

How Safe Is That Drink?


Ensuring Product Integrity From
Manufacture Through
Consumption

Goals of Today's Panel

- Discussion of global product safety issues facing consumers today.
- What are some safety problems out there?
- Do these problems apply to alcohol?
- What is the response by different levels of government?
- Ask ourselves if deregulation is the best answer to these questions?



Timeline

- 60 Minutes Total
 - 5 Minutes Introduction
 - 30 Minutes Panelists Presentations
 - 15 Minutes Moderator Questions
 - 10 Minutes Audience Questions
 - Lunch!
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Safety of Global Commerce

- Lead in children's toothpaste/ toys
- Contaminated pet foods
- Imported food safety issues
- Counterfeit car parts
- Prescription drug concerns – e.g. Heparin
- Not solely international- Domestic e.coli/
Beef recall issues

Feds: Millions Have Eaten Chickens Fed Tainted Pet Food

Rising Tide of Unsafe Imports

Toxic Toothpaste Made In China Is Found In U.S.

Mattel Recalls 9M Chinese-Made Toys In The U.S.

Heparin Probe Finds U.S. Tie To Chinese Plant

Wal-Mart Sandals Cause Severe Chemical Burns

104 Deaths Reported In Pet Food Recall

USDA Orders Recall Of 143 Million Pounds Of Frozen Beef

Poisonous/Counterfeit Alcohol

United Kingdom: Treasury haunted by spectre of fake spirits

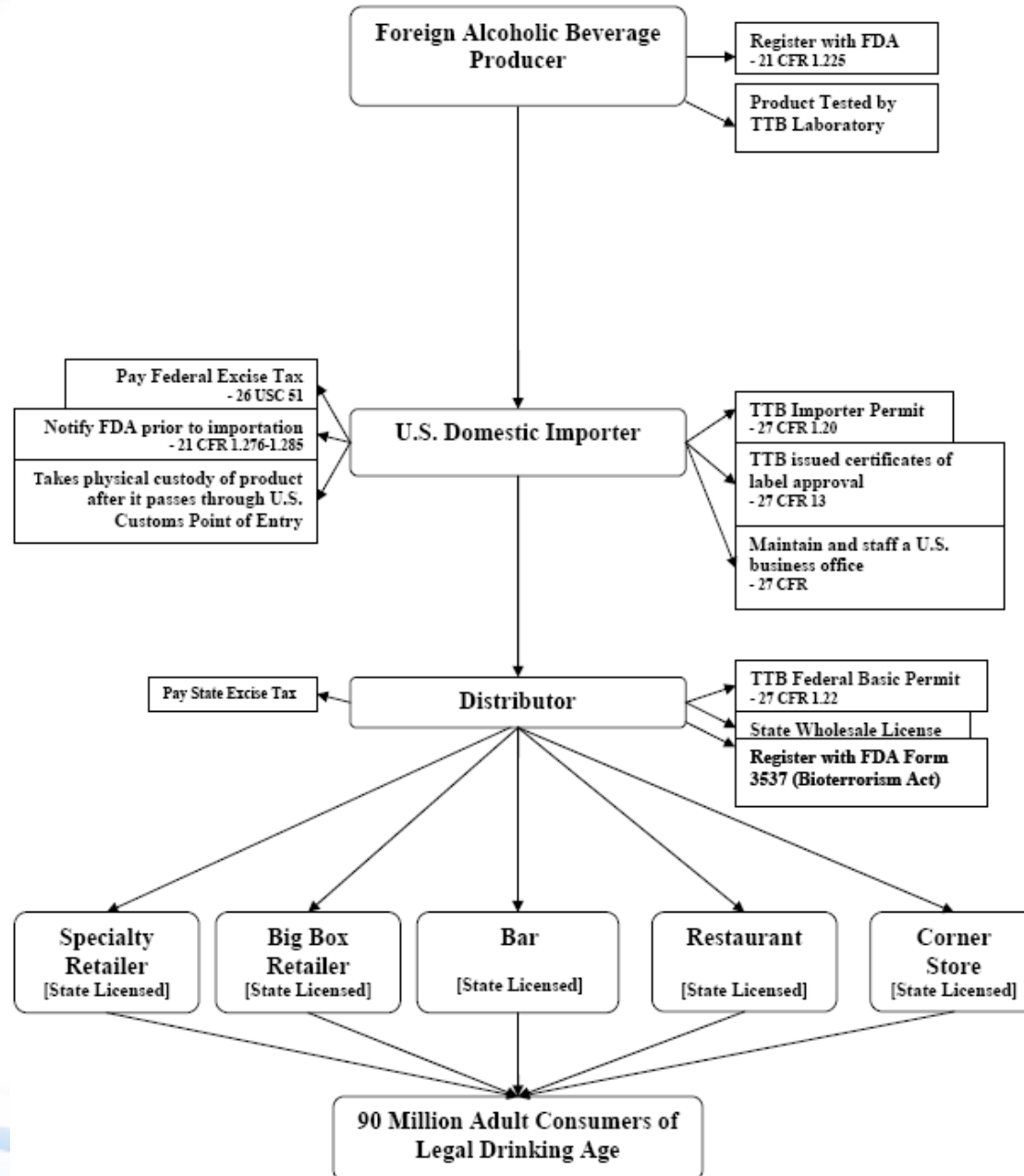
40,000 Russians die annually of poisonous alcohol

Nearly 60% of liquor found in Chinese cities is fake

South Africa: 'Toxic' wine seized

125 Die in India After Drinking Illicit Liquor

The Path of Imported Alcohol




Safety Strengths of US Three Tier Alcohol Distribution System

- Dual regulation by state and federal governments
- Ability for testing of product by federal and state government
- Transparent chain of custody from production to consumer
- Distributors prevent entry of corrupted product to retail stream of commerce
- Immediate and effective recall capabilities-contrast to current beef recall
- System protects consumers, brand owners and retailers by assurances of regulated safety



PANELISTS

- Caroline Smith DeWaal- Center for Science in the Public Interest
 - William Foster, Director, Headquarters Operations, Treasury Department's Alcohol Tax and Trade Bureau (TTB)
 - Curtis Coleburn, Executive Director, Virginia Alcohol Beverage Control
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Toxic Alcohol: Preventing a Problem Before it Occurs

Caroline Smith DeWaal
Food Safety Director, CSPI
March 11, 2008



Toxic Alcohol: Preventing a Problem Before it Occurs

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Unsafe Alcohol

- Russia: More than 40,000 Russians die annually of poisonous alcohol substitutes
- Belarus: 2,000 deaths from fake-alcohol poisoning in 2006
- Siberia: called state of emergency in 2006 after more than 3000 cases of toxic hepatitis from fake alcohol

Unsafe Alcohol

- Vietnam: 60% spirits are counterfeit bottles of brandy
- Malaysia: 15% branded liquor in the market was fake in 2007
- India: 13,000 bottles of illegal alcohol seized in 2007

Unsafe Alcohol

- United Kingdom: Up to 8% spirits are fraudulent, loss of £300million(US \$535 million) in 2004-05
- Finland: 3 dead, 12 hospitalized from poisonous alcohol
- South Africa: 17% of wine sold 2007 was made illegally
- U.S.: 2 illegal alcohol producers were caught in Mississippi in 2006

Problems at Home

Crisis in Food Safety:

- Foodborne illness outbreaks dominate news in 2006-2007
 - *E. coli* in spinach
 - *Salmonella* in peanut butter
 - *Clostridium botulinum* in canned chili

Declining Consumer Confidence

- Decline in consumer confidence in food safety:
 - This past year, 16% drop in confidence in the safety of purchased food
 - 25% decline between 2000-06 of those who thought FDA was doing an “excellent” or “good” job

Economical Hardship

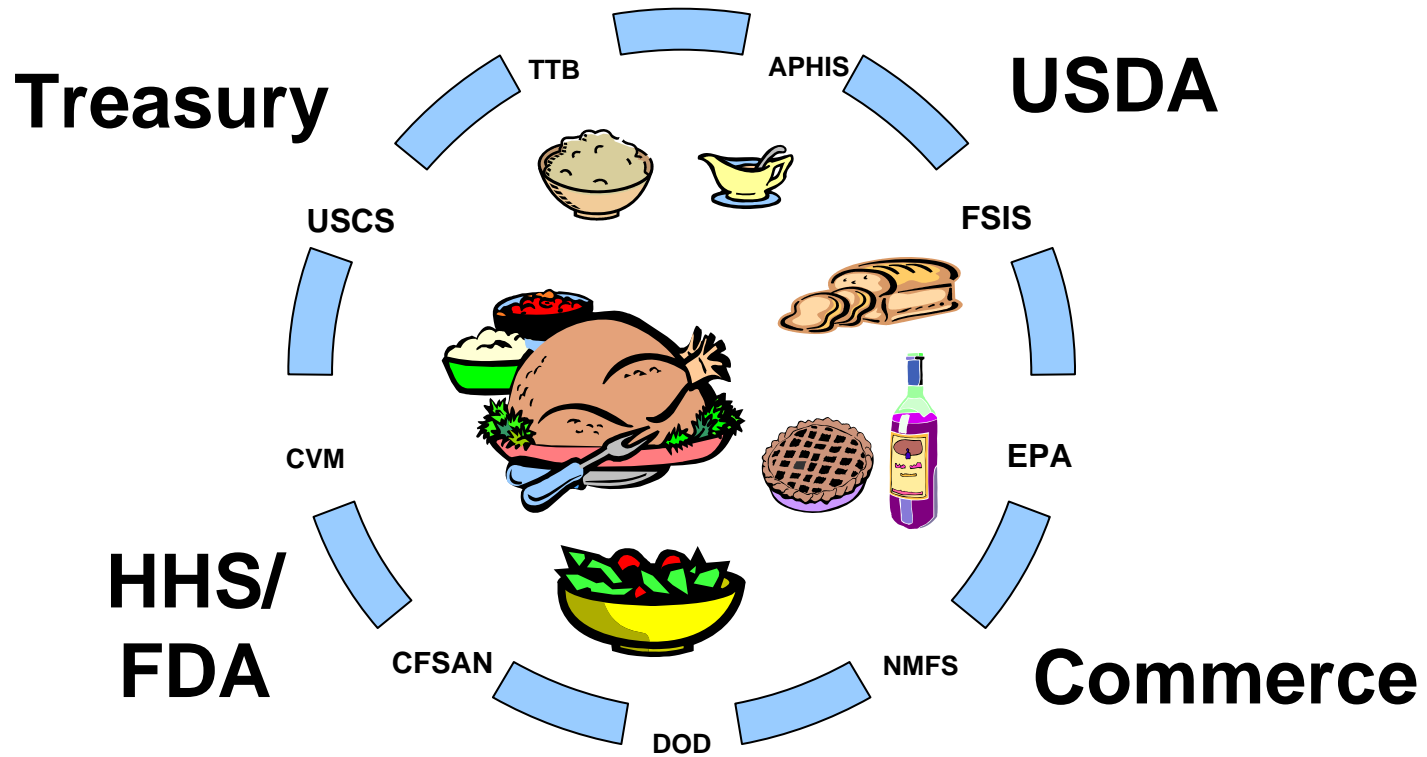
- Outbreaks: Food suppliers feel the heat

Spinach scare of 2006 =
\$350 million loss to farmers



Alcohol Scare=
How big of a loss???

Who is Inspecting our Food?



Conclusion:

- Consumers expect and deserve safe products
- Safety concerns expose companies to huge losses
- Regulators too focused on industry interests sometimes miss glaring gaps in product safety
- Alcohol industry should be wary of holes in the safety net of regulatory programs

Questions?

To Contact CSPI Food Safety:

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Regulator's Toolbox

- Label/Product Approval
- Licensing of Importers, Distributors, Retailers
- Franchise Laws
- Tax Collection Records
- Inspection/Sampling

Regulator's Toolbox

- Control States Operations
- Health Codes

Closing Thoughts

- Product safety is critically important for consumers, for all levels of government, concerned citizens and all tiers of the alcohol industry.
- Attention to the issue of safety must be a top priority.
- The current systems of regulating alcohol are important in protecting consumers and public health.