

A Communication From the Chief Legal Officers  
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*Sent via facsimile*

May 10, 2007

Mr. August A. Busch IV  
President and Chief Executive Officer  
Anheuser-Busch Companies, Inc.  
One Busch Place  
St. Louis, MO 63118

RE: Anheuser-Busch Alcoholic Energy Drinks

Dear Mr. Busch:

We, the undersigned attorneys general, write to express our serious concern about your company's promotion and sale of alcoholic energy drinks – alcoholic beverages that contain caffeine and other stimulants and are highly attractive to underage youth.<sup>1</sup>

Medical doctors and public health professionals warn that combining nonalcoholic, caffeinated energy drinks with alcohol, a practice popular among youth, poses significant health and safety risks. The stimulating effect of the energy drink reduces the consumer's subjective perception of intoxication and impairment, thereby promoting increased alcohol consumption. Although the stimulant in the energy drink may cause the consumer to feel alert, it will not ameliorate the adverse effect of the alcohol on the consumer's motor skills or ability to react quickly.<sup>2</sup>

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<sup>1</sup> This is not the first time that state attorneys general have communicated with Anheuser-Busch about the marketing of beverages that are particularly appealing to youth. Some among the undersigned have previously voiced concerns about the company's production and promotion of flavored malt beverages – sweetened, fruit-flavored drinks containing alcohol from distilled spirits. Such beverages, nicknamed "alcopops," are considered by alcohol industry analysts and public health professionals to be "starter drinks" because they are designed to appeal to new drinkers and are very popular with teenagers, particularly girls. To our knowledge, Anheuser-Busch has done nothing to alleviate those concerns.

<sup>2</sup> The results of recent studies testing the interaction of energy drinks and alcohol on human performance, published in the journal *Alcoholism: Clinical and Experimental Research*, provide empirical support for these warnings. One study tested the impact of energy drinks in reducing alcohol's deleterious impact on

In light of this information, Anheuser-Busch's development and promotion of a variety of alcoholic energy drinks, including "Spykes," a flavored malt beverage that contains 12% alcohol by volume, as well as caffeine, guarana, and ginseng, is particularly distressing. Spykes exhibits all the indicia of a youth-oriented "starter drink," while posing the additional risks that arise from combining energy drinks with alcohol.

Spykes appears to be tailored to the youth palate and to youth culture in numerous ways. First, Anheuser-Busch produces it only in fruit and chocolate flavors. Second, advertising for Spykes touts the fact that it contains caffeine and other additives that young people are likely to associate with popular, nonalcoholic energy drinks. Third, Anheuser-Busch bottles Spykes in tiny, attractive, brightly colored containers that can be easily concealed in a pocket or purse. Fourth, the product's designation as a flavored malt beverage allows Anheuser-Busch to sell Spykes inexpensively, and to distribute it, in many states, to grocery stores and convenience stores, where it may be more readily seen and purchased by underage youth than if it were sold only in liquor stores. Contrary to Anheuser-Busch's recent public statement,<sup>3</sup> Spykes can also be purchased online.<sup>4</sup>

Moreover, Anheuser-Busch has chosen to advertise Spykes primarily through the Internet, a medium favored by, and readily available to, young people under the age of twenty-one. The [www.spykeme.com](http://www.spykeme.com) website has no effective means of preventing underage access and can be entered simply by providing the birth date of a person of legal age. The website features bright colors, club music, and a variety of computer and mobile phone downloads, such as wallpapers, screensavers, instant messaging icons, and ringtones, all of which are likely to be highly attractive to teenagers. In this regard, we are concerned that Anheuser-Busch has not followed through on the commitment it made in a letter to attorneys general, dated January 19, 2007, to apply age-verification technology to all of its branded websites by April 2007.

In our view, the labeling for Spykes is inadequate, and the content of its advertising is irresponsible, reflecting a basic disregard for consumer safety and welfare. Although Anheuser-Busch advertises Spykes as a mixer for beer or mixed drinks, neither the product's labeling nor its promotional materials disclose that adding Spykes to beer or any other alcoholic beverage will

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heart rate, oxygen uptake, and other physiological variables during strenuous exercise. Energy drink consumption had no impact on the alcohol's physiological effects on the body. Ferreira, et al., "Does an Energy Drink Modify the Effects of Alcohol in a Maximal Effort Test?", *Alcoholism: Clinical and Experimental Research*, September 2004. A second study tested the impact of energy drinks on subjective symptoms of alcohol intoxication and motor coordination and visual reaction tests. Energy drinks did reduce the subjective perception of alcohol intoxication, but had no impact on alcohol's negative effects on motor coordination skills and visual reaction times. The volunteers' performance on those objective tests was significantly worse after ingesting the alcohol-energy drink mix, despite the volunteers' perception of increased alertness and reduced intoxication. Ferreira, et al., "Effects of Energy Drink Ingestion on Alcohol Intoxication," *Alcoholism: Clinical and Experimental Research*, April 2006.

<sup>3</sup> Statement of Anheuser-Busch Vice-President of Communications and Consumer Affairs, Francine I. Katz, reported at [www.beeresponsible.com/newsroom/fullarticle.asp?ID=44](http://www.beeresponsible.com/newsroom/fullarticle.asp?ID=44)

<sup>4</sup> See, e.g., [www.internetwines.com](http://www.internetwines.com)

raise a drink's overall alcohol content considerably.<sup>5</sup> The Internet advertisements for Spykes describe vividly the taste of the four flavors in which the product is available, but the text for each variety fails to mention that the product contains alcohol. Furthermore, those advertisements uniformly emphasize that each variety contains "caffeine, ginseng and guarana," which are widely recognized as ingredients of nonalcoholic energy drinks. One advertisement even alludes to Spykes' stimulating effect ("A Spykes pour takes beer up a notch by adding a caffeinated rush"), but none informs consumers that adding a caffeinated product to alcohol may cause an individual to feel less impaired than he or she really is. Finally, even the rotational health warnings mandated by federal law are too small to be legible on the diminutive Spykes bottles. Such indecipherable labeling certainly violates the spirit, if not the letter, of the regulations that require those warnings.

Although we find Spykes, with its fruit and chocolate flavors, high alcohol content, stimulants, and colorful, miniature packaging to be the most objectionable of Anheuser-Busch's alcoholic energy drinks, we are also disturbed by the company's production and advertising of another caffeinated malt beverage, "TILT," and a caffeinated beer, "Bud Extra."<sup>6</sup> Given the documented health and safety risks of consuming alcohol in combination with caffeine or other stimulants, Anheuser-Busch's decision to introduce and promote these alcoholic energy drinks is extremely troubling. Young people are heavy consumers of nonalcoholic energy drinks, and the manufacturers of those products explicitly target the teenage market. Promoting alcoholic beverages through the use of ingredients, packaging features, logos and marketing messages that mimic those of nonalcoholic refreshments overtly capitalizes on the youth marketing that already exists for drinks that may be legally purchased by underage consumers.

In meetings and correspondence with attorneys general across this country, Anheuser-Busch has stated that it views itself as our natural partners in the fight against illegal underage drinking and that it strives to be part of the solution when it comes to fighting alcohol abuse and drunk driving in addition to underage drinking. However, Anheuser-Busch's current marketing of its alcoholic energy drinks is at odds with such claims and also appears to violate the Beer Institute Advertising and Marketing Code, which commits brewers to responsible advertising practices.

At a minimum, a responsible marketing plan would include a warning about the risks of mixing energy drinks with alcohol and would ensure that each product was packaged in containers large enough to display warnings legibly and to deter concealment by underage youth.

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<sup>5</sup> The alcohol by volume content of most beers is 4% - 5%. The alcohol by volume content of Bud Light, the nation's best selling beer, is 4.2%.

<sup>6</sup> According to Anheuser-Busch, "TILT [4% - 8% alcohol by volume content] is a lightly carbonated and well-balanced malt beverage, with a bold berry flavor and orange color. Brewed with two-row malt, natural grains, hops, yeast and water, TILT is then infused with raspberry flavor, caffeine, guarana and ginseng." "Bud Extra takes beer to a new level - combining the drinkability and broad appeal of beer with caffeine, ginseng and guarana, Bud Extra is a beer with something extra. Well-balanced beer with select hops and aromas of blackberry, raspberry and cherry, Bud Extra offers a lightly sweet and tart taste - with a "wow" factor in the finish." Anheuser-Busch has promoted this product (formerly named "B to the E") with statements such as "You can sleep when you're 30," "Who's up for staying out all night?" and "Say hello to an endless night of fun."

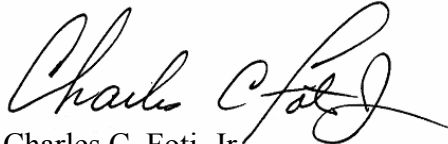
Such a plan would also employ effective age-verification methods for entry into branded Internet websites and for delivery of remote-sale purchases, and it would prevent products likely to be favored by teenagers from being sold in venues such as grocery stores and convenience stores. Finally, a responsible marketing plan would not direct its focus at young people who have just reached the legal drinking age, without regard for the tremendous appeal that a product's composition, packaging and advertising may also have for underage youth.

We urge you to take prompt, meaningful action to address our concerns.

Very truly yours,



G. Steven Rowe  
Attorney General of Maine



Charles C. Foti, Jr.  
Attorney General of Louisiana



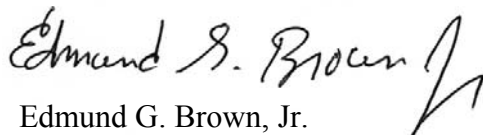
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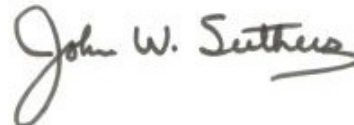
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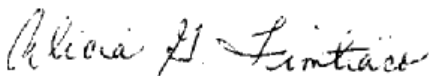
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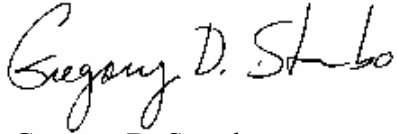
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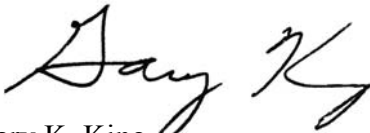
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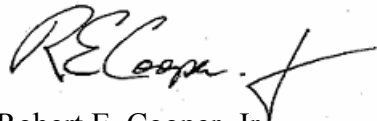
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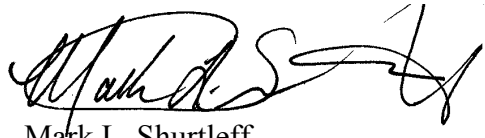
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