLLECTION:

Clinton Presidential Records
Domestic Policy Council
Elena Kagan
OA/Box Number: 14362

FOLDER TITLE:

FCC - Liquor Letter [1]

2009-1006-F
ke659

RESTRICTION CODES

Presidential Records Act - [44 U.S.C. 2204(a)]

- P1 National Security Classified Information [(a)(1) of the PRA]
- P2 Relating to the appointment to Federal office [(a)(2) of the PRA]
- P3 Release would violate a Federal statute [(a)(3) of the PRA]
- P4 Release would disclose trade secrets or confidential commercial or financial information [(a)(4) of the PRA]
- P5 Release would disclose confidential advice between the President and his advisors, or between such advisors [(a)(5) of the PRA]
- P6 Release would constitute a clearly unwarranted invasion of personal privacy [(a)(6) of the PRA]

C. Closed in accordance with restrictions contained in donor's deed of gift.

PRM. Personal record misfile defined in accordance with 44 U.S.C. 2201(3).

RR. Document will be reviewed upon request.

Freedom of Information Act - [5 U.S.C. 552(b)]

- b(1) National security classified information [(b)(1) of the FOIA]
- b(2) Release would disclose internal personnel rules and practices of an agency [(b)(2) of the FOIA]
- b(3) Release would violate a Federal statute [(b)(3) of the FOIA]
- b(4) Release would disclose trade secrets or confidential or financial information [(b)(4) of the FOIA]
- b(6) Release would constitute a clearly unwarranted invasion of personal privacy [(b)(6) of the FOIA]
- b(7) Release would disclose information compiled for law enforcement purposes [(b)(7) of the FOIA]
- b(8) Release would disclose information concerning the regulation of financial institutions [(b)(8) of the FOIA]
- b(9) Release would disclose geological or geophysical information concerning wells [(b)(9) of the FOIA]

MESSAGE #9:

FCC Commissioner Reed Hundt:

I am opposed to attempts by politicians and especially by appointed bureaucrats such as you to abridge the rights of free speech given us all by our constitution. Even though I may (as I do in this case) agree with the end you are trying to achieve (limiting the exposure of alcohol product advertising) I vehemently oppose the means you are using to achieve it.

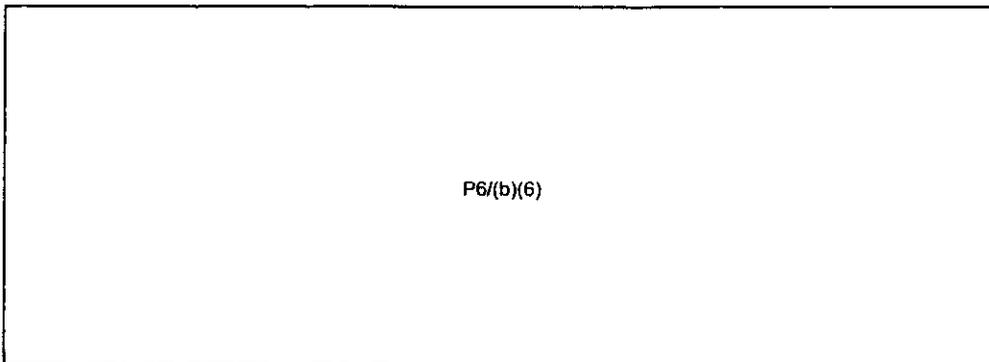
"The end justifies the means" was the rationale used by Stalin. It still stinks wrapped in the American flag.

If alcohol abuse is a problem needing legal redress, then the proper venue is the legislature, not the executive branch. And if alcohol abuse is the problem then legislators should deal with alcohol abuse, not alcohol advertising or alcohol sale.

But then you would be the last person to understand this since no one elected you to office and you have no immediate reason to care what people think outside the Beltway. Nevertheless, a radically good plan for the long term preservation of your bureaucracy would be to pretend that you care what people outside your little "ruling coterie" think and act accordingly.

Paul H. Davis
PO Box 230708
Anchorage AK 99523-0708
Ph: 1-907-337-6886 Fx: 1-310-734-1727
Email: pau@davis-company.com

MESSAGE #10:



[001]

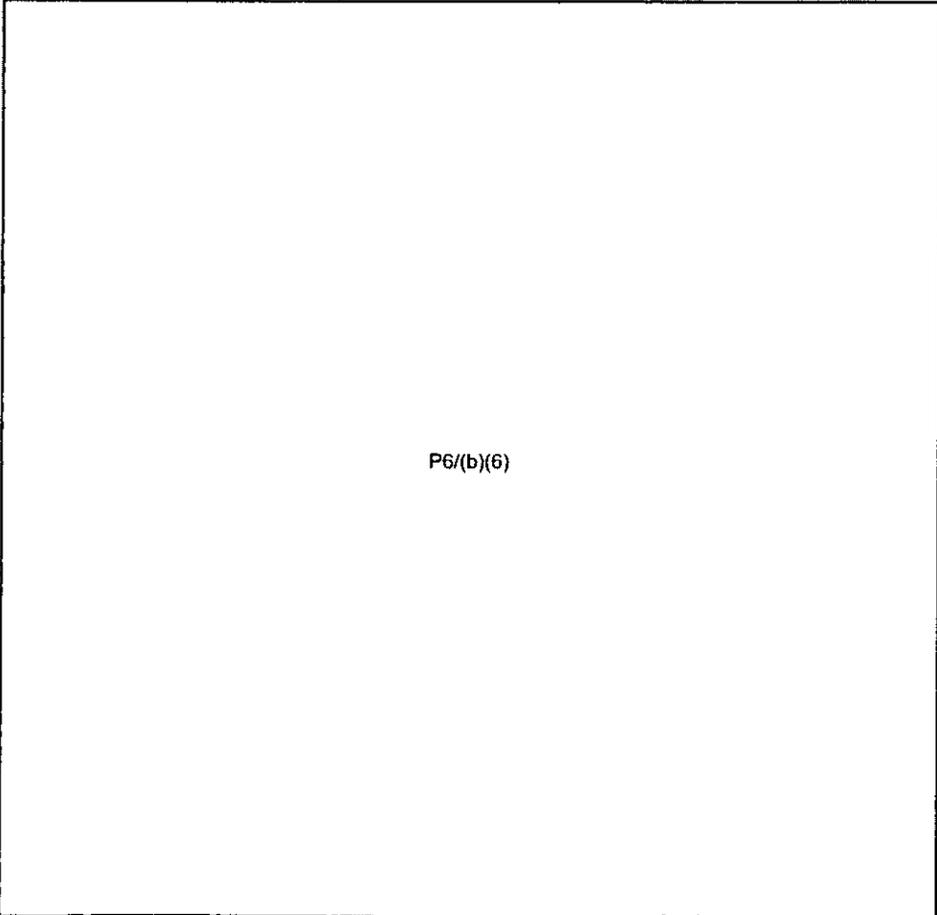
MESSAGE #11:

Hello,

Kindly leave the 1st amendment alone. It was worked well all these years so direct your energy on something that is more important.

Thank you,
Bob & Bonnie Lee

MESSAGE #12:



P6/(b)(6)

MESSAGE #13:

Sirs:

It is my belief that the FCC attempt to ban Liquor advertising from TV is contrary to the spirit and letter of the constitution.

I am in favor of TELLING the FCC that they are the "Servants of the Constitution", not the "Masters of A New Age".

The level of Censorship in our society should be determined by law. Laws should be made by ELECTED Representatives, not appointed individuals.

Please move to keep the FCC within the guidelines of their ACTUAL AUTHORITY.

Thank You

M. Scott Clayton

MSC7707@aol.com

MESSAGE #14:

It as been brought to my attention that you have set your sights on the 1st Amendment. In this day and time when the REAL middle class of American can speak for there self it seems that you would walk a little liter when it come to trying to take away the rights or the People that put you in office.

In the very way that you speak of change entitles you to free speech

But when it comes time for the American People to speak it become a inconvenient for you.

We must all remember that when it comes to the time to stand and fight for our rights, that the American people will always win and that the ELECTED Politicians will always lose.

Thank you

Jerry Hare

MESSAGE #15:

I came to this country to be free. Please stop censorship!!!

Sincerely,

Dmitri Eroshenko

digitalNATION

de@dn.net

MESSAGE #16:

I am told that the FCC is considering a ban on some types of alcoholic beverage advertising on TV. This is to add my support in favor of this proposal, as I am attempting to acquire stock in those industries that will be exempt from the ban. Also, I feel that this is an appropriate time to introduce a ban on red, blue, yellow, and orange tractors.

John S. Hall
John Deere Parts Distribution Center
1600 First Avenue E., Milan, IL 61264

<mailto:jh30895@deere.com>

MESSAGE #17:

Dear Sirs,

Censorship should not be commonplace in our country. Please be aware that I am one of many people who are against it. I hope that at elected and appointed officials that you will serve the want of the many and not the want of the few. I believe strongly that I am in the majority(although usually the silent majority).

Best Regards,
Andre' Perrin