

The mission of OPHA is to provide leadership on issues affecting the public's health and to strengthen the impact of people who are active in public and community health throughout Ontario.

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Bureau of Policy, Intergovernmental, and International Affairs Health Canada Address Locator 0900C2 Ottawa, Ontario K1A 0K9

Dear Sir/Madame:

RE: Additional comments on Health Canada's proposed regulatory approach to restrict the amount of alcohol in single-serve highly sweetened alcoholic beverages

Thank you for the opportunity to review and comment on Health Canada's revised approach to restrict the amount of alcohol in single-serve highly sweetened alcoholic beverages. We commend Health Canada's commitment to address the availability of harmful alcoholic products that are aggressively marketed towards youth and young adults. The proposed approach provides a good foundation onto which all levels of government can improve efforts to reduce the harms of alcohol use.

The <u>emergence and availability</u> of high ABV (alcohol by volume) and highly sweetened beverages like FCKD UP can be linked to the way alcohol is regulated in Canada. Manufacturers have leveraged the availability of inexpensive high ABV starting material (11.9% ABV beer in the case of FCKD UP) and post-brewing additives such as sweeteners, flavouring, and colours. The primary purpose of these additives is to appeal to youth and mask the often unpalatable taste of inexpensive high ABV beverages. The low cost of the starting material and additives means that the final product can be profitably sold, even at very low prices.

The low price of high ABV beverages is particularly appealing for youth, young adults, and those seeking an inexpensive source of alcohol to satisfy an alcohol use disorder. These products are also aggressively marketed to youth and young adults using questionable techniques that are nevertheless sanctioned by ineffective and outdated national and provincial alcohol marketing policies. For example, advertisements for FCKD UP prominently highlighted that 2 cans could be purchased for \$7.50 or \$6.99 and that <u>one</u> <u>can contained 4 standard drinks</u>. The product name "FCKD UP" is in and of

itself a form of marketing and blatantly alludes to a heightened state of intoxication.

<u>Recommendation</u>: Implement a tiered excise tax rate for the new beverage category, proportional to alcohol content, similar to other beverage categories such as wine- and spirit-based coolers.

Although the proposed approach will limit the amount of alcohol per non-resealable container, **this type of product can still be manufactured and sold at a very low price**. The impact on individuals seeking a low-cost alcoholic beverage is to be slightly inconvenienced by having to purchase and consume multiple containers. Manufacturers may also continue to market and sell the same high ABV product in smaller individual containers that are bundled in multi-container packages, with a small price increase to cover the cost of additional packaging. The potential to sell these products at a low price (relative to the high alcohol content) must be addressed to have any meaningful health protective impact—this action is best achieved at the federal level.

The Government of Canada should set **tiered excise tax rates** (proportional to alcohol content) to protect those most vulnerable to the appeal of high ABV and highly sweetened beverages. Applying a higher excise tax rate for high ABV beverages does not prevent manufacturers from making high ABV products in this new category. Rather, a higher excise tax rate (e.g. starting at 7.0% ABV) recognises that these products pose a greater health risk to consumers, including those to whom a low price is appealing such as youth and young adults. A similar <u>tiered excise taxation regime</u> is in place for other alcoholic beverage categories such as beer and spirit- and wine-based coolers. For example, the excise tax rate for spirit-based coolers increases by nearly 40 times once the 7.0% ABV threshold is reached; this is a powerful disincentive to produce harmful high ABV, spirit-based products.

Thank you again for the invitation to provide input on this revised approach. In addition to these comments, OPHA would welcome the opportunity to be involved in Health Canada's concurrent consultation on the marketing of alcohol and of these products. We also encourage the Government of Canada to consider how this approach can be adopted for other alcoholic beverage categories.

Please contact myself or the co-chairs of the OPHA Alcohol Work Group, Cathy Edwards (613-549-1232, <u>Cathy.Edwards@kflaph.ca</u>) or Phat Ha (416-338-0932, <u>Phat.Ha@toronto.ca</u>).

Thank you for your consideration,

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Pegeen Walsh Executive Director

More about the Ontario Public Health Association

We are a member-based, not-for-profit association that has been advancing the public health agenda since 1949. OPHA provides leadership on issues affecting the public's health and strengthens the impact of those who are active in public and community health throughout Ontario. OPHA does this through a variety of means including advocacy, capacity building, research and knowledge exchange. Our membership represents many disciplines from across multiple sectors.

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