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| *www.IowaABD.com* | *Lynn M. Walding, Administrator* |

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| *September 9, 2005* |

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| http://cmsimg.desmoinesregister.com/apps/pbcsi.dll/bilde?Site=D2&Date=20050905&Category=NEWS10&ArtNo=509050332&Ref=AR&Profile=1011&maxw=250**DOUG WELLS/THE REGISTER** **With a twist:** A dry vodka martini sits on a napkin at the Cab, a Johnston bar. Statistics show Iowans are buying more wine and liquor than they used to. Beer sales in the state have declined slightly. |

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**1. Iowa Loves Its Liquor: Sales on the Rise**

By William Petroski – *Des Moines Register*

September 5, 2005

**State sees sales rise as harder drinks enter 'mainstream'**

Iowans are mixing more cocktails, shaking more martinis, and pouring a little more wine.

A state report shows that Iowans bought nearly 3.5 million gallons of liquor for the 12 months ending June 30, up 6.2 percent from the same period a year ago. Wine purchases totaled 3 million gallons, up 7 percent. Beer sales totaled 74 million gallons, down less than 1 percent.

Kevin Hammer's drink of choice the past few months has been a mix of Ketel One Citron vodka and lemonade.

"In the summertime it's a lot colder and you have it on ice," said Hammer, 39, a bartender at Sambetti's restaurant and lounge in Des Moines.

It used to be that sales of liquor such as vodka, gin and whiskey peaked during certain holidays, but now sales tend to be more even throughout the year, said Lynn Walding, administrator of the Iowa Alcoholic Beverages Division.

"It's become more a mainstream beverage," especially among people in the 21- to 29-year-old age group, Walding said about liquor.

"The old adage that 'one generation drinks what the previous generation didn't' appears to be accurate," he said.

The Alcoholic Beverages Division, which has a monopoly on the wholesale distribution of liquor in the state, reported sales of $146.8 million for the recently concluded state budget year.

That was up $13.1 million from the previous year.

Overall, the division generated revenue for state and local governments of nearly $78 million, including money from liquor sales, beer and wine taxes, license fees and civil penalties.

Most of the money — 82 percent — was transferred to the state government's general fund, with lesser amounts set aside for substance abuse programs, city and county programs, and Iowa beer and wine promotions.

Soaring sales in Iowa of Jagermeister, a German liqueur, reflect a trend toward the growth of higher-priced distilled spirits, said Tom Duax, owner of Central City Liquors in Des Moines. The product, which he sells for $23.99 per liter, includes flavors such as cinnamon from Ceylon, bitter oranges from Australia, ginger root from south Asia, and blueberries from Europe.

"It's popular. They drink it a lot with Red Bull," Duax said, referring to the caffeinated soft drink.

Jagermeister ranks ninth statewide among all brands of distilled spirits sold, outselling traditional favorites such as Jim Beam bourbon and Seagram's 7 Crown blended whiskey.

A similar trend has occurred with Captain Morgan spiced rum, which has become the third-most-popular liquor sold in Iowa.

At Ingersoll Wine & Spirits in Des Moines, company president In-Bo Jung said one reason people are buying more wine is that good products are available at attractive prices.

For example, a bottle of Columbia Crest Grand Estate Chardonnay was on sale last week for $9.99.

Nevres Sehic, store manager at the Ingersoll shop, said he's been selling a lot of premium distilled spirits as well.

Some examples include Macallan single-malt scotch for $56.99 in a 750-milliliter bottle, and Bombay Sapphire dry gin for $24.99 in a similar-size container.

"I think our clientele is more upscale at this store," Sehic said. "These are not alcoholics who are going to buy a $5 bottle to get drunk."

**2. Good Times Take Off Again at the Airliner**

By Madelaine Jerousek, Staff Writer – *Des Moines Register*

September 3, 2005

#### The landmark Iowa City restaurant and hangout reopens after being closed for more than a year.

Iowa City, Ia. — Randy Parrish had eagerly awaited the opening of two newly renovated Iowa City landmarks this weekend: Kinnick Stadium and the Airliner, a bar and restaurant in downtown Iowa City.

The 61-year-old Airliner took off again this week, quietly opening its doors Friday to reveal a new sleek, modern look, after being shuttered for more than a year.

Parrish, who was in town on business Friday and planned to stay for the home opener University of Iowa football game today, sipped the first Bud Light poured at the Airliner Friday morning. He said he had visited the bar after many home football games for more than 20 years.

**HARRY BAUMERT/THE REGISTER**

**Welcome back:** Kelly Larson, lower right, eats lunch with family members at the Airliner in Iowa City on Friday, the first day of business since it closed more than a year ago. Randy Parrish, standing at left, was first in line when the doors opened.

"I had such affection for this place," said Parrish, a 1978 U of I graduate who lives in Cincinnati. "The Airliner is a tradition. Win or lose, we'd always come here."

Doug Tvedt held the same fondness for the Airliner, the business he owned from 1970 to 1988. Tvedt, who has returned to manage the bar, spent the past eight months overseeing renovation of the two-story brick building. He was joined in the venture by Joe and Jim Rinella, whose family has owned the building at 22 S. Clinton St. since the 1920s.

The project was daunting, at first. Holes dotted the bathroom walls, trash littered the kitchen, and exposed wires poked out behind the bar when workers first began renovating the building. The sight disturbed Tvedt, who held many fond memories of the longtime Iowa City institution.

"It was in very bad physical shape," Tvedt said. "Disgusting, to say the least."

The Airliner's old manager, former U of I basketball player Brad Lohaus, abandoned the business after its liquor license was suspended in July 2004, for serving alcohol to minors too many times.

The bar needed love, and Tvedt was the ideal candidate. For one thing, the 71-year-old had no plans to retire. The business also was much more to him.

Tvedt's seven children, all U of I graduates, worked at the bar at one time. And for many of the years Tvedt owned the Airliner, the bar that was the namesake of an amateur basketball team, the Airliners of Iowa City. The team went on to become two-time national amateur champions in the late 1970s and early 1980s. Tvedt proudly displays the team's trophies around the bar.

Tvedt, a basketball fan all of his life, sponsored the team and bought a mobile home to shuttle players to games around the country.

In addition to the trophies, Tvedt plans to display other historical remnants of the building. Old black-and-white pictures of downtown Iowa City will hang on the walls, plus details longtime patrons will remember: The tin ceiling, stained glass Airliner sign and a painting of two World War I aircrafts — done by a former waitress — all remain.

Some things have changed. An old Budweiser canoe that hung from the ceiling has been sold, a decision Tvedt said he regrets.

The bar is more modern and upscale now, with plasma and LCD TVs, aluminum bar stools, exposed brick walls and ceiling fans that resemble airplane propellers.

But Tvedt said he wanted to retain the bar's atmosphere, as a place welcome to families during the day and a casual hangout for students and others at night.

"We don't want this to be a place where people get dressed up to come here," Tvedt said. "We want them to be casual and have a good time."

**3. Court Papers: Man Gave Alcohol to Teen who Died**

*Des Moines Register*

ORANGE CITY, IA – An Orange City man who police say gave alcohol to an underage person who later died has been charged but remains free on $10,000 bond.

Paul Ryan Van Beek, 25, was charged with supplying alcohol to a minor resulting in death. If convicted, he faces up to five years in prison.

Sioux County Attorney Melissa O’Rourke filed court documents that indicate Van Beek gave Ryan Scot Koenen alcohol on June 24. Details of the incident and information about how Koenen died weren’t available. An arraignment has been scheduled for Monday.

**4. EU Nears End of 20-Year Battle With U.S. Over Wine**

By Jeremy Smith *- Reuters*

September 6, 2005

BRUSSELS - Europe may be nearing a deal with the United States on the lucrative trade in wine, ending a simmering row that has kept the world's two largest trading partners at loggerheads for 20 years, officials said on Tuesday.

Brussels and Washington have been struggling to negotiate a reciprocal wine deal since 1983 but always found it easier to roll over temporary arrangements than to compromise too much.

The talks have usually snagged on deep-seated differences over which winemaking methods should be recognised for exports, and whether labels like "port" or "sherry" can be used by U.S. winemakers miles from the areas where their names originated.

Now, most EU governments seem ready to sign up to the first part of a two-phase deal that would permit imports of U.S. wines made with methods not permitted in Europe -- such as adding water, fruit flavour concentrates and certain acids, and using woodchips for flavouring instead of storage in oak barrels.

While Brussels lets U.S. wines into Europe despite some of these methods, those EU exemptions expire at the end of 2005.

Diplomats said the deal's first phase would probably be sealed by then, despite lingering concerns from several EU wine-producing countries like Spain, Italy, Portugal and Greece.

"Some people weren't happy with some aspects of the agreement, like oenological (wine-making) practices," said an EU diplomat, referring to a recent meeting of EU technical experts.

"But member states can see a benefit in a first-phase deal ... this has taken 20 years. For various reasons, it's important we do this -- the U.S. is one of our most important markets."

For EU producers, the United States is their largest export outlet, valued at nearly 2 billion euros (1.4 billion pounds) in 2003 and up to percent of the EU's total wine exports by volume.

U.S. wine exports to Europe have also been rising in recent years but are worth around one-fifth of that revenue.

The other major stumbling block for the wine deal has been a battle over protected labels, mainly those known as semi-generic in Europe. These include names like Champagne, Chablis, sherry and various grades of port like "tawny", "ruby" and "vintage".

Europe wants U.S. authorities to stop permitting a list of around 17 EU-protected labels being used in the U.S. market, leaving EU winemakers with the sole right to use them instead.

But Washington thinks such labels have become general descriptions over the years and do not deserve special protection in the U.S. market, or elsewhere.

Officials said the argument was not yet resolved and would probably be held over for the second part of the deal since it was so controversial. For the moment, the United States would only be encouraged to change the legal status of the 17 names.

**5. Candidates Disagree on 21-Only**

By Annie Hamm *- The Daily Iowan*

[September 7, 2005](http://www.dailyiowan.com/main.cfm/include/displayIssueArticles/issue_date/20050907.html)

Of the seven candidates battling for spots on the Iowa City City Council, only two prospective councilors said Tuesday that they support the controversial 21-ordinance, which would block people under the legal age for alcohol from downtown bars.

One surprise before a debate among the hopefuls began Tuesday was news that Iowa City hotelier Chuck Goldberg would not attend the forum sponsored by AARP. He withdrew his candidacy on Tuesday.

Meanwhile, a recurring topic during the 90-minute forum was the enduring battle over the 21-ordinance, which prompted disagreements among the candidates and audience members.

Incumbent Mike O'Donnell said he has chosen to work with students, not against them, while combating underage and excessive drinking.

Amy Correia, Mitch Rotman, Garry Klein, and incumbent Connie Champion all agreed with O'Donnell and said they were against the 21-ordinance.

"I'm a supporter, but not at this time," said Champion, who has been considered as a swing vote on the 21-ordinance issue in the past. "I would not want my daughters drinking at a house party. I would want them downtown."

Meanwhile, ordinance proponent Larry Baker, who is running for an at-large seat, argued that the bars have created an atmosphere downtown that discourages other businesses from locating in the area.

"There are too many people drinking downtown," he said.

Candidate Rick Dobyns also advocates implementing the 21-ordinance.

Pat Ephgrave, an AARP member and Iowa City resident of eight years, said one of the most important issues for her is a senior-friendly downtown, citing too many bars and not enough places for seniors to go to during the day.

"I would support something to control [excessive drinking downtown]," she said.

The at-large candidates - Correia, Rotman, Klein, Baker, Dobyns, and O'Donnell - will appear on the Oct. 11 primary election ballot, which will narrow the field to four candidates for the two open spots in November.

Champion is running unopposed for the District B seat.

During the debate at the Iowa City Public Library, 123 S. Linn St., the candidates also mulled over transportation and parking issues, as well as budget woes at the city-funded Iowa City/Johnson County Senior Center, 28 S. Linn St.

Approximately 40 people - predominately snow-capped senior citizens - attended the Tuesday afternoon forum. The broadcast will be replayed several times on Channel 4 between now and the Oct. 11 primaries.

**6. Alcohol Blackouts Pose a Larger Danger Than Previously Thought**

By Michael Woods – *Toledo Blade*

September 6, 2005

After drinking heavily, or gulping a few drinks on an empty stomach, you wake up with no memory of the night before. But for such a serious side effect of alcohol misuse, blackouts don't get the attention they deserve. College students, who often chug drinks, tend to know more about them than many adults.

Blackouts are different from passing out. A person doesn't become unconscious during a blackout. Instead, the brain stops forming the short-term memories needed to remember events. Sometimes people don't even appear drunk during a blackout, which can last for hours. They may seem normal, and walk, drive, go to work, have telephone conversations, send e-mail and shop.

However, alcohol impairs their judgment, and blackout victims may say and do things that cause serious problems, such as engaging in risky sexual activity with strangers, getting involved in hit-and-run accidents and committing a crime without remembering it. One sobering collection of first-person stories from people who have had blackouts appears in Thomas F. Sweeney's new book, "The Alcohol Blackout: Walking, Talking, Unconscious & Lethal."

Studies challenge the common belief that only alcoholics have blackouts. Blackouts also strike social drinkers, and are more common among social drinkers than once believed. Sweeney and other experts say the blackout problem has reached epidemic proportions on many college campuses.

One important risk factor is binge drinking -- drinking too much too fast and gulping drinks. It takes the body about an hour to process the alcohol in one drink or one beer. Gulping drinks makes the blood alcohol level rise very fast. That rise can trigger a blackout.

**7. CAMY: Alcohol Ads Could Focus on Adults, Avoid Kids**

Source: *Join Together Online*

September 7, 2005

Alcohol companies could change their advertising practices to avoid appeals to children without losing their adult audience, according to a white paper from the Center on Alcohol Marketing and Youth (CAMY) at Georgetown University.

The "Striking a Balance" report said that the alcohol industry could avoid most underage audiences and save advertising dollars by only placing ads where the underage audience is 15 percent or less. The current industry standards call for companies to avoid ads in publication and other media where the underage audience is 30 percent or less.

"It's simple math. A 15-percent threshold matches up with the percentage of 12- to 20-year-olds in the general population and eliminates the concern that underage youth are overexposed to alcohol ads," said Jim O'Hara, CAMY's executive director. "It maintains the alcohol industry's right to advertise to adult drinkers over 21. In fact, a 15-percent threshold produces more efficient advertising being delivered to those who can legally buy alcohol products."

The report said that the 30-percent standard, adopted by the industry in 2004, still exposes more underage youth than adults to alcohol ads in magazines. CAMY said that with a 15-percent cap, underage exposure would drop by an average of 19.6 percent when ads were targeted at 21-to-34-year-olds, and 17.3 percent when ads targeted those ages 21 to 24.

**8. After 210 Years, Jim Beam Discovers the Power of TV**

By Stuart Elliott - *New York Times*

September 8, 2005

JIM BEAM and its maker are finally clambering aboard the increasingly crowded bandwagon of liquor brands being advertised on television.

The Jim Beam bourbon brand began appearing last night in a commercial that is running on cable networks like CMT, Comedy Central, Discovery Channel, FX, Fox Sports Network, OLN and Spike TV. The commercial for Jim Beam, sold by the Jim Beam Brands Worldwide division of Fortune Brands, was created by the Chicago office of BBDO Worldwide, part of the Omnicom Group.

Previously, Jim Beam Brands had sponsored commercials that promoted drinking responsibly, using the theme "Drink smart," but did not include product pitches per se. Those spots have been sent to stations to run free as public-service announcements.

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Jim Beam bourbon rolled out the barrel for a new television ad campaign starting Wednesday night, joining distillers already appearing on TV.

Readers

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By contrast, the new commercial is a television version of the print campaign for Jim Beam that BBDO Chicago introduced last year, carrying the theme "The stuff inside matters most." And Jim Beam Brands is paying to run the new spots, from a budget estimated at $8 million to $12 million.

Indeed, by next year television "will be the lead medium" for the brand, said Keith Neumann, marketing director for Jim Beam bourbon at Jim Beam Brands in Deerfield, Ill.

For virtually all mainstream advertisers, television has for decades been the medium that matters most, whether broadcast or cable, local or national, stations or networks. The abilities of TV to bring a sales spiel to life with sight, sound and motion - and to reach large numbers of consumers quickly and frequently - have been invaluable in generating demand for products from fluoride toothpaste to minivans to light beer.

Indeed, it has been brewers' access to television as an advertising medium that distillers have deemed the biggest reason for their loss of market share and so-called buzz to beer brands, particularly among consumers aged 21 to 34.

Under voluntary policies that dated to the beginning of radio and television, distilled spirits remained off those media. But in 1996, after Seagram began defying the bans, they were lifted, although the biggest broadcast TV networks - ABC, CBS, Fox, NBC, UPN and WB - continue to refuse to run liquor commercials.

So the distillers have cobbled together an informal web of national cable networks, local cable systems and local broadcast stations to run their commercials. Among the more than two dozen cable networks that take liquor spots, in addition to those running the Jim Beam commercial, are BET, Bravo, CNN, Golf Channel, Sci-Fi Channel, USA and VH1.

Among the brands already on television are best-sellers like Absolut vodka, Patrón tequila, Captain Morgan rum, Jack Daniel's Tennessee whiskey, Southern Comfort liqueur, Grey Goose vodka - and Canadian Club whiskey, which Jim Beam Brands recently acquired from Allied Domecq. Indeed, the recent gain in sales for many liquor brands is being attributed in part to their arrival on TV.

"There's certainly some correlation between some growth rates of brands and their advertising on television," Mr. Neumann said.

While that growth is "not only because of television," he added, citing factors like the increasing variety of liquor types and flavors, TV is "a much more rich medium for us to work with," giving the company "the opportunity to tell our story in a much more engaging and impactful way."

For example, Mr. Neumann said, when the commercial was being tested, 70 percent of people who saw it "said they learned something new about the brand." That is a significant achievement for a 210-year-old brand that has been advertised for decades.

Also, "with more and more networks continuing to accept spirits advertising," he added, "the quality and breadth of programming available to us has given us increased confidence that we can find programming consistent with the brand quality."

Among the series in which the commercial will run are "Benelli's American Safari," "The Best Damn Sports Show Period," "The Daily Show with Jon Stewart," "Nip/Tuck" and "Over There." They were chosen using guidelines intended to minimize viewing of the commercial by those under the legal drinking age, with a goal that more than 70 percent of viewers will be 21 or older. For example, the spot is not to be shown on the networks until after 9 or 10 p.m.

The commercial presents a look inside a Jim Beam rack house - recreated on a sound stage in Los Angeles from the original in Kentucky - as a barrel is being rolled out. The passage of eras from the past to the present is denoted by the action changing to color from black and white, along with various changes in the clothing worn and tools used by Jim Beam workers.

"Whoever said change is good knows squat about bourbon," growls the voiceover announcer, a singer named Dave Alvin who sounds somewhat like the actor Sam Elliott. "For 210 years and seven generations, we've stayed true to the original Beam family recipe," he continues. "Here's to stubbornness." The spot ends with the workers looking through bottles of bourbon without labels, echoing an image featured in most of the print ads.

"The opportunity was to maximize what TV tends to do better than print, deliver the message with more of an emotional impact," said Marty Orzio, chief creative officer at BBDO Chicago. "Also, on television we have an opportunity to reach certain people we may not be reaching in print or online."

For all the talk about advertisers fleeing television for newer media like the Internet and podcasting, TV is "still around," he added. "It's a matter of putting it in its proper perspective."

