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**1. Analysts: Fortune Brands Not Easy to Label**

September 16, 2004

**Analysts Find Fortune Brands Tough to Accurately Value, Decide Whether Stock Will Keep Rising**

CHICAGO (AP) -- Healthy consumer spending and a robust housing market have lifted shares of Fortune Brands Inc. more than 30 percent in the past 12 months.

But because the Lincolnshire, Ill., company sells a variety of products, including Jim Beam whiskey, Titleist golf clubs and Swingline office products, it's not an easy business to pigeonhole.

Some analysts treat it like a home building products company, others think it sits more comfortably with the likes of Procter & Gamble Co., Colgate-Palmolive Co. and Kellogg Co.

Either way, it's making it tough for analysts to accurately value on Fortune and decide whether the stock will keep rising.

The company earned $578.7 million from sales of $6.2 billion in 2003. Nearly half of the revenue came from goods for home building, including Aristokraft kitchen cabinets and Moen faucets.

That's led some analysts to lump Fortune into the home building products sector. Measured this way, Fortune's stock is trading at a relatively high price.

It's fine for Fortune, which is well-managed, to trade at a premium to the group, most say, but they worry that rising interest rates will slow home construction, curtailing some of Fortune's sales.

Others, such as Kevin Grant of Harris Associates, think Fortune should be valued as a consumer products company.

Relative to P&G, Colgate and Kellogg, Fortune's stock is inexpensive, said Grant, a co-manager of Oakmark funds. But he admits that comparisons are tricky. "There's no one exactly like Fortune."

"The company meets our three criteria for becoming a top holding -- it's well-managed, has good growth prospects, and the stock is cheaper than its peers," Grant said.

He's not worried that Fortune will suffer if interest rates go up, given its diversity.

"They can do well in most interest-rate environments," said the fund manager.

Norman Wesley, Fortune's chairman and chief executive, said in an interview that two-thirds of the company's home products are for remodeling, with a heavy emphasis on bathrooms and kitchens.

The new housing market remains strong, Wesley said, but if it slows, remodeling will kick in to pick up the slack.

Wesley stands by Fortune's long-term goal to increase earnings at double-digit percentages on annual sales gains at least in a mid-single-digit percentage.

Fortune grows earnings faster than sales through cost controls, including low debt, augmented with buying back stock.

In the past five years, through 2003, the company had an average of more than 15 percent annual earnings growth on average sales growth of 3.3 percent.

The company will also use its substantial cash -- between $400 million and $450 million this year after taxes and capital spending -- to pay stock dividends and to make acquisitions.

In July, the company raised its quarterly dividend 10 percent to 33 cents a share. In the first half of 2004, the company repurchased 2.8 million of its own shares.

About 90 percent of the company's products are the No. 1 or No. 2 sellers in their categories.

Analysts note that Fortune's strategy for capturing top brands is a good hedge: When consumer spending slows, shoppers tend to gravitate toward more familiar brand names.

The average analyst estimate for 2004 earnings is $4.58 a share, according to Thomson First Call. In 2003, the company earned $3.86 a share.

Analyst Carl Reichardt at Wachovia Securities initiated coverage on Fortune Brands in June with a "market perform" rating on the shares. He agrees that the stock is difficult to value and sees rising interest rates as a risk.

The stock closed Wednesday at $73.94, off its 52-week high of $80.50 set in April. The stock has a 52-week low of $56.50, set last September.

**2. Anheuser-Busch:Sales To Retailers Down 1.2% So Far In 3Q**

*Dow Jones Newswires*

September 8, 2004

NEW YORK -- Anheuser-Busch Cos. (BUD) expects third-quarter earnings per share to increase in the mid-single digits from the year-ago period, Chief Financial Officer W. Randolph Baker said.

Speaking Wednesday at a Prudential conference in Boston, which was Web cast, Baker said the third-quarter outlook reflects the softness in sales-to-retailers in July and August and the impact from the hurricanes in Florida on the company's theme parks.

The brewer's prior outlook for the third quarter, given on July 28, was for earnings-per-share growth in the high single digits.

The world's largest brewer earned 80 cents a share in the third quarter of last year.

Anheuser-Busch expects full year earnings-per-share to increase "about" 11%, Baker said. That outlook includes the dilution from its acquisition of Chinese brewer Harbin Brewery Group but excludes the benefit of a commodity hedge gain in the first quarter.

The company earned $2.48 a share last year.

Anheuser-Busch now expects domestic volume to increase 1% for the year, Baker said. That's on the low end of the 1% to 1.5% range that the company gave in July.

Anheuser-Busch's estimate for revenue per barrel for the year remains between 2.5% and 2.8%.

The brewer remains confident in its ability to increase earnings per share in a double-digit range over the long term, Baker said.

Anheuser-Busch's sales-to-retailers, or STRs, are down 1.2% so far in the third quarter but up 0.8% year to date, said August Busch IV, president of the company's brewing unit.

STRs in August and July were down compared with the same months last year, plagued by cool and/or damp weather in some parts of the country, as well as high gas prices, Busch said. The high gas prices were particularly felt at chain convenience stores where gas is often sold, he said.

The pricing environment remains favorable as consumers continue to "trade up," Busch said. This and other factors give Anheuser-Busch confidence in raising prices this fall, he said.

The company reiterated that it will raise prices on some packages in some regions of the country during the fourth quarter of this year and the first quarter of next year.

The beer industry faces some long-term issues, one being growing competition and consumer interest in wine and spirits, Busch said. Wine and spirits represent "a threat" to Anheuser-Busch and the rest of the beer industry, he said.

The baby boomer generation getting older is one reason for the increased interest in wine and spirits, Busch said. Another reason for the interest is that the wine and spirits industry is targeting 21- to 27-year-olds in places like bars and restaurants, he said.

Busch IV also discussed the brewer's latest moves to increase sales and its market share. Anheuser-Busch introduced an egotistical football player named Leon last year, and the brewer will roll out an ad featuring sportscaster and St. Louis native Joe Buck with Leon, Busch said.

Buck will also be featured in another Anheuser-Busch ad where his agent encourages him to get a "catch phrase," Busch said.

Anheuser-Busch will roll out low-carbohydrate Bacardi Silver Green Apple in October, and it will introduce a new 16-ounce aluminum bottle for Michelob, Michelob Light and Anheuser World Select.

The brewer will be meeting with all of its 700 wholesalers next month and part of that meeting will be spent discussing new initiatives for the 21- to 27-year-old group, Busch said. Those initiatives include marketing standards for places like bars and restaurants and an increased focus on draft beer service in those spots.

**3. US: Coors and Molson CEOs up Ante on Merger**

Source*: just-drinks.com editorial team*

September 10, 2004

The chief executives of Coors and Molson are on a mission to convince Molson investors to support their proposed merger. The drive follows admissions that their efforts so far may not have secured the move.

In an interview, Leo Kiely, chief executive of Adolph Coors Co., said: “We have got some selling to do to have [Molson investors] understand and to put in perspective what our investors already understand. We have two months of really aggressive education to do.”

A series of meetings have been planned with fund managers who control millions of Molson Class A shares, Kiely said. “Your odds of a strategic purchaser coming in and giving an upside to shareholders is very low,” Kiely said, noting that any rival bidder would either lose the lucrative joint venture deal between the two firms to sell the Coors Light brand in Canada, or a best, make C$50m less per year than Molson does.

“We have been sort of cast in a bluffing situation but the fact is we can take control of our brand,” Kiely warned.

In a recent road show, the CEOs emphasized the negative consequences of not merging, including Molson’s chief executive Dan O’Neill warning that Molson stock would dive if the deal failed.

In an interview earlier this week, O’Neill said that he did not know whether class A non-voting shareholders will approve the deal. The merger, which would create the world’s fifth-largest brewer by volume, requires the approval of both Molson’s class A non-voting and class B voting shareholders.

With Molson’s chairman, Eric Molson, controlling more than 50% of the class B voting shares, the fate of the merger seems to be up to the non-voting shareholders.

**4. Drinking Citations Lower**

By Gigi Wood - *Iowa City Press-Citizen*

September 6, 2004

**Weekend arrests down from year ago**

IOWA CITY, IA -- Two Labor Day weekends, two football games, two different drinking scenarios.

The Iowa City Police Department cited 81 people with underage drinking from Thursday to Sunday, far fewer than the 200 citations given during Labor Day weekend last year.

Police officers have until Tuesday morning to turn in reports from weekend charges, so that number could rise after any remaining charges are recorded into the arrest blotter.

The University of Iowa football team played its first home game of the season Saturday, an event that often attracts visitors to town and results in high alcohol charges.

On Saturday, the Hawkeyes beat Kent State 39-7. During Labor Day weekend last year, UI played Miami (Ohio) on Saturday, beating them 21-3.

Both were must-win games. Both were triumphant victories. Both saw balmy weather.

So, what's the difference? A telephone message left Sunday with the police department's watch commander was not returned to help shed light on the situation.

This year, police cited 26 people Sunday morning, 49 Saturday, three Friday, three Thursday and none Wednesday. Last year, police cited 22 Sunday morning, 32 Saturday, 105 Friday, 16 Thursday and 25 Wednesday.

Police cited the most people this year at the Summit Restaurant & Bar, at 13. Police cited 18 people during the same weekend last year at the Summit.

Last year, police cited the most people, 39, at Malone's, which is now 808. Eleven people were cited at 808 during this past weekend.

At One-Eyed Jakes, 24 people were cited last year and 10 this year. A similar trend happened at the Sports Column, where 31 were cited last year and 9 this year.

Police cited nine people at the Union during the past few days, five people at Et Cetera, five people at the Fieldhouse, two at Vito's and one at Bo-James -- all of which posted much lower numbers than last year.

The remainder of underage drinking citations were made at residences: three at 300 S. Johnson St.; two at 421 N. Governor St.; and eight at several other residential locations within blocks of Iowa City's downtown.

This year's citations were more on par with the number of people cited for underage drinking two years ago, when 96 people were cited from Aug. 23-25, the busiest weekend for police that fall.

**5. UK: Seven in Running for Glenmorangie – Report**

Source: *just-drinks.com editorial team*

September 13, 2004

Seven potential buyers have been short-listed to buy Glenmorangie, according to press reports. The Financial Times cited industry industry sources in its report on Saturday (September 11).

Amongst those short-listed are Brown-Forman, Bacardi International and at least one Scotland-based distiller, the newspaper said.

The FT added that a sale could be concluded by mid-November.

Glenmorangie was not available for comment as the FT went to press.


**6. Vodka Rocks**

Nick Passmore – *Wine Food Feature*

Vodka has come a long way in its 900-year history.

 Like most alcoholic drinks, its origins are obscure, but it seems likely that the stuff was first distilled in northeastern Europe sometime in the 12th century. For centuries it was nothing more than rotgut moonshine, the tipple of Russian and Polish peasants who used it to fortify themselves against the chill of northern European winters and to alleviate the awfulness of their grim lives.

 So it's quite a journey from these inauspicious beginnings to vodka's exalted status as the world's number one selling spirit, and the ingredient of choice for today's trendy cocktails.

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Vodka accounts for 25% of the distilled spirits sold in the U.S., and according to the Distilled Spirits Council, while overall vodka sales have risen by a relatively modest 15% over the last four years, sales of super-premium brands have increased by 32% in the same period, to 41.4 million cases in 2003. This makes the super-premium vodka the fastest growing segment of the largest distilled spirits category.

It's also a highly profitable segment. Super-premiums account for only 23% of vodka sales by volume, yet constitute 44% of revenue, or $1.3 billion per year, a figure that grew by almost 50% between 2000 and 2003.

Vodka's rise to stardom has been a recent phenomenon. Virtually unknown outside Russia, Poland and Scandinavia through its long history, vodka first became popular in the West when a Russian refugee named **Vladimir Smirnoff**, whose family ran the Moscow distillery that was the official purveyor of vodka to the czar, sold his formula to **Rudolph Kunnett**, an American who resold it to Heublein Co. in 1939. Smirnoff vodka's foreign taste proved initially unpopular until Heublein, now part of **Diageo** (nyse: [DEO](http://www.forbes.com/finance/mktguideapps/compinfo/CompanyTearsheet.jhtml?tkr=DEO) - [news](http://www.forbes.com/markets/company_news.jhtml?ticker=DEO) - [people](http://www.forbes.com/peopletracker/results.jhtml?startRow=0&name=&ticker=DEO) ), began to market it as the perfect base ingredient for cocktails.

 In the 1960s it got a further boost from a man named Bond, and now, as today's post baby boomers have re-discovered the joys of the cocktail, Carrie Bradshaw wannabes can be seen sipping vodka-based drinks in chic cocktail bars from Moscow to Manhattan. Today there are dozens of vodka brands on the market, many of them distilled from a variety of countries such as Japan, France, Estonia, Ireland and Russia, and new ones appear with regularity

Not surprisingly, Vodka's recent trendsetting popularity, especially in the top end of the market known as super-premiums, has attracted a large number of new brands--everybody wants a piece of this highly profitable business. And profitable it is.

Despite all the hype and promotional gush about only using only estate-grown potatoes and water from glacier-fed mountain streams, making vodka is ridiculously easy. There's none of that tricky, and very expensive, messing around with oak barrels and long-aging that goes into making whisky or cognac--you simply ferment a mash of wheat, rye or potatoes, run the result through a still, filter it to remove the last vestiges of the oils and congeners that impart flavor, and stick it in the bottle.

Ah, but the bottle. Now this is the true secret of vodka. It's all about the bottle.

I know marketing and brand identity are vital for all alcoholic beverages but for no other drink are sales driven less by what's in the bottle and more by the shape of it. Hence a tremendous amount of time, energy and money go into its design.

 Some of the new super premiums have opted for frosted glass with nothing as déclassé as a label, but the name etched in the glass along with an elaborate monochromatic design. Some, like **Vox** and **Ciroc**, go for high-concept, ultra-hip bottle shapes. Some hire famous designers. **Wyborowa** even went so far as to commission celebrity architect **Frank Gehry** for its bottle.

What's even more astounding is the fact that the look-at-me designs of the super-premium bottles are accompanied by more out-and-out promotional poppycock than any other product I've ever encountered. Some of the rubbish talked about wine is pretty ridiculous but this reaches new heights of absurdity. One example of many: Vox claims that "The use of demineralized water removes all traces of color, taste and odor allowing the true essence of vodka to shine through." Hmm...makes you wonder what that true essence is after everything has been removed except the alcohol and the water. The packaging perhaps? Vox does come in an impressive-looking bottle.

 This is, of course, all about image, and the rewards are substantial for whoever gets the image right. The cost of actually making vodka, even super-premium vodka, is minimal and margins are high, but so is the cost of advertising and promotion. Consequently, if you get the brand right and have yourself a hit, the profits can be pleasantly intoxicating.

Yes, selling super-premium vodka is a big, and highly profitable, business but what about the consumer? What about the contents of that designer-created, bizarrely shaped bottle? Are super-premium vodkas better than the regular-premium versions?

In our exhaustive--and exhausting--tastings the answer was undoubtedly yes. The super-premiums were noticeably smoother and fuller in the mouth than the regular-premiums which tended to be overassertive and harsh. The supers can be drunk with pleasure straight or on the rocks, while the premiums are really only suitable as mixers--when they are drunk on their own, they tend to grab your throat, a harsh reminder of vodka's less than glamorous origins

 Then there's the question of price. With most super-premiums selling for about $30 one has to wonder if they are worth the 50-100% premium they command over regular-premium brands? The answer depends not only on how one is going to drink the vodka but on how much money one has to blow on a status symbol in a gorgeous bottle.

 If I am drinking a martini then I want absolutely the best vodka I can find but to pour a $30 super-premium vodka into a Bloody Mary is pure extravagance.

But what is the "best" vodka? Tasting our way through dozens of super-premiums it became obvious that there were subtle but real differences between the brands, differences that are quite discernable if you drink them on the rocks or in a martini but get lost as soon as you start mixing up a cocktail.

See our pick of the Top Ten Vodkas below:

Belvedere

Boru

Chopin

Ketel One

Level

Stolichnaya Gold

Ston

Türi

Vox

Wyborowa

**7. UISG Backs Continuation of 19-Ordinance**

By Kate McCarter – *Daily Iowan*

September 15, 2004

IOWA CITY, IA -- The UI Student Government passed a resolution Tuesday backing the city's 19-ordinance, two weeks before the Iowa City City Council re-evaluates the effort intended to curb underage drinking.

The city should not raise the bar-entrance age to 21 because officials are unprepared to handle the likely rise in house parties or provide nonalcohol alternatives, UI Student Assembly officers argued in the resolution.

"It all comes down to an issue of safety," said UISG Vice President Jason Shore. "If it were passed, it could increase drunk driving and sexual assault."

The city lacks sufficient police support to effectively patrol residential areas, the students argued.

"We are trying to be as responsible as we can about our position without taking away credibility from our organization," said UISG President Lindsay Schutte

The students also addressed the importance of preparing to counter data that the council may bring up, such as a Harvard study that states more outlets of alcohol result in more incidents of underage drinking. Schutte said UISG is prepared to respond.

"By making the bars 21, they are not getting rid of the outlets," she said. "They are just spreading them out to other places."



**8. US: Robert Mondavi Founder Member Resigns**

Source*: just-drinks.com editorial team*

September 15, 2004

The Robert Mondavi Corporation today announced that R. Michael Mondavi has resigned as an officer and as vice-chairman of the company. He will continue to serve as a director on the board, the company said.

“This is the right time for me to pursue my own personal interests,” R. Michael Mondavi said. “I want to thank the dedicated and passionate employees and their families for their terrific support and success that they have helped us achieve in the past 38 years. It has been a pleasure to work with talented partners, business associates, growers, distributors, retailers, restaurateurs, and hoteliers in building our vision to bring fine California wine to tables of consumers around the world.”

Michael Mondavi joined Robert Mondavi Winery as one of three original employees at the time of its founding, by his father Robert G. Mondavi, in 1966. During his tenure with the company, Mr. Mondavi served as president and CEO as well as chairman of the board.

“On behalf of the board of directors, we thank Michael for his unique contributions and personal leadership as the company has grown from very small beginnings in 1966 to a major force in the global wine industry today,” said chairman Ted Hall.

Gregory M. Evans, president and CEO said: “As a founder of the Robert Mondavi Winery, Michael Mondavi has helped shape our company from its inception. The entire management team - past and present - is very grateful for all of his contributions and wish him the best.”

“It has been an honour to serve as an executive and director of the company over the past 38 years. I plan to continue to be a contributing and positive influence as a director of the Company moving forward,” Michael Mondavi concluded.

Michael Mondavi and his wife recently trademarked a wine brand called IM. The company said that it did not have information about this brand name, but pointed out that it was not involved.

**9. Mixed US News for Allied Domecq Prompts Share Slide**

Source*: just-drinks*

September 15, 2004

Shares in Allied Domecq dipped early yesterday after comments from AC Nielsen suggested a mixed picture for the company. Dealers said yesterday that AC Nielsen data for last month suggested both good and bad for AD in the US.

According to Lehman Brothers, AD was the best performer in monthly terms in the US, with a 3.4% rise in August and an increase of 6.2% in the year to date.

The broker added, however, that during the month, the main reason for the rise was a surprise surge in Ballantines volumes, while consistent performers such as Kahlua and Sauza were softer.

The group’s Makers, Mark and Malibu brands continued their double-digit growth, rising 11% and 20% respectively in the year to date, which helped the group’s price/mix rise 0.6% in August, although it was negative at -1% in the year to date.

**10. Lost Chances**

*ABC News*

September 8, 2004

**How Unexpected Opposition Killed a Landmark Tobacco Control Bill**

Retired Surgeon General C. Everett Koop and former FDA Commissioner David Kessler are two icons of the public health community, recognized for their fight against the tobacco industry.

But when lawmakers created the most comprehensive tobacco control legislation in American history — a landmark deal that would have regulated the manufacturing and sale of cigarettes and put billions of dollars into anti-smoking campaigns — the two men turned their backs on it.

"They squandered a historic opportunity, and now we have a situation where none of their goals are being met," said Sen. John McCain, R-Ariz., who drafted the groundbreaking legislation.

For the first time, a senior executive of the country's largest cigarette maker has told ABC News about big tobacco's secret negotiations with public officials. And the major players in the case also speak about why the deal never happened.

‘Sea Change’

The path to the deal began a decade ago, when Kessler was the commissioner of the Food and Drug Administration. He asserted that cigarettes were drugs, and it was time for the federal government to regulate how they were made and marketed.

Never before had a government official taken on the Big Tobacco companies, which had been extremely profitable for decades and appeared invincible. Tobacco had been blamed in the deaths of almost 450,000 people a year, but the industry had never had to pay a penny in lawsuits against it.

When the chief executive officers of seven tobacco companies testified before Congress for the first time ever, in 1994, they said they believed nicotine was not addictive. But then thousands of secret tobacco-industry documents revealed massive evidence that cigarettes were deadly and addictive, evidence the tobacco companies had long suppressed.

An avalanche of lawsuits against the companies began. Smokers sued, and then the government sued. "There was a sea change in attitudes about the tobacco industry in the United States," said Steve Parrish, a senior executive for Philip Morris in the 1990s.

Encouraged by the President

By 1996, the attorney general of Mississippi, Mike Moore, had managed to convince 19 other attorneys general to join him in colossal lawsuits against Big Tobacco.

Publicly, the industry was defiant. Privately, it was terrified. "We were looking for peace," said Parrish. "We were trying to convince the other side to let us surrender."

The Clinton administration thought that a settlement was in the public interest, and encouraged Moore to meet with the industry.

In their first meeting, the industry offered to make dramatic changes. They said they were open to regulation by the FDA. They said they were ready to pay hundreds of billions of dollars in health-care costs for which they had been sued.

And as a symbolic gesture, they even offered to give up two of their advertising icons, Joe Camel and the Marlboro man. All they wanted in return was some immunity from lawsuits — otherwise, they said, they would not survive.

The secret negotiations moved along quickly, until the public health community learned about them. Most of its big players were outraged by the offer of legal protection to the industry. "If negotiators … stand up and say there is an agreement, they do that at their peril," Kessler warned at the time.

Still, negotiations continued, with White House support. And on June 20, 1997, the attorneys general and the tobacco companies announced they had reached a settlement with more concessions from Big Tobacco than anyone had ever imagined possible.

■  The companies would ban advertising billboards and vending machines.

■ There would be stronger warning labels on cigarette packages and full disclosure of what was in a cigarette.

■   The companies would stop marketing to children.

■   The companies would pay $368 billion to settle the states' lawsuits.

■   They would fund anti-smoking campaigns on a permanent basis.
■   And the companies agreed to be regulated by the government.

Consulting Kessler and Koop

There was just one more thing to do. The agreement had to be turned into a federal law, passed by Congress and signed by Clinton. Moore believed Clinton would embrace it, as he had encouraged the negotiations. But that support never came.

Instead, as 1998 began, Moore's effort was still under attack from the public health community. Then after nine months of lobbying to turn the settlement into a law, Moore found an ally in McCain.

In only three weeks, using Moore's settlement as raw material, McCain drafted a comprehensive tobacco control bill that was much tougher on the industry. He also consulted Kessler and Koop to make sure they would have no objections.

Kessler said McCain "cleaned up in that legislation much of the problems we had with the public health measures."

Moore says they added some provisions, tightened up some regulations and increased the advertising and marketing restrictions, inflating price of the bill from $368 billion to $515 billion.

But by then, the tobacco companies had gotten uneasy. They thought the legislation was getting too punitive and continued to insist on some legal protection from lawsuits in return for the public health benefits.

McCain's bill struck a compromise: Big Tobacco could be held liable for unlimited sums of money if they lost in court. But they would not have to pay more than $6.5 billion in a single year.

On April 1, 1998, McCain's bill was approved by the Senate Commerce Committee in a 19-1 vote.

Things Fall Apart

Everyone believed the bill was now on its way to becoming law. But that is not what happened.

Koop and Kessler were still critical. "If you told me that this segment had been written by a representative of the tobacco industry, I would fully believe you," Koop said at the time. Kessler said, "No bill is better than a watered-down bill."

The tobacco companies were alarmed. They thought this bad situation could only get worse. So they too turned against the bill, unleashing a huge ad campaign that cast the legislation as a tax increase.

Pro-tobacco senators added to the opposition, using Koop and Kessler's objections as ammunition. The legislation died in the full Senate.

McCain is convinced to this day that Kessler and Koop are responsible for the bill's defeat.

"I was deeply, deeply disappointed at the behavior of both of them," McCain told ABC News' Peter Jennings. "They both personally assured me that they would [support the bill]." The McCain bill was "everything you ever worked for, everything you ever wanted, you could have," Kessler said in a recent interview with Jennings. "But there's only one little catch" — the provisions that Kessler says would allow Big Tobacco to survive.

"It's not about the dollars," Kessler said. "It's about assuring the industry its future."

Parrish says the tobacco industry was surprised by the bill's failure. He says he remembers someone telling him, "These guys don't know how to say yes."

In the six years since the McCain bill failed, Congress has not passed a single piece of tobacco control legislation. And 2.5 million more Americans have died from smoking.

This summer, the Senate overwhelmingly approved a bill that would give the FDA the authority to regulate the sale, marketing and advertising of tobacco in return for buying out tobacco farmers.

The House has yet to vote on the bill and is considering a rival buy out bill.

**11. Pricey Kinnick Skybox to Allow Beer and Wine**

By Brian Spannagel *- The Daily Iowan*

September 17, 2004

IOWA CITY, IA -- Nearly 2,500 fans who spend thousands of dollars for premium seating at the renovated Kinnick Stadium will be able to consume beer and wine during football games, UI President David Skorton announced Thursday.

Alcohol will remain prohibited for approximately 65,000 fans in lower-priced seats. Skeptics say the move favors wealthy fans and undercuts the university's efforts to curtail binge drinking, but officials argue the presence of alcohol will help sell the premium seats and is consistent with the UI's alcohol policy

"If we're going to be democratic about it, what's to say the 30-year-old sitting in the end zone is any less responsible than the millionaire up in the skybox?" said Jim Clayton, the coordinator of the Stepping Up Project and one of the 12 members of the task force assembled in June to study the matter.

Steve Parrott, the director of University Relations and a member of the task force, said favoritism did not play a role in Skorton's decision, adding alcohol will remain banned in general-admission seats for safety.

"If you let people drink in the stands, you might compromise the safety of other people," he said. "People drinking inside will not have the opportunity that other people would have to throw things on the field."

The premium seating will be installed as part of the stadium's $87 million renovation project, which is slated for completion by the 2006 season. The new policy will go into effect at that time and will be reviewed once the season is over.

Alcohol was banned from Kinnick Stadium 10 years ago after rowdy fans threw beer cans and a hog's head onto the field, Parrott said.

Consumption of alcohol will only be allowed in the indoor portion of the premium-seating area; fans with outdoor premium seats will be allowed.

The 47 suites at the newly renovated stadium, leased individually, will cost $45,000-80,000 per season. Season tickets for the 130 indoor club seats will cost $5,000, and the more than 1,000 outdoor club seats will cost $1,900-$2,600 a year.

"I have every expectation that people who lease suites and premium seating to help us finance the renovation of Kinnick Stadium will be responsible in their consumption and respectful of fans around them who choose not to drink alcoholic beverages," Skorton said in a statement released Thursday.

Hard liquor will be prohibited at the stadium, which is consistent with the alcohol policy in place for Hancher Auditorium and the IMU, he said in the statement.

