



# MICAP RECAP

Volume 103, Number 6 - December 2008

(A Publication of the Michigan Council on Alcohol Problems)

MILLERCOORS PUTS "SPARKS RED" ON HOLD	P 2
A WITNESS FOR GOOD IN OUR SOCIETY	P 2
TAXATION AND BEVERAGE ALCOHOL, PART I	P 3

Executive Board of Directors  
Officers

President

Rev. William J. Amundsen  
*Lansing*

Vice President - Operations & Education

Dennis D. Bryde, Ph. D.  
*Laingsburg*

Secretary

Mr. Richard Braun  
*Allen Park*

Treasurer

Rev. Robert Kersten  
*Lansing*

President Emeritus

Rev. John L. Moore  
*Portage*

Directors

Rev. Dale E. Brown  
*Capac*

Mr. Nolan Hudson  
*Nashville*

Rev. S. Douglas Leffler  
*Saginaw*

Rev. David Litchfield  
*Battle Creek*

Rev. Dr. Russell F. McReynolds  
*Lansing*

Rev. William A. Miller  
*Lansing*

Executive Director

Thomas E. Woods  
*Lansing*

PO Box 10212  
Lansing, MI 48901-0212  
(517) 484-1770

Dear Friends and Colleagues,

This issue of Micap-Recap welcomes Mr. Nolan Hudson, of Nashville, Michigan to our Board of Directors. Nolan graduated from Central Michigan University in 1962 with a Bachelor's Degree in Mathematics. For most of his teaching career he taught at Ferris State University (36 years). Recently, he taught mathematics at Kellogg Community College (2 years). Nolan and his wife, Joan, are members of Peace United Methodist Church (near Nashville, Michigan). Together, they have experienced many volunteer mission programs in Florida, Louisiana, Mexico, and Bolivia. Nolan has seen the ravages of alcohol abuse on the college campus and understands also how it compromises health issues in the human body. With that knowledge, he hopes to make a contribution to MICAP on our Board of Directors.

At our recent Quarterly Board Meeting (November 18, 2008), the suggestion was made that we query our readers regarding topics which you (the reader) would like to see in future MICAP-RECAP issues. A topic, "Taxation on Beverage Alcohol," was submitted recently and is partly included in this issue of MICAP-RECAP. Other topics would be helpful. A form is provided on the bottom of page 4 of this issue to use for this purpose. You may submit it in the enclosed envelope.

It was also suggested at our recent Board Meeting that you, our readers, might know of persons interested in serving on our Board of Directors which meets 4 times per year in February, May (Ann. Mtg.), August, and November on the first Tuesday of the month. Usually, it meets at Central United Methodist Church in downtown Lansing, Michigan. Our usual meeting time is Noon to 3:00 p.m., beginning with a light lunch. It would be helpful if nominees have a passion against the abuse of alcohol, tobacco, other drugs, and gambling (from MICAP's Mission Statement). Expertise in the areas of education, law, small group ministry, stewardship, alcohol counseling, or non-profit groups, would also be helpful. Submit a name on the form on page 4 of this issue, and contact will be made with your nominee. Nominees' names must be brought to the Board of Directors for election to the Board.

I look forward to your input on the several topics raised above.

Sincerely,

Rev. W. J. (Bill) Amundsen, President  
Board of Directors, Michigan Council on Alcohol Problems

## MILLERCOORS PUTS SPARKS RED ON HOLD

News Summary...from Boston University School of Public Health  
Cited in the American Council on Alcohol Problems Newsletter, September, 2008

**MillerCoors** will delay the launch of its Sparks Red caffeinated alcohol drink after 25 state attorneys general asked the company to ditch the product.

Sparks Red contains 8 percent alcohol, higher than the existing versions of Sparks and significantly more than most beer, which ranges from 4 to 5 percent. The company said it was "placing the brewing and distribution of the product on hold" to engage in talks with the states. "This decision keeps this dangerous product off our shelves and out of the hands of young consumers whose health would have been placed at risk," said New York Attorney General Andrew Cuomo.

In a letter to MillerCoors, the attorneys general cited research indicating that combining stimulants such as caffeine with alcohol reduces the perception of intoxication, and also expressed concerns that such products are marketed to underage youth.

The Center for Science in the Public Interest (CSPI) filed a lawsuit last month seeking to block MillerCo-

ors from selling the Sparks line of alcoholic energy drinks. Previously, Anheuser-Busch announced that it would stop including stimulants in its Bud Extra and Tilt products.

George Hacker, director of CSPI's Alcohol Policies Project told Join Together that MillerCoors' decision to delay the rollout of Sparks Red was a step in the right direction. "It's refreshing to see that another major brewer has begun to demonstrate some caution before throwing a new alcoholic-energy drink on the market," said Hacker. "Now we suggest, as we have with our lawsuit, that the company seriously consider dumping the whole category."

Alcoholic energy drinks have been increasingly popular with breweries as sales of traditional beer continue to decline. Nevertheless, Sparks is a small fraction -- about one percent -- of Miller's annual production in the United States, according to the editor of the trade magazine Beer Marketer's Insights.

## A WITNESS FOR GOOD IN OUR SOCIETY

A long-time supporter of MICAP has sent the following paragraph. It's from his grand-daughter Ashley's note to him about her involvement helping do a fund-raiser. "Kudos" to Ashleigh for her courage to say and do the right thing! "(I) know that you will appreciate the following battle I have fought this week, your having spent a great many years proclaiming the truth about the evils of alcohol. I was on the committee planning a fundraising event (costume dance of sorts and auction) for a needed program dealing with the issue of abused children, and influential committee members sought to serve alcohol at the event. I objected strongly, not just on the basis of my own beliefs which are based upon God's truth, but also due to its being a fundraiser for ABUSED children and knowing how greatly alcohol is an aggravating factor concerning this issue. The discussion got heated yesterday in one of our meetings. I prayed when I left for the

Lord to intervene. (I) just got an e-mail stating that alcohol has been taken off the menu! Praise the Lord! All my love! Ashleigh.

**(Editor's Note: Sharing our stories is one way that we'll encourage others to "speak up" about the abuse and harm of beverage alcohol. If you have a personal story you don't mind sharing and which would be appropriate for publication, condense it into 150 words or less and send it to The Editor, MICAP-RECAP, P. O. Box 10212, Lansing, Michigan 48901. Send it with name, address, and contact information. I'll use it if and when space permits.)**

## TAXATION AND BEVERAGE ALCOHOL, PART I

### UNDERSTANDINGS AND CONSEQUENCES

Critics of taxation of beverage alcohol (BA) raise an “excellent” question when they ask: “Why set BA apart for taxation vis-à-vis other consumer goods?” The question is excellent because it gives us the opportunity to answer and to spread the word! Simply put, it is that BA is a harmful substance unlike most other consumer goods. A quote by Henry Aaron, a senior fellow at the Brookings Institution speaks of that and about how Congress has let us down by failing to enact adequate tax increases to BA: “Through neglect, Congress has allowed effective tax rates on a substance that does more harm than any illegal drug to fall dramatically, even as the federal budget has sunk deeper into the red.”<sup>1</sup> This, of course, is contrary to the liquor lobbyists who would prefer no taxes whatsoever on BA.

The first step in understanding taxation of BA is to understand the tremendous personal and social costs of the product. The newest social cost figures were given at the Annual Meeting of the American Council on Alcohol Problems (ACAP) held at Springfield, Illinois on September 16 and 17, 2008. Members of the NIAAA (National Institute on Alcohol Abuse and Alcoholism) present at that meeting indicated that beverage alcohol’s social cost in the USA alone is over \$190 billion dollars annually. This includes highway accidents and fatalities, family and spousal abuse, health, hospital, and disease costs, as well as corporate lost productivity, retraining, and unemployment insurance costs. There is no question that BA should be taxed beyond the present paltry sums in order to cover the costs of this “legal” but harmful product. By deferring tax increases on BA, Congress (and our Michigan Legislature) are asking the American Public to subsidize the BA industry with higher costs on insurance, health care, social programs, and manufactured goods. MICAP stands squarely behind the need to raise taxes on BA.

A second step in understanding taxation of BA is to understand that the liquor lobby has successfully fought, in the past, against “percentage taxes” and acquiesced to small “flat taxes” those few times Congress has braved confrontation with them. What does that mean?

We all understand inflation. During inflationary times, the dollar loses value and tomorrow’s dollar buys less than today’s dollar. Because the “flat tax” never increases, it works in favor of the liquor lobby. Statisticians tell us that between 1950 and 2002, the effective tax per drink (adjusting for inflation) has gone: a) from 69 cents to about 18 cents for liquor per drink; b) from 19 cents to about 8 cents for beer per drink; and c) stayed about even at 5 cents on wine per drink (despite the 1991 increase in the flat tax on wine and beer). These statistics only cover from 1950 thru 2002, and do not include the large recent devaluation of the dollar

which brings the effective dollars and percentages even lower. As a result, tax revenues that once accounted for 12% of the sales of BA in 1980 (even more in 1950) have shrunk to less than 7% of total sales in 2002. MICAP-RECAP stands behind the idea that it is past time to move off the alcohol industry’s “preferred” flat-tax, and to move to a “fairer, higher,” percent-age tax.

Having claimed that BA is a “harmful” product which merits special taxation; and having explained the “flat-tax” versus a “percentage-tax”, what now are some other reasons for increasing the taxes (and prices) on BA?

With regard to BA pricing and drunk driving, Frank J. Chaloupka, Director of ImpacTeen at the University of Illinois at Chicago cites evidence which concludes that higher taxes and prices lead to significant reductions in drinking and driving.<sup>2</sup> It is estimated (by computer models) that a 10% increase in price (this includes taxes) would reduce overall fatality rates by 5% to 10%, and it would reduce youth fatality rates by 7% to 17%. Those estimates are also consistent with estimates based on self-reported driving/drinking behavior from survey data [Kenkel(1993)]. In that survey, a 10% increase in the cost of BA (a tax raise?) would reduce drinking and driving by 7.4% among all males and 8.1% among females. It would lead to an even larger reduction (12.6% for males, and 21.1% for females) among younger persons.<sup>3</sup>

In the same report, a raise in the cost (taxation) of BA leads to significant reductions in a number of consequences resulting from alcohol use and abuse including: liver cirrhosis, death rates and other diseases for which alcohol is a primary cause, diseases for which alcohol is a contributing factor, suicide deaths, other accidental deaths, non-fatal workplace accidents, and sexually transmitted disease rates, violent crimes including homicide, rape, and assault, child and spouse abuse, property crimes, and delinquent behavior. In our next issue of MICAP- RECAP (February, 2009), I’ll offer Part II of Taxation and Beverage Alcohol that will offer a rationale for suggesting a raise on taxes for BA. In the meantime, our MICAP-RECAP stands squarely behind such a raise.

1. From, Coalition for Prevention of Alcohol Problems, cited in [www.cspinet.org](http://www.cspinet.org), alcohol policy, press releases, May 16, 2006, Noted Economists Support Taxes on Alcoholic Beverages.
2. Chaloupka, Frank J., Director, ImpacTeen, Univ. of Illinois at Chicago, [www.uic.edu/~fjc](http://www.uic.edu/~fjc), Reducing Morbidity and Mortality through Alcohol Pricing and Taxation.
3. Chaloupka, Frank J., Ibid.

# FETAL ALCOHOL SPECTRUM DISORDER<sup>4</sup>

**WHO IS AT RISK?** Any woman of childbearing age is at risk of having a child with a Fetal Alcohol Spectrum Disorder (FASD) if she drinks alcohol during pregnancy. Alcohol can harm a fetus at any time, even before a woman knows she is pregnant. Many women drink early in pregnancy but stop drinking when they learn they are pregnant. Others cannot stop drinking without help. Women who have given birth to children with a FASD and continue to drink are at very high risk of having additional children with a FASD.

**CAN FASD BE PREVENTED?** The most important statistic to remember about FASD is that it is 100% preventable. The only cause of a FASD is prenatal exposure to alcohol. If a woman does not drink during pregnancy, her baby will not have a FASD. Individuals who already have a FASD should receive an accurate diagnosis and appropriate treatment, prevention, and support services. FASD prevention and treatment strategies present an opportunity to address FASD, raising hope for families everywhere.

4. Department of Health and Human Services Publication No. (SMA) 06-4236

## AADIF/MICAP BOARD MEETING CHANGES:

At the most recent meeting of the Board of Directors in November, the Board voted to change our meetings to the first Tuesdays of February, May, August, and November.

The next meeting will be held on February 3<sup>rd</sup>, 2009 at Central UMC in Lansing, Michigan.

Other meetings will be held on May 5<sup>th</sup> (Ann. Mtg.), Aug. 4<sup>th</sup>, and Nov. 3<sup>rd</sup> in 2009.

**SUBMISSION SLIP INFORMATION**  
Please return in the envelope provided

Your Own Name \_\_\_\_\_

Address: (Street) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone (A/C \_\_\_\_\_) \_\_\_\_\_, FAX (A/C \_\_\_\_\_) \_\_\_\_\_, E-Mail \_\_\_\_\_

**SUGGESTION FOR BOARD MEMBERSHIP:**

Person's Name \_\_\_\_\_ Phone No. (A/C \_\_\_\_\_) \_\_\_\_\_

Address: (Street) \_\_\_\_\_ City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Why do you believe they would make a good Board Member for MICAP? (Please enclose a note!)

Topics you'd like to see addressed in future MICAP-RECAP ISSUES:

1. \_\_\_\_\_
2. \_\_\_\_\_