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| *February 24, 2006* |

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**1. Liquor Trucks to Promote Clinton as Great Iowa Place**

By Steven Martens – *Quad City Times*

February 17, 2006

CLINTON, Iowa — Soon, travelers in Iowa will see a rolling billboard promoting Clinton as one of the pilot communities in the Iowa Great Places program.

Last fall, Clinton, Coon Rapids and Sioux City were selected to be pilot cities in the program, designed to help communities with development projects by making assistance from state agencies more accessible.

As part of the program, each of three cities will have a promotional design painted on the 48-foot trailer of a delivery truck for the Iowa Alcoholic Beverages Division.

The Clinton design features a logo that includes a lighthouse and a soaring eagle, the words “Visit Clinton,” and the slogan “Things to do with a river view.”

“In using the eagle and the lighthouse, those are two very recognizable parts of Clinton,” said Liesl Mensinger of HomeGrown Graphics in Camanche, the designer of the logo. “These are two things people think about when they think of Clinton.”

The design also includes the Mississippi River, which Mensinger said is an important part of Clinton’s identity.

Mensinger said the goal of the design is to promote Clinton as a good place to visit.

“We wanted to make it look fun,” she said.

Vernon Graphics of Newton has been hired to paint the designs on the trucks, which deliver alcohol to liquor stores.

The truck with the Clinton logo will travel between Clinton and the Quad-Cities, as well as on Interstate 80 between the Quad-Cities and Des Moines, on U.S. 218 between Iowa City and the Missouri border and on the highways joining Burlington, Ottumwa, Pella and Des Moines.

Julie Allesee, director of the Clinton Area Convention and Visitors Bureau, said the trucks are a good way to inform people about Clinton.

“It’s a great moving billboard for us,” she said.

The Clinton truck is expected to be on the road by late March, according to the Alcoholic Beverages Division.

<http://www.qctimes.net/articles/2006/02/17/news/local/doc43f5756ed7de5374887245.txt>

**2. Supreme Court Declines to Hear Anti-Smoking Ad Case**

By Ira Teinowitz, *AdAge.com*

February 21, 2006

QwikFIND ID: AAR43U

**Tobacco Marketers Argued California Campaign Vilified Them**

WASHINGTON (AdAge.com) -– The U.S. Supreme Court without comment today declined to hear arguments that California’s anti-tobacco advertising campaign represented an unconstitutional attempt to make cigarette marketers fund ads that vilified the tobacco industry.

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| http://adage.com/images/random/butts022106.jpg |
| The U.S. Supreme Court has declined to hear R.J. Reynolds and Lorillard Tobacco's challenge to California's anti-tobacco advertising.  |

R.J. Reynolds Tobacco Co. and Lorillard Tobacco Co. argued that the tone of the state's advertising, which was supported by a 25-cent tax on each pack of cigarettes sold by wholesalers, violated their rights.

**Marketing practices**

The marketers said the ads for the California Tobacco Control Program that looked to prevent teen smoking focused on the tobacco industry's marketing practices, suggesting they were deceptive, rather than citing the health risks of smoking.

“Warning: Some people will say anything to sell cigarettes,” said one of California’s ads. Another featured cigarettes raining down from the sky as an announcer said, “We have to sell cigarettes to your kids. We need half a million new smokers a year just to stay in business.”

The marketers argued those ad statements vilified the tobacco industry.

The case stems from the California Legislature's passage of the 25-cent tax to help fund the state's anti-smoking advertising program. (That program was in addition to a national program run by the American Legacy Foundation set up following the 1998 settlement of 46 state suits accusing tobacco makers of underplaying smoking risks and marketing tobacco illegally.) Lorillard and RJR argued that the way the tax was structured resulted in the tobacco companies, not the wholesalers, paying the tax and essentially funding advertising they disagreed with.

**Not compelled speech**

In September 2004, a panel of 9th Circuit U.S. Court of Appeals rejected the tobacco makers’ appeal 2 to 1. The majority decision said the ads represented government speech, not private speech, so the advertising couldn’t be challenged as compelled speech. The minority ruling said California's message and the funding for it was questionable. The companies appealed that decision to the Supreme Court.

Advertising lawyers have worried that the compelled speech issues set in tobacco cases would set precedents for other cases, including some involving direct-to-consumer prescription drug advertising.

<http://adage.com/news.cms?newsId=47980>

**3. City Officials Try to Identify 'Problem Bars'**

By [Hieu Pham](http://www.press-citizen.com/apps/pbcs.dll/personalia?ID=242) - *Iowa City Press-Citizen*

February 17, 2006

**Alcohol Advisory Board to ask for more enforcement**

The Iowa City Alcohol Advisory Board and law enforcement officials are finishing work on setting criteria to identify "problem bars."

To help curb underage drinking and other alcohol-related problems, city officials and the Iowa City Police Department are combining efforts to make renewing year-long liquor licenses more difficult for bars with repeat violations, said Iowa City Police Chief Sam Hargadine.

"All the liquor licenses require my signature, but there has been no criteria where we can refuse a license because of problems caused through their license year," Hargadine said.

In Iowa, liquor licenses are submitted to the local government and get final approval by the Iowa Alcoholic Beverages Division. To be approved, bar owners also must meet safety requirements and undergo background checks.

Although denials of renewal applications at the city level can be appealed through the Iowa Alcoholic Beverages Division, Hargadine said he hoped the time and expense would deter bar owners from violations.

Hargadine said the plan was in its "infancy stage" where officials are trying to find ways to define what a "problem bar" is. He said a definition should be made within a month or two.

Leah Cohen, owner of Bo James and co-chairwoman of the Iowa City Alcohol Advisory Board, said she considers "problem bars" to be the ones that often get ticketed for serving to minors or violating occupancy ordinances by overcrowding their facility in a potentially dangerous manner.

"There are a few bars that have given everyone else a bad name," Cohen said.

In addition, Cohen said, she plans to ask the Iowa City Police Department to increase patrols downtown, especially at "problem bars." She also plans to ask the City Council to step up enforcement of ordinances, particularly regulations that would restrict the advertisement of drink specials in windows and restrict outside containers and require TIPS alcohol training for bar employees.

The suggestions are part of the ICAAB's comprehensive plan to promote responsible bar operation in downtown Iowa City and find ways to reduce underage and excessive drinking. The nine-member group made three lists of recommendations for the council, the University of Iowa and the Iowa City Police Department.

The plan to make a list of problem bars is a positive step forward, Cohen said, adding that she was very pleased with what the board, formed more than a year ago, has been able to do.

She said the next step is to attend the Feb. 28 public hearing to ask for the City Council's support of recommendations.

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20060217/NEWS01/602170307/1079>

**4. Bar Owner Wants Laws Enforced**

By Meghan V. Malloy – *The Daily Iowan*

February 21, 2006

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| A local bar-restaurant owner is campaigning for the Iowa City City Council and police to step up enforcement of current liquor laws in order to help squelch the underage-drinking conflict in downtown establishments.However, Iowa City police said there are no special plans in the works, and they actively enforce the city's alcohol laws."Chief Hargadine has nothing planned for bar ordinances, as of right now," Iowa City police Sgt. Troy Kelsay said on Monday. "This concept is extremely preliminary, right now, and it is only a discussion among us, the City Council, and downtown bars."Leah Cohen, the owner of Bo-James, 118 E. Washington St., said that rather than creating new policies to prevent underage and excessive drinking, police officers should spend more time enforcing current laws.Cohen, a co-head of the Iowa City Alcohol Advisory Board, wrote a memo to Police Chief Sam Hargadine and the City Council on Feb. 14, urging them to not implement further measures against bars and noting that the Alcohol Advisory Board had "continued to improve efforts in establishments in Iowa City.”"It was blatantly obvious that no matter how much effort and influence the [alcohol board] maintains … we cannot enforce the laws and ordinances that Iowa City has in place," Cohen wrote in the memo, adding that responsibility lies with city officials and bar owners.She said the discussion of how to handle "problem bars" that seem to have more citations or security issues is necessary, no matter how Hargadine chooses to handle the situation."[The alcohol board] feels that we want good laws in the book that will continue to be enforced, rather than having to add a bunch of new ones," Cohen said.Kelsay said Iowa City police have done their job in enforcing current ordinances, though there is still a "significant number of PAULAs and under-19 tickets being given.”City Councilor Mike O'Donnell, who has opposed a 21-ordinance, said he had not heard about any propositions for any new ordinances but added he would not "propose something that couldn't be enforced.”"Of course, it's against the law in the state of Iowa to drink if you aren't 21, but it isn't against the law to go out with friends," O'Donnell said.<http://www.dailyiowan.com/media/paper599/news/2006/02/21/Metro/Bar-Owner.Wants.Laws.Enforced-1621425.shtml?norewrite&sourcedomain=www.dailyiowan.com&mkey=433542> |


# 5. Agreement Between The Office Of The United States Trade Representative And The Secretaría De Economía Of The United Mexican States On Trade In Tequila

*Alcohol and Tobacco Tax and Trade Bureau*

February 17, 2006

On January 17, 2006, in Washington DC, U.S. Trade Representative (USTR) - Ambassador Rob Portman and Mexico’s Secretary of Economy Sergio Garcia de Alba signed an historic agreement on cross-border trade in tequila.  This signing ceremony was the culmination of two years and 10 rounds of negotiations between the United States, Mexico and Canada.  Although agreeing in principle with the thrust of the negotiations, ultimately, due to its Parliamentary procedures, Canada could not agree to a binding agency-to-agency agreement, so the final parties to this agreement are the U.S. and Mexico.

Tequila is an alcohol beverage distilled from the agave plant and has been given worldwide recognition as a distinctive product of Mexico.  As such, while ‘Tequila’ can only be produced in Mexico, bulk shipments of finished tequila, destined for bottling abroad, had been allowed.  In August 2003, following several years of crop blight with the agave plant, and citing the need to ensure the quality of Mexican tequila, the Mexican Standards Bureau announced a proposal that the official standard for tequila would be amended to require that all tequila be ‘bottled at source’, in order to be labeled as tequila.  This would have created a de facto ban on exports of bulk tequila.

If the draft standard had been adopted, it would have threatened the huge investments U.S. companies have made to build bottling plants and develop brands in the United States.  Prompt action by the USTR and the cooperation of Mexican officials allowed tequila to flow uninterrupted for two years during the negotiations.  In addition, during the signing ceremony, Ambassador Portman stated, “I want to thank the Alcohol and Tobacco Tax and Trade Bureau of the Department of Treasury, as well as the Departments of State and Commerce, for their invaluable assistance in these negotiations.”

The U.S.-Mexico tequila agreement will ensure that bulk exports of tequila from Mexico to the United States, valued at $400 million per year, continue without interruption.  The U.S. is Mexico’s largest export market for tequila, accounting for 50 percent of Mexico’s total production.

<http://www.ttb.gov/main_pages/agreement.html>

**6. Polk Prosecutor Again Seeks Keg Law**

By Kevin Dobbs, Staff Writer – *Des Moines Register*

February 22, 2006

### John Sarcone wants to deter adults who buy beer for teens.

Adults who buy beer for teenagers are the targets of a keg registration law being pushed by the top prosecutor in Iowa's largest county.

Polk County Attorney John Sarcone, for the second straight year, today will ask county supervisors to require that keg buyers fill out forms so store clerks can record purchases.

Sarcone says the system would give authorities a tool to track the adult buyer if underage drinkers are later found in possession of the keg.

"There is a lot of binge drinking going on," said Sarcone, who said anecdotal evidence points to continuing problems with teenagers who drink heavily at keg parties. "We're not going to stop it all . . . but this gives us a tool to check the conduct of adults."

Several Iowa counties have adopted keg ordinances in the past three years. Officials in Boone and Dallas counties are also considering ordinances. Nebraska, Missouri and about 25 other states have keg registration laws.

"We don't want to be the island that people run to for kegs," Sarcone said.

Other laws ban providing alcohol to minors. Sarcone last fall prosecuted a south-side Des Moines man who gave a bottle of alcohol to a teenage driver who was later killed in a crash. Gino Pane will probably be out of prison in less than a year.

Sarcone's focus is on beer kegs, which are often at the center of large-scale teen parties. State surveys show that nearly half of Iowa's high school juniors have drunk alcohol at least once. Many said they persuaded adults to buy the beer or liquor.

Polk supervisors considered an ordinance last year at Sarcone's urging but took no action. They had hoped state lawmakers would take up the issue.

"That's still the sense here," Supervisor Tom Hockensmith said. "It's a statewide issue."

Sarcone, who like Hockensmith is a Democrat, said he still favors a state law, but such proposals have faltered in recent years under opposition from the Iowa Wholesale Beer Distributors Association and other industry groups that argue there is no hard evidence that keg registration curbs teen drinking. Opponents say registration laws instead cause hassles for consumers and retailers and could push some teens toward hard liquor.

Supporters of a statewide keg proposal under debate at the Statehouse say the chance of passage improved when Gov. Tom Vilsack and public safety officials made the legislation part of a broader campaign to promote safe driving among teenagers.

A major retailer has also thrown its weight behind the legislation. Rose Kleyweg Mitchell, a vice president of Hy-Vee Foods Stores, said last week that Iowa's largest grocery chain backs the law because it has been effective in Nebraska, where there are 21 Hy-Vee stores.

She called it "a common-sense approach."

Sarcone said he'll push again for a county ordinance in case the statewide measure fails.

"You never know what the state Legislature is going to do," he said.

**7. Alcohol Again Front & Center**

By Lee Hermiston – *The Daily Iowan*

February 24, 2006

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| Log on to The Daily Iowan's website and run a search on "alcohol" - 196 hits.Now, search "bars" - 202 hits.Finally, search "underage drinking" - 200 hits.Sensing a theme? Sure, there's some overlap among the three issues, but the fact remains: These are hot topics in Iowa City.Needless to say, drinking is something students want to be addressed by the future UI Student Government Presidents. The four slates have their own proposals to regulate the alcohol situation in Iowa City, particularly as it pertains to the highly contested 21-ordinance.Most are pretty realistic, Iowa City officials said.Others, not so much.Flip Arkulary, the presidential hopeful for the King Kong Party, has an unconventional approach to the 21-ordinance issue. He intends to petition the city councilors to sign a pledge promising to never vote for or recommend such an age restriction."We're looking for a long-term solution," he said, adding he believes the councilors would be willing to sign.Some of the councilors, however, aren't so enthusiastic."It's not an appropriate thing to ask a councilor to do," Councilor Dee Vanderhoef said.Councilor Connie Champion agreed, saying, "You can't bind councilors to do that.”Arkulary believes that once the ordinance issue is "out of the way," UISG can focus on other issues. His party wants to offer alternatives to alcohol for students who feel their options are limited to drinking on Thursdays, Fridays, and Saturdays - such as nonalcoholic rallies the nights before Hawkeye football games.Similar to its opponents, the Does a Student Body Good ticket wants to address the bar policy, though in a different, more orthodox way."We need to work on education," said Peter McElligott, the party's presidential candidate, specifically focusing on the dangers of binge drinking.He said his party would work with the council to create alternatives to the 21-ordinance by concentrating on the root of the binge and underage drinking problems."We need to look at why everyone is going out drinking," he said.In addition, McElligott said, he wants to work with Iowa City antiviolence groups to create a "sober presence" on the Pedestrian Mall in order to facilitate safety downtown and throughout campus.Unlike her fellow candidates, IC Party presidential hopeful Shannon Thomas doesn't see the 21-ordinance as an issue. As a second year resident assistant, she has had the unfortunate pleasure of dealing with the effects of alcohol hands-on - Specifically, cleaning up the mess left behind by some overly zealous drinkers."Alcohol is a problem here on campus," said Thomas, who believes an educational approach would help students "realize what their options and what their consequences are.”The IC Party also hopes to deal with alcohol-related issues by facilitating student engagement through drinking alternatives - specifically, she would allocate more money to late-night campus programs using student fees.Presidential candidate Atul Nakhasi for the Big Awesome Party is also opposed to the 21-ordinance, and he argues changing the bar-entry age wouldn't deter alcohol consumption - it would only increase the number of house parties."It's shifting to where trouble would occur," he said.Nakhasi's platform further comments on the downtown bar scene, calling for a decrease in underage drinking fines in favor of community service."Physical labor often has a greater impact," he said, noting a similar program employed at Michigan State University.<http://www.dailyiowan.com/media/paper599/news/2006/02/24/Metro/Alcohol.Again.Front.Center-1636430.shtml?norewrite&sourcedomain=www.dailyiowan.com&mkey=433542> |

**8. SABMiller: Global Beer Mkt To Underpin Future Growth**

*Dow Jones Newswires -* Edited Press Release

February 24, 2006

LONDON -- SABMiller plc Chief Executive Graham Mackay said at a conference yesterday that the group's broad exposure to the global beer industry will underpin future growth.

He said that in most markets, the company sees strong trade up trends across most consumer product categories.

"Here in America and in other developed markets, that means growth in wine and spirits, and a move to premiumisation within the beer market. In the rest of the world however, the opportunity is far greater, as consumers trade up from lower quality, cheap beer, into modernised mainstream products and then on into what we refer to as 'worthmore' brands. Consumers are also moving into beer as an aspirational mainstream alternative to cheap spirits, or other types of local indigenous alcohol.

"This is increasing beer's share of total alcohol across the emerging market landscape and there is a long way to go. Per capita consumption of beer stands at roughly 84 litres in the U.S., but in our Central and Eastern European markets it is only 60. In our Latin American markets it is just 31; and it is 6 in Africa, 23 in China and only 1 litre of beer is consumed per person per year in India. We believe this growth trend will continue for a very long time to come, and it presents us with some exciting opportunities."

In the same presentation Norman Adami, the President of SABMiller's North American subsidiary, Miller Brewing Company, confirmed that whilst SABMiller had achieved its three year turnaround objectives in stabilising the Miller business, it now faces new challenges.

He said: "The Miller business is now moving into what we are referring to as the 'step up' phase, in which we will begin to demonstrate that we can indeed restore our overall portfolio to growth. There are a number of imperatives on which this is built. Firstly, we will extend the progress made in strengthening our leadership and organisation. Secondly, we will sustain and build on the improved relationship with our distributors, which has been one of the most underestimated factors in our success to date. Thirdly, we will strengthen and clarify the unique, relevant brand position for Miller Lite, whilst simultaneously furthering the dialogue with its principal competitor. Fourthly, we will establish a clear and bold brand position for Miller Genuine Draft, and at the same time balance brand-building with cost management to ensure that Miller High Life and Milwaukee's Best weather the likelihood of ongoing price pressure within the economy segment led by the industry leader. Finally, we must create momentum behind Peroni Nastro Azzurro and Pilsner Urquell whilst ensuring we maintain their positioning as high-end imports."

In the same presentation, Barry Smith, President of SABMiller Latin America, commented on the growth prospects for SABMiller's newly acquired businesses in Colombia, Peru, Panama and Ecuador: "Panama, Colombia, Ecuador and Peru together represent a larger region than many people would expect. Its population of 89 million would make it the largest country in Europe, and its current per capita consumption levels of 31 litres are little more than half those we see in South Africa. The expected regional 5 year volume growth of c.4% compares favourably with corresponding growth rates in the rest of Latin America and is supported by forecast GDP growth of almost 4%.

"Our strategy is to invest significant resources in improving the image of the beer category, through marketing, packaging and point of sale development. We will enhance beer's image across the market, but we will also target specific consumer segments and channels, which will broaden beer's role within the alcohol category across a wider range of occasions. It is worth remembering that per capita consumption in Colombia was 54 litres per capita at its peak and 34 litres in Peru. The current levels are 34 and 24 respectively and we are confident that with actively managed pricing, we can begin to restore the consumption levels these countries enjoyed in the past."

**9. Republican Joins Others Asking for Tobacco Tax Increase**

By Tim Higgins, Staff Writer, *Des Moines Register*

February 22, 2006

**House Speaker Rants says he isn’t blocking debate on the proposal.**

Rep. Walt Tomenga drew a crowd in the Iowa House on Tuesday when he became the first Republican to speak in favor of a tobacco tax increase.

Tomenga, a Republican from Johnston, was joined by nine other freshman legislators from the House and Senate supporting a 64-cent increase in the tax on a pack of cigarettes in hopes of reducing the number of people who smoke.

“That’s a good thing,” Tomenga said of the tax increase. “The results of that would also be a good thing.”

He also acknowledged that the measure has a tough fight.

“I am not in the majority in my party on wanting to see this bill passed,” Tomenga said.

“I don’t know how many of us feel confident” that it will pass this session. “I believe we feel confident that this bill will eventually be passed.”

Tomenga’s proposal would raise $117 million in the first year and put money back into a special fund set up to pay for senior services. Other money would go to programs aimed at reducing smoking.

Gov. Tom Vilsack, a Democrat, has proposed raising the tax on a pack of cigarettes by 80 cents and reserving the extra $130 million in new tobacco money for health care programs.

The House is controlled by Republicans, who hold 51 seats out of 100. The Senate is evenly divided between the political parties and last year approved a tobacco tax increase.

House Speaker Christoper Rants, who controls what is debated in that chamber, said he opposes an increase but he isn’t trying to block its debate.

“I know the popular perception for those people who want to look for a bogeyman in the issue is to say: “They are stopping this’ and ‘They’re stopping that.’ Legislators are free to do what they want. If they want to support it, they’ll support it. If they don’t want to support it, they won’t.”

Rants was speaking to reporters in the Capitol Rotenda a few feet from where Tomenga spoke, when supporters of the tax increase surrounded him and asked if he’d allow the measure to be debated.

“Why not let it come up for a vote then?” asked Scott Jamieson, a member of the American Cancer Society from Cedar Rapids, interrupting Rants as he spoke.

Rants: “I hadn’t realized I had blocked it from coming up for a vote.”

A member of the crowd said, “Oh, yes, you have.”

“OK, well I wasn’t sure what day that occurred,” Rants replied. “Until a bill gets before me I don’t have a decision to make, and I am not going to get into an argument with you folks today.”

Last week, a man dressed as a cigarette delivered a Valentine’s Day present to Rants, a black balloon representing all of the people who have died of lung cancer.

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=/20060222/NEWS10/602220352&SearchID=73236645397046>

