

01
02
03
04
05
06
07
08
09
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

COMMONWEALTH OF PENNSYLVANIA

HOUSE OF REPRESENTATIVES

LIQUOR CONTROL COMMITTEE

* * * * *

IN RE: PUBLIC HEARING ON ALCOHOL ADVERTISING ON PUBLIC
TRANSIT SYSTEMS

* * * * *

BEFORE: ROBERT DONATUCCI, Chairman/Representative
Dante Santoni, Member
Paul Costa, Member
Scott Petri, Member
Jeffrey Pyle, Member
Karen Beyer, Member
Joseph Brennan, Member
Michael O'Brien, Member
Lynn Benka-Davies, Executive Director

HEARING: Thursday, September 13, 2007
Commencing at 10:00 a.m.

LOCATION: City Hall, Philadelphia
Broad & Market Streets, Room 400
Philadelphia, PA 19102

WITNESSES: Faye Moore, David Jernigan, Reverend Brown,
Karen Warrington

Reporter: Sharon M. Marsh

Any reproduction of this transcript
is prohibited without authorization
by the certifying agency

01	I N D E X	
02		
03	OPENING REMARKS	3 - 4
04	TESTIMONY	
05	By Faye Moore	5 - 9
06	QUESTIONS TO PANEL	9 - 30
07	TESTIMONY	
08	By David Jernigan	31 - 46
09	QUESTIONS TO PANEL	46 - 50
10	TESTIMONY	
11	By Reverend Brown	51 - 53
12	TESTIMONY	
13	By Karen Warrington	53 - 55
14	CERTIFICATE	57
15		
16		
17		
18		
19		
20		
21		
22		
23		
24		
25		

01 P R O C E E D I N G S

02 -----

03 REPRESENTATIVE DONATUCCI:

04 Good morning. Calling this liquor
05 hearing to order, I'm Representative Donatucci. I
06 represent Philadelphia and Delaware County.
07 Basically, Chairman Regan (phonetic) had a prior
08 meeting this morning, but he hopes to be here by the
09 end. If not, Representative Petri will cover for him.
10 Basically I want to turn it over to Lynn Benko in
11 reference to explaining the Bill, then we'll go on
12 with the first witness. But before I do that, could
13 the members identify themselves from my right.

14 REPRESENTATIVE SANTONI:

15 Good morning. I'm State Representative
16 Dante Santoni from Berks County.

17 REPRESENTATIVE COSTA:

18 Good morning. Paul Costa, Allegheny
19 County.

20 REPRESENTATIVE PETRI:

21 Yes. Scott Petri from Bucks County, and
22 I'm also the Chairman of Marketing on the
23 Subcommittee.

24 REPRESENTATIVE PYLE:

25 Jeff Pyle, Armstrong and Indiana

01 Counties, 60th Legislative District.

02 REPRESENTATIVE BRENNAN:

03 Joe Brennan, Lehigh/Northampton County.

04 REPRESENTATIVE O'BRIEN:

05 Michael O'Brien, 175th District, which by
06 the way is across the street in Philadelphia County.

07 REPRESENTATIVE DONATUCCI:

08 Thank you, Representatives. Lynn Benka-
09 Davies is going to explain a little bit about the
10 Bill.

11 MS. DAVIES:

12 My name is Lynn Benka-Davies. I'm the
13 Executive Director for the House Liquor Control
14 Committee. Representative Donatucci's Bill, which now
15 has a number, it's House Bill 1837 would prohibit any
16 manufacturer or other licensee by putting any
17 placement of an advertisement of an alcohol beverage
18 on the property of a state funded public transit
19 system, including any bus, railroad, car or other mode
20 of transportation.

21 REPRESENTATIVE DONATUCCI:

22 Thank you, Lynn. I want to welcome
23 Representative Beyer. All right. Our first witness
24 is State Board General Manager of Southeastern
25 Pennsylvania Transit Authority, known as SEPTA.

01 Welcome.

02 MS. MOORE:

03 Thank you. Good morning, Mr. Chair and
04 members of the House Liquor Control Committee. First
05 of all, welcome to Philadelphia and thank you for all
06 of your efforts. My name is Faye Moore, as mentioned,
07 and I am General Manager of SEPTA. The topic of this
08 morning's hearing is alcohol advertising on state
09 funded transit vehicles.

10 SEPTA is the public transit operator for
11 the five county region in this area. We cover Bucks,
12 Chester, Delaware, Montgomery and Philadelphia
13 Counties. The Authority was created by state
14 legislature. Our enabling act, Act 3 of 1994, governs
15 actions of the Authority, both the activities
16 authorized and those required. As a public entity,
17 SEPTA receives state funding for both operating and
18 capital purposes, and as you know, their funding base
19 was increased.

20 In conjunction with state funding, SEPTA
21 has also been subject to requirements to reduce its
22 need for state funding. For example, Section
23 1741(a)(24) of SEPTA's enabling statute calls on the
24 SEPTA Board to explore alternative means of raising
25 revenue or reducing expenses, including, but not

01 limited to, real estate leases and rentals, equipment
02 leases and rentals, contracting of services, the
03 solicitation of competitive bids and the awarding of
04 contracts to the highest responsive, responsible
05 bidder for both interior and exterior advertising on
06 all authority equipment on which the public is charged
07 a fare for riding. However, on rail passenger units
08 only bids for interior advertising shall be solicited,
09 and that is the quote from that section that I
10 referenced.

11 Over the years, since that language was
12 adopted, SEPTA has been aggressive in its efforts to
13 find such means. The chronic fiscal shortfalls that
14 faced SEPTA for so many years helped to motivate the
15 authority to be energetic and creative in increasing
16 these revenues. In fiscal year 2006, the last year in
17 which our numbers are absolutely complete, SEPTA
18 generated over \$11 million through the lease of
19 portions of its real estate, including unused space
20 and the parking garage at its office headquarters,
21 train stations, right-of-way agreements and
22 communications access fees. Parking fees generated
23 about \$5 million --- or \$3.5 million. Advertising
24 generated over \$8 million in revenues. And if any of
25 the members would like, I do have copies of our 2007

01 Report on Alternative Means of Raising Revenue and
02 Reducing Expenses that we annually submit to the
03 Department of Transportation. The report goes into
04 some amount of details on items I mentioned and other
05 revenue generating efforts that that we incurred.

06 Today's hearing focuses on one piece of
07 SEPTA's advertising revenue, that which is generated
08 through the sale of alcohol advertising. Alcohol
09 advertising has been permitted on the SEPTA system
10 since July 28, 2005 after Board action allowed --- was
11 taken to allow it on the system. The step was taken,
12 in part, SEPTA's efforts to enhance revenues or
13 enhance system generated revenues. Alcohol
14 advertising is allowed on other large northeastern
15 public transportation systems, including New York, New
16 Jersey and Baltimore, but I will tell you, our limited
17 research shows that we might be the only Pennsylvania
18 transit property that includes alcohol advertising.
19 Over the past 24 months, advertising of alcohol has
20 generated slightly over \$1 million for us.

21 Documented complaints about alcohol
22 advertising had consistently been quite limited until
23 the issue of recent Colt 45 ads. A number of elected
24 officials objected to the ads that fully wrapped two
25 buses. In addition, our customer service department

01 received two complaints taking exception to those ads.
02 In response to the complaints, SEPTA worked with its
03 advertising contractor to remove the ads from the
04 vehicles on which they appeared, and we were happy to
05 say that the firm agreed.

06 Approximately half the value of the
07 advertisement has been used in promoting responsible
08 drinking messages throughout the system. Since
09 inception of alcohol advertising, SEPTA has placed
10 drink responsibly ads throughout the system valued at,
11 again, slightly over a half a million dollars, with
12 approximately \$273,000 spent in 2007 alone. Whenever
13 possible, these drink responsibly messages are placed
14 at locations where liquor advertising is present and
15 displayed for the same period. I have attached to my
16 testimony examples of some of the advertising posters,
17 drink responsibly advertising posters that we have.

18 Titan has been SEPTA's advertising
19 contractor since May of 2005. The contract is for
20 three years, with two three-year renewal options.
21 Titan is expected to abide by any advertising industry
22 standards on the advertising of alcohol and to take
23 commonsense measures to avoid targeting youth or any
24 specific racial or ethnic group. These measures
25 include clearly adult-oriented models, themes and

01 locations in their advertising and avoiding placement
02 locations and media directed specifically to youth.
03 This concludes my testimony, and I'm available to
04 answer questions that you might have.

05 REPRESENTATIVE DONATUCCI:

06 Thank you for your testimony. I have a
07 comment and a little quick question for you.
08 Basically, I've been a House Member for 28 years, so
09 I've been through all the steps of the financial
10 problems and SEPTA basically had a major, major
11 financial problem. You're in that situation, you get
12 mandated from Washington, you do certain --- so on and
13 so forth. So I understand why you do have problems.
14 About 15 years ago, I don't know if Rick will remember
15 this, SEPTA would not accept ads at all on their
16 transportation equipment. It was myself and --- I
17 don't remember. It may have been Representative
18 Linton talking to Rick, whoever, asked why. And they
19 said --- at the time, they said that it causes
20 vandalism. It attracts vandalism. Okay. Basically,
21 we forced SEPTA to start doing advertising on their
22 vehicles. Okay. But now we're in the situation that
23 10 percent of your revenue comes from liquor. About
24 \$1 million out of \$9 million you mentioned in your
25 testimony. \$9 million a year in advertising revenues?

01 MS. MOORE:

02 Right.

03 REPRESENTATIVE DONATUCCI:

04 Okay. \$1 million is from the liquor
05 industry?

06 MS. MOORE:

07 \$1 million every two years.

08 REPRESENTATIVE DONATUCCI:

09 Okay. So ---.

10 MS. MOORE:

11 So that's half a million.

12 REPRESENTATIVE DONATUCCI:

13 All right. Fine. Basically, the members
14 who were at the hearing yesterday, we have a major,
15 major underage drinking problem in Pennsylvania, and
16 Philadelphia is even a larger of a problem. And
17 testimony we heard yesterday was a lot of people come
18 because of advertising from the beer companies, so on
19 and so forth. The reason --- the first time I seen
20 this Colt 45 bus was I was going to Harrisburg. I was
21 on 76 Westbound and the bus was in front of me. I
22 could not believe SEPTA would even put an add --- it
23 looked like a cartoon ad. It was engineered for young
24 people, and to me, that was uncalled for. You know, I
25 don't care how much revenue SEPTA was making. That ad

01 should've been declined before it got on that bus. As
02 soon as I got to Harrisburg there was a piece of
03 legislation in the works. Then I heard Councilman
04 Kenney on the radio about it. And what upset me even
05 more, SEPTA, according to that report I heard, said
06 that they weren't going to remove the ads until
07 Congressman Brady got involved.

08 MS. MOORE:

09 It's a little complicated.

10 REPRESENTATIVE DONATUCCI:

11 Okay.

12 MS. MOORE:

13 We did have a contract. We also did not
14 --- we want to work in such a way to avoid any type of
15 litigation and bad will, I guess, with our contractors
16 wanting to advertise, so SEPTA had to be taken to
17 actually sit down with the advertisers, sit down with
18 our agency. So it was not that we were not going to
19 remove it, but we couldn't remove it. They wanted us
20 to remove it by the end of some one day.

21 REPRESENTATIVE DONATUCCI:

22 Okay.

23 MS. MOORE:

24 We just couldn't do it. We absolutely
25 couldn't remove it at the end of that one day.

01 REPRESENTATIVE DONATUCCI:

02 Basically going back to the point I made
03 earlier, how does SEPTA change their attitudes about
04 ads on their vehicles? No, no, they were sub-links
05 that created a problem. Now, SEPTA's going out to get
06 advertising. What happened in the 10 to 12 years ago
07 to today that SEPTA sees it different?

08 MS. MOORE:

09 All right. The bottom line is, out of
10 necessity, 15 years ago I'm not so sure that it
11 would've been as much about vandalism as it is that a
12 lot of transit agencies do not want advertising on
13 buses. It takes away the beauty of the buses. You're
14 finding that some of the agencies, even within
15 Pennsylvania still, there are people having to
16 advertise. I thought that was more of an issue 15
17 years ago. When the wrapping of some of the ads
18 became more professionally done, some of the major
19 ones started falling by the wayside. After being
20 encouraged to do it, now it's pretty much a routine
21 for us, for advertising, but I will tell you that
22 after you looked at the Colt 45 ad, we agreed with you
23 that it did not necessarily pass the internal review
24 that we normally have.

25 REPRESENTATIVE DONATUCCI:

01 Basically, you mention in your testimony
02 that you got two phone calls from people. And
03 basically, one thing I do know, people don't have the
04 time when they see something that upset them to pick a
05 phone and call. Just like a legislator, if I get 25
06 phone calls on an issue, I know it's a hot issue. I
07 don't need 100. I don't need 150 and so on and so
08 forth. But the problem is someone might see that
09 advertisement that day, registered, went home and
10 started cooking dinner. It wasn't a priority to write
11 SEPTA an e-mail about that bus. The complaint, as
12 literature, I got complaints --- actually, Councilman
13 Kenney had a statement he wanted to put on the record.
14 But it is a problem and I appreciate SEPTA working
15 this out to get those ads off the bus.

16 And the other thing I wanted to mention
17 is that you're showing, you know, your promotion to
18 underage drinking stopped and all that. I wish you
19 could do a bus, a wrap like that Colt 45, have a small
20 poster inside the bus. It would be nice for SEPTA
21 would do a couple big buses on 76 to Harrisburg next
22 week. I see the same bus with the stop underage
23 drinking or whatever. I appreciate you coming to
24 testify. And Lynn, do you have any questions?

25 REPRESENTATIVE BENKA-DAVIES:

01 One of my questions would be, the
02 legislation addresses other property within the ---
03 not just your buses and bus wraps, you mentioned that
04 they have been removed. Have the other alcohol
05 advertisements that's ---?

06 MS. MOORE:

07 We got a contract with Heineken. We
08 still have the authorization of the Board. Their
09 mandate still is to generate as much revenue as
10 possible, so we did not ban alcohol advertising. We
11 did remove Colt 45, because they did not necessarily
12 --- when we did our internal review, it was
13 questionable whether or not they should have had
14 internal review. But alcohol advertising is still
15 allowed on SEPTA systems.

16 REPRESENTATIVE BENKA-DAVIES:

17 If an advertiser comes before you and
18 asks to advertise on that, on a billboard in your bus
19 stop it, would still be permitted and you would
20 consider it?

21 MS. MOORE:

22 It's allowed. It is allowed, yes. And
23 Representative, I will take back your request for the
24 wrap buses. I'll take it back.

25 REPRESENTATIVE DONATUCCI:

01 Okay. Thank you. Representative Costa?

02 REPRESENTATIVE COSTA:

03 Thank you, Mr. Chairman. Good morning,

04 Faye.

05 MS. MOORE:

06 Good morning. How are you?

07 REPRESENTATIVE COSTA:

08 You mentioned, I guess this is the law,

09 which you're permitted to do. If you do

10 advertisement, it's by bid; correct?

11 MS. MOORE:

12 Correct.

13 REPRESENTATIVE COSTA:

14 And you ---?

15 MS. MOORE:

16 Well, yes and no.

17 REPRESENTATIVE COSTA:

18 On the outside of the ---?

19 MS. MOORE:

20 We have an agent. We do like a formal

21 bidding process to obtain an agent, which is Titan.

22 Titan then has the authority to go forward and solicit

23 ads and do ---.

24 REPRESENTATIVE COSTA:

25 So all of the alcohol advertising is

01 roughly five to ten percent of your revenue from
02 advertising. These other people that you turned away,
03 the advertisers --- but my point is if you had a
04 policy set up where or if we get this policy set up to
05 prohibit you from selling ads of alcohol, would you be
06 able to make up with other products? Would it be that
07 difficult?

08 MS. MOORE:

09 I'd have to speculate and probably --- my
10 quick answer is going to be, no. Part of what we do
11 is we do an inquiry, what's available to put ads on
12 billboards, buses, et cetera. Advertising of alcohol
13 gave us an entirely new avenue to approach. If you
14 remove that avenue, that piece of revenue is no longer
15 available to us. Could we be more aggressive and try
16 to sell a little more, et cetera? That is ultimately
17 what we attempt to do. But one piece of our
18 population is going to be forever removed. So I would
19 think that we would suffer some degree of loss.

20 REPRESENTATIVE COSTA:

21 Well, I guess my question would be to
22 Titan. Are there people that are being turned away?
23 Because of these competitive bids, some people aren't
24 making it?

25 MS. MOORE:

01 Well, there's only competitive bids for
02 our agents, for us to obtain an agent. They then do
03 the standard marketing to get the Nike, different
04 agencies, to place an ad.

05 REPRESENTATIVE COSTA:

06 I understand.

07 MS. MOORE:

08 I will tell you, not every ad is
09 accepted.

10 REPRESENTATIVE COSTA:

11 Okay. Thank you.

12 MS. MOORE:

13 They have to enter a check and balance
14 process, and 99 percent of the time it works.

15 REPRESENTATIVE COSTA:

16 Okay. Thank you.

17 REPRESENTATIVE DONATUCCI:

18 Representative Petri?

19 REPRESENTATIVE PETRI:

20 Thank you, Mr. Chairman. Just a couple
21 questions. Number one, is there any policy set for a
22 prohibition against smoking ads?

23 MS. MOORE:

24 Yes.

25 REPRESENTATIVE PETRI:

01 Okay. So you have an internal policy
02 that says you will not advertise cigarettes and
03 tobacco, otherwise ---?

04 MS. MOORE:

05 Correct.

06 REPRESENTATIVE PETRI:

07 Okay. How about political ads? Let's
08 say my campaign --- could I, you know, put my name and
09 picture all over SEPTA? Would you take that?

10 MS. MOORE:

11 If you paid us, I would only imagine,
12 yes.

13 REPRESENTATIVE PETRI:

14 I just wondered if there was any certain
15 prohibition against political ads.

16 MS. MOORE:

17 We know 95 percent of the population who
18 would accept campaign dollars, or whatever it is for
19 your advertising.

20 REPRESENTATIVE PETRI:

21 Going back to the smoking, is there a
22 reason that you know of that sets SEPTA decided not to
23 take smoking ads?

24 MS. MOORE:

25 Well, I think there is a federal

01 prohibition, and we are obviously in accordance with
02 all regulations.

03 REPRESENTATIVE PETRI:

04 So because of the federal prohibition
05 that's why you would obviously have to be ---?

06 MS. MOORE:

07 And I think a part of the whole
08 settlement with the smoking, tobacco industry.

09 REPRESENTATIVE PETRI:

10 Now, would there be any prohibition
11 against taking anti-smoking information, such as that
12 might come out of the tobacco settlement fund?

13 MS. MOORE:

14 I do not think so, because, again, the
15 only one is the advertising of tobacco.

16 REPRESENTATIVE PETRI:

17 Can you get that information and get it
18 back to me?

19 MS. MOORE:

20 I'll double-check. I'm pretty sure the
21 answer's a no.

22 REPRESENTATIVE PETRI:

23 The last area of questioning, on Titan,
24 on your contract with Titan, do you know how long
25 Titan obligates your buses once the ad has been

01 approved? Let me give you an example. Let's say that
02 I have a new shoe that's going to make a superstar in
03 basketball. Could I go to Titan and get a long-term
04 contract?

05 MS. MOORE:

06 It depends on what you want. We have
07 some long running ads than others. Some of them are
08 30 days. Some might even go longer. So it depends on
09 the package that you're obtaining through Titan.

10 REPRESENTATIVE PETRI:

11 Do you know whether if this legislation
12 became law, whether there would be any potential
13 breach of contract issues with those advertisers who
14 have committed through Titan or maybe they had a three
15 to five year term where they can advertise their
16 product on your bus, and if so, who would suffer the
17 breach of contract? Would that be Titan or would that
18 be SEPTA? Obviously SEPTA would lose revenue or can
19 be subject to some other punitive type action?

20 MS. MOORE:

21 I will double-check to see if there's
22 anything about breach law, but I will tell you, our
23 history has been, if our agent has breached, we have
24 breached because that's a lawsuit, if there's a
25 lawsuit. But I will double-check and get back to you.

01 REPRESENTATIVE PETRI:

02 Yes. If you would check it, because I
03 think that's important to know if we're going to do
04 something in a timely sense, too. I don't personally
05 think it would be fair to have you suffer not only the
06 loss of revenue, but perhaps, punitive measures if, in
07 fact, you would be subject to a breach of contract
08 because of a long-term commitment. Thank you.

09 MS. MOORE:

10 I will double-check and confirm a
11 termination or an expiration date of the Titan
12 contract.

13 REPRESENTATIVE DONATUCCI:

14 Thank you, Representative Petri. I want
15 to welcome Representative Brennan and I want to
16 recognize Representative Beyer.

17 REPRESENTATIVE BEYER:

18 Thank you, Mr. Chairman. Good morning.

19 MS. MOORE:

20 Good morning.

21 REPRESENTATIVE BEYER:

22 I was going to ask all of the questions
23 that were previously asked. How much of SEPTA's
24 advertising space is left for public service
25 announcements? And what I mean by that is, how much

01 advertising space has SEPTA donated to non-profits
02 throughout the Philadelphia area who need to get their
03 message out to many shelters, food banks, all of that?

04 MS. MOORE:

05 We are in partnership with some non-
06 profits, where they --- for space allowed. There are
07 certain public service announcements. We are
08 prohibited from running a series of donations. We
09 don't necessarily call them donations. But if space
10 is available, we do make available some of that space.
11 It is normally for agencies like United Way, March of
12 Dimes or some agencies like that. But we don't
13 actively deal with non-profits. They may advertise on
14 this space, because we want to make sure all of the
15 spaces are sold.

16 REPRESENTATIVE BEYER:

17 Mr. Chairman, do you entertain an
18 amendment to your Bill from me that would require all
19 public transportation agencies designate 30 percent,
20 50 percent of their advertising space to non-profits?

21 REPRESENTATIVE DONATUCCI:

22 Well, I'd be open to it, but I believe
23 the number of ---.

24 REPRESENTATIVE BEYER:

25 But it should be one of the requirements

01 that would be left up to the discretion of the --- we
02 see those quite often and it occurred to me on the
03 tobacco that this would probably be a great
04 opportunity to get the messages out. I know we
05 require that of the cable industry. I'm not sure why
06 it's not required of public transportation. Thank
07 you, Mr. Chairman.

08 REPRESENTATIVE DONATUCCI:

09 Thank you. Representative Pyle?

10 REPRESENTATIVE PYLE:

11 Thank you, Mr. Chairman and Faye, good to
12 see you again. I've been running into Faye, I'm also
13 on the Transportation Committee.

14 MS. MOORE:

15 Last two or three months.

16 REPRESENTATIVE PYLE:

17 Yes. That question, you're generating a
18 half a million dollars here of advertising. Titan's
19 people you have contracted to go contract advertisers.
20 You also mentioned an internal apparatus you have for
21 reviewing these ads.

22 MS. MOORE:

23 Well, we have internal marketing group,
24 and joined here by John McGee (phonetic), but we do
25 have an internal marketing group. They work in

01 conjunction with Titan.

02 REPRESENTATIVE PYLE:

03 But before Titan is allowed to contract
04 anybody to put advertising on your bus has to pass
05 your own internal apparatus?

06 MR. MCGEE:

07 We review the information before it goes
08 on the street. Well, Mr. Chairman comment, please?

09 REPRESENTATIVE DONATUCCI:

10 Sure.

11 MR. MCGEE:

12 It sounds to me that this is working and
13 you just had a bad ad go off that everybody objected
14 to and this is my own little thing. I don't have any
15 public transportation where I'm from. The Route 356
16 local operation and this is what happens in Western
17 Pennsylvania, that would be Freeport, Pennsylvania.
18 Mr. Chairman, I guess what we, and I don't know how to
19 ask it properly, is how did this one ad slip through?
20 And you have given us no example of this ad. I don't
21 even know what it looks like. You know, I got to ask,
22 at what point is there a fail safe? What were you
23 going to do to keep, I don't know, the ---?

24 MS. MOORE:

25 Well actually, the First Amendment, don't

01 you think you're going to have to avail them the
02 opportunity to advertise, as well. But internally, I
03 think the biggest error that occurred in this case is
04 the Colt 45, the fact that it probably is a little
05 stronger than a beer or something else, and you didn't
06 quite understand or appreciate the gravity of the Colt
07 45.

08 REPRESENTATIVE PYLE:

09 This ad I understand was offensive in
10 that what?

11 MS. MOORE:

12 Well, I think it was primarily because it
13 was Colt 45. It was nothing that they believe that it
14 was targeted more to youth, even though it really
15 caricatures ---.

16 REPRESENTATIVE PYLE:

17 Mr. Chairman, is it aimed at youth?

18 REPRESENTATIVE DONATUCCI:

19 I thought so.

20 REPRESENTATIVE PYLE:

21 Okay. I'm just trying to ---

22 MS. MOORE:

23 And when that was pointed out to us, we
24 looked at it a different way and we didn't necessarily
25 agree that it was aimed at youth, but we did say there

01 could be a possibility and that's when we made the
02 determination to pull it.

03 REPRESENTATIVE PYLE:

04 I'm fine with you covering the bus, but
05 leave the license plate showing and covered the rest
06 of it. I'm fine with it. Thank you, Mr. Chairman.

07 REPRESENTATIVE DONATUCCI:

08 Thank you. I just want to get the point
09 across, being a Southeastern Pennsylvania legislator,
10 being a Philadelphia legislator, Representative Pyle,
11 that's what we get, you know. Southeastern
12 Pennsylvania we don't care not so much as
13 Representative Pyle. Some legislators attitude is you
14 don't need a system. We don't need SEPTA. We need
15 SEPTA in our district and we need the heat for it
16 every day in Harrisburg. Rick knows that. And you
17 know, it's not regional SEPTAs. It's the Philadelphia
18 transit system. You know, they don't come down and
19 say, well, Southeastern Pennsylvania is my county.
20 It's Philadelphia County. So you can understand the
21 pressure that we get as a delegation from
22 Philadelphia, Southeastern Pennsylvania for SEPTA.
23 And it really upsets me when I see what I see, and
24 that's why I feel strongly the way I do. I hear the
25 horror stories of kids drinking and getting killed,

01 and I can't sit back and just have SEPTA or any
02 transit authority come here in Harrisburg, Allegheny
03 County advertising liquor that's aimed towards
04 children. SEPTA's attitude, but it was aimed towards
05 children. On that note, I'll turn it over to
06 Representative O'Brien.

07 OFF RECORD DISCUSSION

08 REPRESENTATIVE O'BRIEN:

09 Thank you, Mr. Chairman. Here in
10 Philadelphia and, I believe, Allegheny County we have
11 a surcharge on alcohol beverages. Now, let me ask
12 you, revenue that is derived from advertising alcohol
13 on the buses is that going to a general fund or is
14 there some dedicated purpose for that?

15 MS. MOORE:

16 It goes within the general fund.

17 REPRESENTATIVE O'BRIEN:

18 It does?

19 MS. MOORE:

20 Right.

21 REPRESENTATIVE O'BRIEN:

22 Now, what's the process? As the
23 Chairman said, you got beat up pretty good. But we
24 not only got beat up pretty good from the General
25 Assembly, but through some cost cutting moves that

01 essentially enacted, specifically transfer. We got
02 beat up pretty good back here at home, too. Now, I
03 would like to ask if, perhaps, Chairman, if this Bill
04 does not make its way to the General Assembly,
05 perhaps, you can consider taking some of the revenue
06 from this city and putting it towards the general
07 good. Thank you.

08 REPRESENTATIVE DONATUCCI:

09 Thank you, Representative O'Brien. You
10 know, I've listened to Representative Pyle talk about
11 the last budget and getting beat up. But I got to
12 also tell Representative Pyle that I remember 10, 15
13 years ago, going back a little while, when we put the
14 gas tax on those five counties and Philadelphia paid
15 for SEPTA we thought it was going to be the cure.
16 You would never have to ask for another penny for
17 SEPTA. So this is not my first beat up. I have scars
18 all over my body from SEPTA. But on that note, ---.

19 MS. MOORE:

20 Thank you for your scars.

21 REPRESENTATIVE DONATUCCI:

22 On that note, I'll turn it over to
23 Representative Santoni.

24 REPRESENTATIVE SANTONI:

25 Thank you, Mr. Chairman. Thank you for

01 your testimony. In Berks County we do actually take a
02 lot of time on buses and stuff. There is no question
03 here. And again, some of the questions I had were
04 answered. I'm just concerned about what we just went
05 through about --- with regards to the transportation
06 issue, and I'm not on the Transportation Committee, so
07 I fought that battle hard and then others up here are
08 also committed. But we're going to try to --- you're
09 going to receive your revenue. We're heading right
10 back where we were back in the beginning of the
11 summer. But I know we've been talking about a number
12 of different scenarios and I guess my question goes
13 back to the policy utilized and excepted advertising,
14 et cetera. And some people are offended by the
15 alcohol advertisements. Now, in your policy, do ---
16 some people might be offended when a clothing store
17 has a line of new spring bikinis coming out and they
18 come to you for advertising. What about a Viagra
19 commercial? How do you decide what to use, what to
20 turn down? You talked about the First Amendment, I
21 think that's a extreme example, but that's just one
22 way to kind of --- in your meetings that you have, how
23 do you go about deciding?

24 MS. MOORE:

25 I'll give you the high level answer. If

01 I put up the screen and there are items that they
02 question, they ran around these market people, we look
03 at a creative to see, a final check and balance to our
04 attorneys for constitutional --- if we say no, we'll
05 give you a new challenge. We haven't even had
06 something put on our system because of the first
07 amendment, where it has been proven, been sued,
08 tested, they prevailed. And we do what we have to, to
09 put half of that to start advertising for us.

10 REPRESENTATIVE SANTONI:

11 Thank you, Mr. Chairman.

12 REPRESENTATIVE DONATUCCI:

13 Thank you, Representative Santoni. Any
14 other questions? I see none. Thank you for your
15 frank testimony and I believe there were a couple of
16 questions that you were going to get back to us on?

17 MS. MOORE:

18 Yes. And thank you all for the major
19 efforts in Harrisburg.

20 REPRESENTATIVE DONATUCCI:

21 Thank you. I have no problems, except
22 that any time I did call Rick 99 out of 100 times were
23 resolved, but this is just over the line. Thank you.

24 MS. MOORE:

25 Thank you very much.

01 REPRESENTATIVE DONATUCCI:

02 Our next witness is Dave Jernigan,
03 Executive Director of the Center on Alcohol Marketing
04 and Youth.

05 MR. JERNIGAN:

06 Thank you very much for having me. I am
07 David Jernigan, the Executive Director of the Center
08 on Alcohol Marketing and Youth at Georgetown
09 University. And I just want to begin by reminding us
10 of the problem that we're facing. These are national
11 figures from the surveys of 8th through 12th graders
12 that the federal government does every year. Looking
13 at trend over the last 15 years, despite tremendous
14 efforts to reduce underage drinking, basically we've
15 made some progress with the boys, but we got very
16 little progress with girls. This is the National
17 Survey on Drug Use and Health.

18 Twenty (20) year olds tells a slightly
19 different story. According to that survey, actually
20 the bingeing rates are going up, but again, the
21 problem is worse among girls than among boys. The
22 girls rate is going faster than the boys. About 11
23 million young people in the U.S. report drinking in
24 the last month. About seven million reported binge
25 drinking, that's five more drinks on a single occasion

01 within two hours. Every day 5,200 kids in the U.S.
02 start drinking. The average age for the first drink
03 is about 14. It hasn't changed much and this is a
04 problem. The earlier young people start drinking the
05 worse the consequences. According to the Surgeon
06 General, young people who start drinking before age 15
07 are five times more likely to develop alcohol problems
08 than those who wait until they're 21. Four times more
09 likely to become addicted, 11 times more likely to be
10 in physical fights after drinking, 12 times more
11 likely to suffer from other unintentional injuries,
12 like falls. Roughly 5,000 deaths a year of people
13 under the age of 21 as a result of underage drinking,
14 according to the Surgeon General.

15 What role does alcohol advertising play
16 in this? When the Federal Trade Commission looked at
17 the issue in 1999, they concluded that while many
18 factors influence an underage person's drinking
19 decisions, including parents, peers and the media,
20 there's reason to believe that advertising plays a
21 role. Since 1999, there's been more reason to believe
22 that in 1998 the National Institute on Alcohol Abuse
23 and Alcoholism funded a series of longitudinal long-
24 term studies following cohorts of young people and
25 measuring their exposure to alcohol advertising and

01 marketing in various forms and then looking at the
02 impact on their drinking behavior controlling all
03 sorts of other factors.

04 What those studies have uniformly found
05 is that the more young people are exposed to alcohol
06 advertising and marketing in various forms the more
07 likely they are to drink. Certainly it's not the only
08 factor, but it is a significant factor that they use
09 in drinking decisions. One of these that has an
10 impact is outdoor advertising, which is what we're
11 talking about here at this hearing recently. Research
12 in Chicago looked at all other advertising within
13 1,500 feet of 63 Chicago schools and then surveyed
14 2,500 sixth grade students from those schools two
15 years later. Exposure to the ads around the school
16 was associated with intentions to drink, even among
17 non-drinking students, suggesting that those that who
18 are not getting to the alcohol are affected by alcohol
19 advertising, as well as the drinkers themselves.

20 Other studies have also found that the
21 exposure to the alcohol advertising actually
22 translates through to measurable increases in underage
23 drinking. The largest of these studies, which was a
24 study at the University of Connecticut, found that for
25 every additional ad over an average of about 23 a

01 month those that were exposed to them drank one
02 percent more. For every additional dollar per capita
03 spent on alcohol advertising in their media market,
04 they said that they drank three percent more.

05 The underage youth alcohol market is
06 substantial and underage drinking accounts for between
07 11 and 20 percent of the alcohol consumed. The 20
08 percent was published in the Journal of the American
09 Medical Association. And the drinking young people do
10 is heavy drinking. More than 90 percent of the
11 alcohol consumed by underage drinkers is drunk when
12 the drinker is having five more drinks at a sitting,
13 the usual, usually within two hours. All right.

14 The main way that young people are
15 protected from alcohol advertising is through self-
16 regulation by the alcohol companies themselves.
17 You've heard a little bit about SEPTA's self-
18 regulatory efforts. Let me tell you a little bit
19 about the industry's efforts. I want to focus on beer
20 and distilled spirits because they are by far the
21 largest advertisers and just show you some provisions
22 from their codes and some examples of recent
23 advertising.

24 The Beer Institute code says Beer
25 advertising and marketing materials should not claim

01 or represent that individuals cannot obtain social,
02 professional, educational, athletic or financial
03 success or status without beer consumption. But if
04 you're longing for a first date to go smoothly you
05 should drink Heineken Premium Light and of course it
06 will also help seduction happen anywhere. The Beer
07 code also says that marketing materials should not
08 portray persons lacking control over their behavior,
09 movement, or speech as a result of consuming beer, or
10 in any way suggest that such behavior is acceptable.

11 TELEVISION COMMERCIAL PLAYED

12 MR. JERNIGAN:

13 That aired on the Super Bowl in 2006 and
14 advertising and marketing materials should not contain
15 graphic nudity, but can have a lot of bottle caps.

16 But the Distilled Spirits Council DISCUS
17 code says beverage alcohol advertising and marketing
18 materials should not degrade the image, form or status
19 of women, men or any ethnic, minority, sexually
20 oriented, religious or other group. This
21 advertisement was the subject of a protest to the
22 DISCUS's Code Board Review. The DISCUS Board said
23 Svedka Vodka is not a member of DISCUS and so they
24 simply said we like their advertising. The code also
25 says that ads should not depict situations where

01 beverage alcohol is being consumed excessively or in
02 an irresponsible manner and it should not portray
03 persons in a state of intoxication.

04 TELEVISION COMMERCIAL PLAYED

05 MR. JERNIGAN:

06 Now, that has played 559 times last June.
07 There was a complaint from the Center for Science in
08 the Public Interest. The producer of Bailey's said
09 that the form of this Irish Cream was a time for a 15
10 year old to get surveyed and this 15 year old to
11 report also a period of superimposed text in the
12 advertisement. I'm sure you all saw that down in the
13 right-hand corner. No? And with the alcohol content
14 at 17 percent, the amount of Bailey's put in the ice
15 bucket was less than standard as defined in the
16 guidelines. The Code Review Board disagreed. The add
17 was pulled. They felt that it did create an
18 impression. However, they didn't think that anybody
19 appeared intoxicated in the advertisement. The
20 gentleman with the ice cubes was just extraordinarily
21 uncoordinated. The ad was revised and it was re-
22 released with the young man pouring the Bailey's into
23 a jigger that was on the table and then pouring a
24 small amount of alcohol into the large ice bucket and
25 then inserting a straw into the ice bucket and

01 inserting a straw into the ice bucket, which strains
02 credulity as to whether he could've actually drank the
03 alcohol with a straw, but nonetheless, it was re-
04 released and continued to play last year.

05 These are some examples of the content of
06 alcohol advertising. You've also heard of alcohol
07 refined advertising, Colt 45 and a number of things.
08 And I can talk to you more about that if you want, but
09 there's a huge problem with content and regulating
10 content areas. First Amendment issues is highly
11 subjective and I can turn to the judgments made. Our
12 center started in 2002 based on the public health
13 premise that if we were going to reduce underage
14 drinking, we had to have an approach that rested on
15 two pillars, reducing young people's access to alcohol
16 and reducing the appeal of alcohol to young people.
17 To provide public health messages about underage
18 drinking, but also limiting alcohol advertising impact
19 by reducing youth exposure to it. Our bright idea was
20 to try to replace this debate over content, this
21 highly subjective debate, with a more objective debate
22 over placement. Where the ads are being placed and
23 who the audience is.

24 So what we've done is we've subscribed to
25 the industry-standard databases like Nielsen,

01 Arbitron, et cetera. Using those databases, we can
02 actually identify where the ads were and exactly who
03 the audience for the advertising was, and these were
04 some of our findings. In magazines, in 2005, compared
05 to adults 21 and over, youth ages 12 to 20 saw 7
06 percent more beer ads per capita, 19 percent more ads
07 for malternatives and alcopops, like as Skyy Blue and
08 53 percent fewer wine ads, which suggests that there
09 are channels where the industry can advertise if they
10 so choose and not so overexposed to the young people.
11 The overwhelming majority of youth exposure, 81
12 percent of it comes in magazines where young people
13 are statistically more likely to be in readership than
14 adults at the legal drinking age.

15 In 2004, we published an article in the
16 Archives of Pediatrics and Adolescent Medicine. We
17 looked at girls versus boys exposure in magazines and
18 found that the girls were substantially more over
19 exposed compared to women than the boys were to men,
20 even though boys overall exposure to alcohol
21 advertising is higher than girls. On TV in 2005 there
22 were more than 300,000 alcohol product commercials.
23 Young people were more likely to have seen about 20
24 percent of them. That is about 20 percent are placed
25 where young people are more likely to be the audience

01 than adults. This figure has remained consistent in
02 the five years that we've been monitoring. At the
03 same time, over that five year period, the number of
04 alcohol ads on television seen by the average 12 to 20
05 year old has increased by more than 40 percent. An
06 increasing amount of this exposure comes from
07 distilled spirits advertising on cable television. In
08 Philadelphia, about 22 percent of the ads were on
09 programs more likely to be seen by youth than by
10 adults, and examples of programming on which the ads
11 were placed were 106 & Park on BET, Strip Search, I
12 Love the 90s Part Deux and Hogan Knows Best on VH1.

13 On the radio, we reported the MMWR in
14 2006. We analyzed a sample of about 67,000 airings
15 for the 25 leading alcohol brands. We found that 14
16 percent of them were actually in violation of the
17 industry's own voluntary placement standard and that
18 nearly half, 49 percent, were on programming to
19 individuals more likely to be listening to than
20 adults. Those ads were responsible for about 71
21 percent of exposure.

22 We've looked at the internet. We were
23 able to get data on the last six months of 2003 for 55
24 alcohol company websites. They had traffic from
25 almost 700,000 underage youth on those sites in that

01 period. We only assessed in-depth visits that stuck
02 out on the so called age verification screens. The
03 content on these sites were things that tends to be
04 highly youth-oriented, with things like alien blast a
05 video game, air hockey, mix your own music, downloads
06 of various kinds, send humorous postcards to your
07 friends and so on.

08 We've looked at the exposure on
09 minorities. In the context of young people being more
10 exposed than adults to this kind of advertising,
11 minority are even more exposed than the rest of the
12 youth. For instance, in 2004, Hispanic youth were
13 exposed to 20 percent more alcohol advertising in
14 English-language magazines than were youth in general.
15 And they heard more radio advertising than other youth
16 in 7 of the top 20 markets by the Hispanic population.
17 American youth were exposed to 34 percent more alcohol
18 ads in national magazines and more radio advertising
19 for alcohol in six of the top ten markets by
20 population.

21 Now, the industry has come back and said,
22 well, we do all this wonderful responsibility
23 advertising. Gee, it's really not fair, you know.

24 TELEVISION COMMERCIAL PLAYED

25 MR. JERNIGAN:

01 In public health, we call that a bit of a
02 mixed message. If you want to designated driver, you
03 should have highjack subway car. Nonetheless, we
04 surveyed this kind of advertising to the same local
05 schools that we used for the product advertising from
06 2001 through 2005. Young people were 239 times more
07 likely to see an industry ad for products than an
08 alcohol industry ad about underage drinking.

09 The bottom line, whether intentional or
10 not, and we don't have anything that says this is
11 intentional, beer and distilled spirit industry
12 practices pervasively over-expose youth to alcohol
13 advertising. The wine case shows it doesn't have to
14 be this way. And I should say that I'm only talking
15 about a small subset of marketing in this presentation
16 so far. Other areas where young people are exposed to
17 include product placement sponsorship, Spring Break
18 marketing and campus marketing, point of marketing,
19 point of purchases, and so on.

20 What's happening about this? In 2003,
21 Congress, Commission, and the National Research
22 Council, and Institute of Medicine came back with a
23 comprehensive report on what should be done to reduce
24 underage drinking. On this issue, the IOM said there
25 should be a national media campaign. The federal

01 government should monitor underage exposure to alcohol
02 advertising, as my organization has been doing, and
03 the industry needs to move towards a 15 percent
04 maximum for youth composition of audiences for its
05 advertising.

06 This issue about maximum or placement
07 standards has been going on since 1999 when the
08 Federal Trade Commission said the industry should move
09 25 percent to 30 percent. At that point, they had a
10 50 percent standard that covered exactly 1 percent of
11 television programming. In 2001, they moved to 30
12 percent. In 2003, the brewers and distillers moved to
13 30 percent as well. The Institute of Medicine said
14 actually they should go to 25 percent immediately and
15 eventually move towards this 50 percent standard. In
16 2006, 20 of the state Attorneys General wrote to the
17 Federal Trade Commission to ask them to explore with
18 the industry, moving the standard from 30 to 15
19 percent. In 2007, Beam Global Spirits, the second
20 largest marketer in the U.S. and the fourth largest in
21 the world, announced it would adopt a 25 percent
22 standard and a 15 percent annual aggregate average for
23 youth audience of its advertising by brand and by
24 medium.

25 Why 15 percent? According to the

01 National Household Survey, there's some drinking
02 before age 12, but age 12 is the age when drinking
03 really starts to take off. Twelve (12) to 20 year
04 olds are the group at risk, and they are roughly 15
05 percent of the population. That's the population
06 exposed to magazines and radio. Thirteen (13) percent
07 of the population, that's the TV population. But the
08 industry standard basically allows the group most at
09 risk to be double exposed to alcohol advertising.

10 There has been some progress. The moving
11 to 30 percent has caused reduction of youth exposure
12 in magazines, but it has been countered by the
13 enormous increase on television, particularly of
14 distilled spirits. We estimate that if they were to
15 adopt this 15 percent standard, we did a stipulation,
16 we moved all the alcohol advertising in the first ten
17 months of 2004 to below 15 percent programming. We
18 had the youth exposure drop by 20 percent and the
19 industry would have saved between 7 and 8 percent of
20 its expenditures. According to econometric study
21 published in Health Economics last year, a 28 percent
22 exposure to alcohol --- decrease in exposure to
23 alcohol advertising would lead to between a 4 and 16
24 percent drop in monthly youth drinking and an 8 to 33
25 percent drop in youth binge drinking.

01 The Surgeon General has said that the
02 alcohol industry has a public responsibility for its
03 marketing of its product and that placements should
04 not disproportionately expose youth to messages about
05 alcohol, and the Surgeon General also said that
06 independent monitoring is necessary. Congress has
07 unanimously and President Bush signed it into law last
08 December the Sober Youth on Preventing Underage
09 Drinking Act, or the STOP Act, is only authorizing
10 legislation, but it does many annual reports on
11 underage drinking, including information on race and
12 youth exposure and discourages alcohol use in the mass
13 media. At this point, it is largely unfunded in
14 Congress.

15 At the state level, there are a number of
16 things that have happened. Connecticut banned all
17 alcohol signage except at point of purchase at
18 Rensschler Field, the new University of Connecticut
19 stadium. Here in Philadelphia, the city council
20 wanted to ban alcohol advertising on bus shelters that
21 are controlled by the city. And according to numerous
22 First Amendment opinions, the state can do that. It's
23 not a First Amendment issue if it's a state-funded
24 activity. In Maine, they have moved to reclassify
25 youth-oriented alcopops and alcoholic energy drinks,

01 giving them a higher tax rate. In Ohio, the state
02 took the industry's voluntary 500 foot limit on
03 billboard placements in proximity to schools,
04 playgrounds and churches and put it into state law so
05 it could be enforced.

06 It is extremely heartening that here in
07 Philadelphia and here in Pennsylvania and other states
08 people are examining and acting on this important
09 public health issue. Our Center will begin work at
10 the end of this year. An ongoing spotlight on
11 industry activities produced by the kind of monitoring
12 that's been recommended by the Surgeon General and the
13 Institute of Medicine as crucial. And the Center for
14 Disease Control have already worked with us on some of
15 this and hopefully Congress will support them to
16 continue this important work.

17 Without this attention, the situation is
18 likely to continue as it has been, with our children
19 surrounded by alcohol advertising in the magazines
20 they read, the music they listen to, the movies they
21 watch and of course the places they go on vacation.
22 It's our belief that clear and enforceable standards
23 for alcoholic beverage advertising can allow for
24 legitimate business activity while protecting our
25 children from predatory marketing practices. We can

01 do a better job of protecting our children from
02 advertising for alcohol, the industry can do a better
03 job and we will believe our children deserve better.
04 Thank you very much for the opportunity to testify.

05 REPRESENTATIVE DONATUCCI:

06 Thank you, Dave. Your testimony was
07 unbelievable, very explicit. I seen the --- this is
08 not my first hearing. Some of your commercials I've
09 seen, other commercials I've not seen, so I just want
10 to make the Committee know, whose never been to a
11 liquor hearing, that these are just some of them.
12 There's more out there, a lot more out there. On that
13 note, I want to turn it over to Representative Pyle
14 who has a few questions.

15 REPRESENTATIVE PYLE:

16 Actually, Mr. Chairman, I only speak on
17 behalf of people who do have problems operating ice
18 tongs and ice cubes. I tend to just grab ice out of
19 the bucket. I did not take that the same way you're
20 considering it. I mean, Bailey's --- should we be
21 advertising in young magazines with illustrations?
22 Probably not. I'm just curious having done numerous
23 studies myself as a Sociologist, an exposition to
24 alcohol, drugs, you know, teenage sex, all that. I
25 mean, we covered the gamut pretty much. What is your

01 standard for what is accepted and what is not? I
02 mean, you have to let them advertise, but what point
03 do you draw the line? Apparently the Chairman here
04 found the Colt 45 add egregious.

05 MR. JERNIGAN:

06 I'd like to show you that Colt 45 add and
07 you can make that assessment yourself. The point
08 here, though, is that steady subjective content
09 standards sets us into an extremely difficult area for
10 decisions to be made. Reasonable adults can disagree
11 on the contents of these, and that's why the Surgeon
12 General and the Institute of Medicine have both come
13 down on the side of, let's do what we can about where
14 these things take place. Marketing is a bubble. It's
15 a swishy bubble. If you press in one area, it's
16 likely that it will protrude out in another area. And
17 so the point is, let's look at every place where we
18 could reasonably reduce youth exposure to this kind of
19 advertising.

20 Now, here in Philadelphia, I think the
21 decision was because 26,000 kids were using the buses
22 every day to go to school, that it was a reasonable
23 thing to get rid of the advertising on the bus
24 shelters. It is a question of looking everywhere we
25 can and well, preserving the industry's right to

01 advertising its products to a legal age audience.
02 What are reasonable steps that can be taken to reduce
03 youth exposure to advertising?

04 REPRESENTATIVE PYLE:

05 Thank you.

06 REPRESENTATIVE DONATUCCI:

07 Any other questions? Representative
08 Santoni?

09 REPRESENTATIVE SANTONI:

10 Thank you, Mr. Chairman. Thank you, Dr.
11 Jernigan. I appreciate your testimony. There's some
12 good stuff in there. I'm paging through some other
13 --- we get a lot of information and some people tell
14 us one thing and some people tell us another and it's
15 always confusing as to who to believe. Your testimony
16 is very extensive and I was looking at some other
17 testimony while you were speaking from Titan
18 Worldwide, from a Dr. David Hanson, Professor Emeritus
19 of Sociology at the State University of New York at
20 Potsdam. There's a lot of information that has been
21 provided to us today. It says a study by the Federal
22 Trade Commission found that there's no reliable basis
23 to conclude that alcohol advertising significantly
24 affects consumption, let alone abuse. And a United
25 States Senate Subcommittee reported in the

01 Congressional Record that it could not find evidence
02 to conclude that advertising influences non-drinkers
03 to begin drinking or to increase consumption. Another
04 report from the U.S. Department of Health and Human
05 Services, a University of Texas Study, et cetera, et
06 cetera doesn't agree with what you're saying.

07 MR. JERNIGAN:

08 The dates on those studies, the Federal
09 Trade Commission you're referring to I believe is from
10 1985. I show they're both from the Federal Trade
11 Commission position in 1999. The longitudinal studies
12 where up until the mid 1990's was we didn't have
13 research that followed groups of young people over
14 time, measured their exposure to the advertising and
15 measured their drinking behavior. We did have some
16 studies that looked at their drinking intentions, plus
17 studies. Those studies suggested that the advertising
18 was influencing their intention. This was in 1998
19 National Institute of Alcohol Abuse and Alcoholism
20 funded this group of research groups. They funded
21 four different groups to undertake longitudinal
22 studies. All of those groups have now reported
23 research. All of them have found, as have other
24 longitudinal studies, have found that exposure to the
25 advertising, as well as to other forms of alcohol

01 marketing, in films alcohol marketing is one of the
02 promotional items at beer concession stands, et
03 cetera, that all of these have statistically
04 significant relationships with youth drinking behavior
05 subsequently.

06 REPRESENTATIVE SANTONI:

07 Admittedly, I didn't look at the dates.
08 I just was paging through this and looking at ---.

09 MR. JERNIGAN:

10 As do many others.

11 REPRESENTATIVE SANTONI:

12 Thank you very much. Thank you, Mr.
13 Chairman.

14 REPRESENTATIVE DONATUCCI:

15 Thank you. Is there any other questions?
16 Seeing none, Doctor, I will thank you for your
17 testimony. It was very helpful, and thank you again.

18 MR. JERNIGAN:

19 Great. Thanks very much for the
20 opportunity.

21 REPRESENTATIVE DONATUCCI:

22 We've had one other from May, she won't
23 be here today, but we also have a Reverend Brown who
24 would like to speak for a few minutes. Reverend
25 Brown, would you like to come up?

01 REVEREND BROWN:

02 Sure.

03 REPRESENTATIVE DONATUCCI:

04 Reverend, can you give us your full name
05 and who you represent?

06 REVEREND BROWN:

07 I'm Reverend Jesse Brown. I'm also part
08 of the National Association of African-Americans for
09 Positive Imagery and my office was also, at one time,
10 the field office for Pennsylvania was with the Center
11 up until a couple years ago. As you know, we continue
12 to monitor the alcohol advertising on SEPTA and public
13 transportation systems for seven years and we were
14 part of the group responsible for getting that off of
15 there. And just as soon as we finally got it off of
16 the bus shelters with the city, of course, the Septa
17 Board had voted to put it back on the SEPTA system.

18 The argument that we used in the
19 beginning still hold true today. The young people,
20 and of course now even more so, the young people now
21 have the right to go to school using the SEPTA system
22 without charge, to go to and from. But the point is
23 that alcohol companies cannot do without these kids
24 and they have acted like children themselves in their
25 marketing practices, and that is that they are willing

01 to test the limits on the alcohol marketing. It's
02 unfortunate that I literally did not learn about this
03 hearing until 45 minutes ago and SEPTA came right down
04 here to talk about this. But I had been monitoring
05 the marketing and, in fact, particularly, the alcohol
06 advertising that has been on SEPTA for the last year
07 or so that I wish I had the opportunity to provide for
08 you. I think we only have about two of them at the
09 current moment, and it's currently running on the
10 system. And I also of course joined the chorus of
11 those who oppose the Colt 45 advertisement that was
12 --- that went out on the system and finally has been
13 removed.

14 I don't want to revisit this issue over
15 and over again with the alcohol industry on our public
16 transportation system. We keep coming back to this
17 whether it's in this hearing room or whether it's in a
18 separate boardroom or whether it's in city council,
19 with the same charge of the alcohol companies
20 advertising to kids, and they're using our public
21 system in order to do that. We need to cut it out
22 altogether and this kind of legislation moves us in
23 that direction to make sure that happens. And of
24 course for me, even after we get it off of SEPTA
25 again, we hope that this would be a more permanent

01 situation, not something that can be reversed in a
02 moments notice because a few board members change
03 because somebody wants to go back to advertising
04 alcohol on the system. Our kids need to be protected.
05 We're responsible for that. The family needs to be
06 protected. We're responsible for that, and if we
07 don't pick up our responsibility, then --- we do what
08 is required of us, then we become part of the problem
09 rather than part of the solution in our neighborhoods
10 and communities on these issues.

11 And I hope that we go ahead and make this
12 move fairly soon and you'll see a continuous need to
13 press for elimination of alcohol advertising on
14 billboards and out of the venues that they are using
15 at this current time to target kids. Thank you.

16 REPRESENTATIVE DONATUCCI:

17 Thank you, Reverend for your work and
18 your testimony. Are there any questions? Seeing
19 none, Reverend, thank you. We have one more witness,
20 Karen Warrington from Congressman Brady's office.
21 Good morning.

22 MS. WARRINGTON:

23 Good morning. I am Karen Warrington,
24 Director of Communications in the office of
25 Congressman Robert Brady, and I am here to offer

01 testimony on behalf of the Congressman.

02 As you may know, in July of this year,
03 Congressman Brady asked SEPTA Chairman Pasquale T.
04 Deon to reconsider the wrapped ads of Colt 45 Malt
05 Liquor on SEPTA buses. In a letter to the Chairman,
06 the Congressman said, given our rising epidemic of
07 violence, your promotion of especially dangerous malt
08 liquor is extraordinarily counterproductive. Through
09 these ads, SEPTA is effectively condoning malt liquor
10 sales and consumption throughout Philadelphia.

11 And in a Daily News editorial, in support
12 of Congressman's Brady's position, the newspaper
13 opined, we give thumbs up to Brady's call against the
14 Colt 45 ads. Colt 45 has been called liquid crack.
15 It's cheap, highly alcoholic, and has lots of street
16 cred in the neighborhoods where violence is a problem,
17 in part because it's marketed heavily in poor
18 neighborhoods. And while it may seem like tilting at
19 windmills to be criticizing any kind of advertising
20 message in the 21st century, Brady is right.

21 Brady's protest reminds us that everyone
22 is involved in the fight against rampant violence.
23 The problem is not just guns or criminals, but the
24 dropout rates, the truancy rates, the breakdown of the
25 family and the lack of jobs, as well as the messages

01 we allow to be plastered on our mass transit system,
02 end of quote.

03 Early in August, as a result of the
04 concerns of Congressman Brady and community pressure,
05 SEPTA announced it was pulling the wrapped Colt 45
06 ads. However, when making the announcement, a SEPTA
07 spokesperson said that Colt 45 ads were on SEPTA buses
08 in other forms.

09 The Congressman appreciates that the
10 Commission is holding this hearing and the leadership
11 of Chairman Donatucci. He also supports the proposed
12 amendment to the State Liquor Code that would prohibit
13 the advertising of alcoholic beverages on public
14 transit property. Thank you.

15 REPRESENTATIVE DONATUCCI:

16 Thank you for your testimony and thank
17 the Congressman for his statement. Are there any
18 questions? Seeing none, thank you.

19 MS. WARRINGTON:

20 Thank you.

21 REPRESENTATIVE DONATUCCI:

22 That concludes this hearing. And before
23 we leave, I want to thank all the members. This was a
24 long week and everybody hung in there. I want to give
25 thanks to all liquor members. Have a good weekend.

01

* * * * *

02

MEETING CONCLUDED AT 11:58 A.M.

03

* * * * *

04

05

06

07

08

09

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25