

EXHIBIT NO. 1
 DATE 2-18-09
 BILL NO. SB 438

Alcohol Energy Drinks

Department of Revenue
 Liquor Control Division

Alcohol Energy Drinks



Alcohol Energy Drinks

- ❑ Alcohol energy drinks have been introduced into the market. These products very much look like the non-alcoholic energy drink such as --Full Throttle, Monster Energy and Rockstar; however, they contain malt beverages.
- ❑ Non-alcoholic energy drinks constitute a rapidly growing segment of the beverage market. These beverages are particularly popular with teens and young adults.
- ❑ The alcohol energy drinks are considered "beer" under Montana laws and are distributed by beer wholesalers.
- ❑ Marketing campaigns claim such beverages increase a person's stamina but do not mention the potentially adverse consequences of mixing caffeine or other stimulants with alcohol.
- ❑ Adding caffeine to alcohol may increase risk to young consumers because those additives tend to reduce the perception of intoxication and make greater quantities of alcohol palatable.

Concerns with Alcohol Energy Drinks

- ❑ Blurred Distinction – The alcohol energy drinks are not easily distinguishable from the non-alcoholic products. Plus the labels and packages do not readily identify that the product contains alcohol.
- ❑ Location – These products are located in grocery stores and convenient stores in some cases less than three feet away from non-alcoholic energy drinks. As a result customers and sales clerks could be confused on what they are purchasing or selling.
- ❑ Advertising – target youth with non-traditional forms of advertising such as Myspace and Facebook.
 - Slogans include "You Can Go Home Early: When You're Married", "You Can Sleep When You're 30", "Who's up for staying out all night"

Concerns with Alcohol Energy Drinks

- ❑ Costs – Most times they cost less than the non-alcoholic energy drinks
- ❑ Alcohol content – The alcohol by volume is significantly greater than that of a normal beer; in some cases twice as much.
- ❑ Popular with underage drinkers because of their taste, effect, and low prices. They don't taste like alcohol. They are marketed as products that mask the effects of alcohols because of their caffeine.
- ❑ Safety – There are potential health and safety risk of mixing alcoholic beverages with caffeine and other stimulants.
- ❑ National concerns – This products have the attention of other states and state's attorney generals.

Cost of Energy Drinks

Non-Alcohol Drinks

- ❑ Monster Energy - \$2.00
- ❑ Full Throttle - \$2.00
- ❑ Rockstar - \$2.25

Alcohol Energy Drinks

- ❑ Tilt - \$1.29
- ❑ Liquid Charge - \$1.39
- ❑ Sparks - \$1.49

Size Does Matter



MyEnergyDrinks.com

Montana Alcohol Related Statistics

- ❑ Cost of underage drinking in Montana - \$249 Million
Montana ranked 9th highest
- ❑ Montana's binge alcohol use in the past month age 12-17 --- 17.10% -compared to national average 10.86%
Montana ranked highest
- ❑ Montana's alcohol use in the past month age 12-17 --- 23% -compared to national average 17.65%
Montana ranked 4th highest
- ❑ Montana's alcohol use in the past month age 18-25 --- 71.50% -compared to national average 50.92%
Montana ranked 7th highest
- ❑ Montana has been in the top 10 highest alcohol related traffic deaths for the past 8 years (of these - 19% is from underage drinkers).
Montana is ranked 4th highest in the nation.

What can policy makers, legislators and regulators do?

- ❑ Educate the community on the products, side effects and concerns
- ❑ Rule options – put rules into place to not allow products that are packaged, labeled, or advertised in a manner that by their nature appears to appeal the underage consumers or tends to blur the distinction between alcoholic and non-alcoholic product.
- ❑ Legislation options– limit the sale to retail outlets for distilled spirits; impose a special tax surcharge, with tax revenues used to fund youth prevention and treatment programs; require drinks in retail stores to be displayed in a delineated area distinct from non-alcoholic beverages; put label requirements into the law; increase retail compliance checks.