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

|  |  |
| --- | --- |
|  | e - NEWS |
| *August 25, 2006* | |

[**I. NATIONAL NEWS.**](#I)

1. [Anheuser-Busch Moves into Content-Creation Business](#One)

2. [Coors Light Sales Up; Cold Call Ad Campaign Credited](#Two)

3. [US: Craft Beer Boom Continues](#Three)

4. [Single-Serve Wines Hit the Mainstream](#Four)

5. [Fetal Alcohol Spectrum Disorder on the Rise](#Five)

6. [Wine Sales Thrive As Old Barriers Start to Crumble](#Six)

7. [DISCUS Report Handful of Ad Complaints](#Seven)

[**II. IOWA NEWS.**](#II)

8. [Fake ID Season Opens](#Eight)

9. [Wine Festival Features Grape-Stomping Fun](#Nine)

10. [New DMACC Class Teaches Wine Production](#Ten)

11. [Council to Move on Bar Crowds](#Eleven)

12. [Liquor House Opens at New Location](#Thirteen)

13. [Survey Says UI is No. 9 Party School](#Thirteen)

14. [Our View – Bars Should be Responsible for Checking Occupancy](#Fourteen)

[**III. OTHER STATE NEWS.**](#III)

15. [Liquor Control's Interim Chief Gets the Job Full Time (Oregon)](#Fifteen)

16. [Bill Allowing Liquor Distillers to Sell to Retail Stores Gets Veto (New York)](#Sixteen)

17. [Judge Opens Kentucky to Wine Shipments (Kentucky)](#Seventeen)

18. [Study Hits Wine Sales 'Monopoly' (Massachusetts)](#Eighteen)

19. [Drink Coupons Draw Fire at UGA (Georgia)](#Nineteen)

20. [Vodka Ad Too Sexy for Buses, Okay for Taxis (New York)](#Twenty)

21. [Alcohol Servers May Train Online Soon (Oregon)](#Twentyone)

22. [Liquor Board Staff Favors Ban of Sale of 28 Beers and Wines (Washington)](#Twentytwo)

23. [Sam's Club is Refused OK to Sell Alcohol (Massachusetts)](#Twentythree)

24. [Milwaukee, Not Vegas, America's Drunkest City (Wisconsin)](#Twentyfour)

**I. NATIONAL NEWS.**

**1. Anheuser-Busch Moves into Content-Creation Business**

By Jeremy Mullman and T. L. Stanley – *AdAge.com*  
August 21, 2006

**Launches In-House Film and TV Production Company**

CHICAGO (AdAge.com) -- Cue the clydesdales: Anheuser-Busch is getting into the content business.



Anheuser-Busch's top creative executive -- Jim Schumacher -- has been moved out of the advertising department and into the new entertainment production group.

**Net and cellphones**

The country's largest brewer is launching its own in-house film and TV production company that will make humorous shorts and sitcom-type programs to be broadcast over the internet and to cellphones, according to four people familiar with the matter, and could branch into full-length films.

While A-B has dabbled in content before-particularly in sports TV, where its Bud Productions division recently produced National Football League preseason games for the St. Louis Rams-this initiative is believed to be the brewer's most ambitious by far. Funding will likely be drawn from its $1.56 billion marketing budget.

**Jim Schumacher moves**

Earlier this summer, A-B pulled VP-Creative Development Jim Schumacher -- its top in-house creative -- out of the advertising department and into the new production group. "The fact that Schu is leading this means they're serious about it," said one person familiar with his new assignment. "They wouldn't be wasting his time otherwise."

A-B has also assigned Michael Gianino, senior director-branded entertainment, to a unit devoted to producing online content. Mr. Gianino previously worked on A-B's product-placement deal for New Line Cinema's "Wedding Crashers," starring Vince Vaughn and Owen Wilson, which was the brewer's first Hollywood venture in 14 years. Since then, it's been increasingly star-struck, sponsoring Mr. Vaughn's comedy tour and tapping Hollywood heartthrob George Clooney for voice-overs on Budweiser Select spots.

At press time, it was unclear whether Messrs. Schumacher and Gianino are working together or on separate content-creation units.

**Innovative communications**

Asked about the division and the assignments, an A-B spokesman said: "We're always looking for new ways to reach beer drinkers through innovative means of communications, but it's our practice to not comment on rumors and speculation."

By investing heavily in producing its own content, $15.5 billion A-B is following closely in the footsteps of other megamarketers. Last winter, PepsiCo produced the snowboarding documentary "First Descent" through its Mountain Dew Films unit. And Starbucks Corp., which last year partnered with Lions Gate Films to market "Akeelah and the Bee," intends to co-produce more features with Hollywood studios.

Marketers' march into content creation has not gone unnoticed by the $5 billion-plus production industry. "Too many marketers view production as a commodity, when the expertise to do it well isn't easily learned," said Matt Miller, president-CEO of the Association of Independent Commercial Producers. "Agencies and marketers have always run into limitation when it comes to the creative product. The expertise and talent suffers."

**'Bud TV'**

A-B to date has dabbled with one-offs, such as "Bud TV," an online production it promoted with a commercial during February's Super Bowl. Now it appears to be gearing up to produce a steady stream of original content.

"They've made it clear that they think the future is online, and I think we're going to see a lot of short films and sitcom-type stuff," said California-based A-B distributor Mike Fox. "A lot of us wholesalers have been pushing for them to do more entertainment stuff for awhile."

Mr. Fox said distributors have also been pushing A-B to use its theme parks, including Sea World and Busch Gardens, to host and produce concert events that could be powerful marketing tools.

A-B rivals, however, said they saw the potential for the entertainment business to wind up distracting A-B from selling beer, or so they hoped.

"Making movies is always a great idea for an alcohol company," said Don Faust Jr., a Miller and Coors distributor based in Houston. "Just look how great it was for the Bronfmans."

<http://adage.com/article?article_id=111379>



**2. Coors Light Sales Up; Cold Call Ad Campaign Credited**

By Jeremy Mullman – *AdAge.com*

August 20, 2006

**Heat Wave Shipments Grew by 3% as Rival Miller Lite Sales Stayed Flat**

CHICAGO (AdAge.com) -- The cold train is finally gathering steam. After years of one-note positioning as the coldest of light beers, the summer heat wave is giving a big boost to Coors Light.



Coors Light, which hasn't increased its market share during a full-year period since 2000, gained 3% during the heat wave.

**Rival sales flat**

While hot weather generally fuels sales volume across the beer sector, Coors Light appears to be picking up market share. During the last 13 weeks, its shipments grew nearly 3%, while its closest rival, Miller Lite, saw flat sales.

"It's the best performance we've seen from Coors Light in a while," said Houston-area distributor Don Faust Jr., who handles both Coors and Miller brands. Mr. Faust said his Coors Light sales were up 8.5% this year.

For Coors Light, which hasn't gained share during a full-year period since 2000, that signals significant progress. "We think the heat helps us," said a Coors Brewing spokeswoman. "Our research shows that people see cold and refreshing as unique to the Coors Light brand."



Coors marketing communications have focused intensely on the cold theme, featuring the 'Cold Train' in TV spots and even offering special glassware designed to keep beer colder.

**'Stay-cold glassware'**

It's not hard to see why: The brand has spent the last two years ceaselessly touting itself as frigid, with ads by FCB, Chicago, starring the "Cold Train" and innovations such as "stay-cold glassware" and portable "cooler boxes" running one after another. Those ads follow decades of harping on a similar theme: the Golden, Colo.-based brand's snow-capped Rocky Mountain heritage.

The "Cold Train" is reappearing in spots slated for the start of football season, and executives for the No. 3 brewer said in a recent conference call with analysts that they expect total media spending to grow in the low single digits from last year's $137.8 million. (That total was a 18.2% increase over 2004.)

**Consistent advertising**

"They've been doing the cold Rocky Mountain thing practically since Julius Caesar's first term, so I'm sure it does contribute to something like this," said beer-industry analyst Manny Goldman. "Their advertising has been the most consistent of all the big brewers, and that may be paying off right now."

Consistency, Mr. Goldman said, may be more important to the Coors brand's apparent revival than the weather. He compared the Coors Light ads to marketing by Miller Lite, which surged in 2003 and 2004 on a series of ads emphasizing its lower-carb content and better taste than No. 1 light beer Bud Light. During 2005, Miller largely abandoned the beer-focused push for a more cerebral campaign focused on manliness, by Crispin Porter & Bogusky, Miami, and sales softened. Miller Lite-which remains the No. 2 light beer behind Bud Light and ahead of Coors Light by a wide margin-recently began airing a round of comparative spots.

Coors Light's advertising, while drawing yawns from critics and even Coors distributors, has been much steadier by comparison.

**Ideas that sell beer**

"Personally, I find the cold campaign a bit trivial," said Joe Cotroneo, whose Crescent Crown Distributing is the major Miller and Coors distributor in the Phoenix area. "But for all the times you see a great idea or concept not sell any beer, maybe that says something about what does."

That trend continued through the summer despite the fact that Miller's core markets were even hotter than Coors', according to an analysis by Citigroup beverage- industry analyst Bonnie Herzog.

The cold spots will have to become even more central to the brewer's efforts in the months ahead because its most recognizable pitchman, Pete Coors, suffered an embarrassing drunk-driving arrest in May that became public this summer. Mr. Coors subsequently apologized and pleaded not guilty, but the incident is likely to hinder his effectiveness as a pitchman, particularly in the responsible-drinking ads he frequented.

Still, Coors marketing executives emphasized that changes in the brewers' sales ranks, and the decline of the low-carb craze -- Coors Light was hurt disproportionately when carbs were anathema, they said -- also have played a role in the brand's renaissance.

A Coors spokeswoman said the company is encouraged by forecasts for more hot weather this summer but noted that sales started growing last fall and winter, before the current heat wave. "Hot weather doesn't hurt, that's for sure," she said. "But there's more going on here than that."

<http://adage.com/article?article_id=111380>



**3. US: Craft Beer Boom Continues**

Source: *just-drinks.com editorial team*

August 23, 2006

|  |
| --- |
| [http://www.just-drinks.com/articleimage.aspx?ID=23785&tp=hp](http://www.just-drinks.com/articleimagelist.aspx?ID=87534) |
|  |

Craft beer sales in the US have soared again during the first half of the year, according to figures from the Brewers Association.

Figures published yesterday (22 August) showed that craft beer volumes leapt 11% in the first six months of 2006.

The increase represents the third straight year in which the popularity for craft beer has risen, boosting brewers including Boston Beer Co., the brewer of Samuel Adams.

“The rate of growth in the craft beer segment appears to be accelerating,” said Paul Gatza, director of the Brewers Association professional division.

In 2005, the volume of craft beer sold increased by 9% and in 2004 by 7%, the association said.

Brewers must meet two criteria to be classed as craft brewers. First, such brewers must produce less than 2m barrels of beer per year, and secondly, either their flagship beer or the majority of the beer they produce is “all-malt” and does not include corn or rice in the recipe.

Growing demand for craft beer in the US has forced [Anheuser](http://www.just-drinks.com/factsheet.aspx?id=3)-Busch to embrace the category. In May, the Budweiser brewing giant launched a campaign encouraging drinkers in Ohio and New England to vote for their favourite “hometown brews” and started to brew the respective winners.

<http://www.just-drinks.com/article.aspx?ID=87534&lk=dm>



**4. Single-Serve Wines Hit the Mainstream**

By Alice Z. Cuneo – *AdAge.com*

August 24, 2006

**Sutter Home Plans Ad Campaign for its Smaller-Bottle Offerings**

NEW YORK (AdAge.com) -- When you head out to holiday parties later this year, don't forget to bring the wine -- at least one bottle per person.



Sutter Home and other wineries have seen big increases in single-serve package sales.

Single-serve bottles, that is: those once-bland blends formerly found mainly on airlines and in minibars. Sales of these so-called "187s," named for the number of milliliters in each bottle, are surging, thanks to an unfussy "echo boom" generation, and Trinchero Family Estate's Sutter Home Winery will pitch single serves in ads this holiday season.

**Sixty million sold**

Vintners from E.J. Gallo Winery to Piper-Heidsieck Champagne are also embracing single-serve packages, which saw sales jump 17% to $75 million last year. Though still a small percentage of the overall market, some 60 million single-serve wines were sold in the 52 weeks ended July 20, according to Gomberg Fredrikson & Associates.

Driving the trend are younger consumers who don't view wine drinking as a special occasion -- they've shown they're willing to mix and match wines with food and want to sample new varieties without buying a whole bottle. Peggy Fox, VP-marketing at Centerra Wine, part of Constellation brands, said these consumers are "expanding the times, places and events at which wine can be consumed," noting that the company's single-serve products, ranging from Woodbridge by Robert Mondavi to Arbor Mist, are growing at three times the rate of its base business. Sales of its Tetra packs in the Vendage line have been so successful that zinfandel and sauvignon blanc are being added.

The single serves are becoming more "important to our consumer base," said Wendy Nyberg, senior director-marketing for Sutter Home, whose holiday print push around the products will be handled by Colby & Partners, Santa Monica, Calif.

**Can charge more**

"Single serve makes a lot of sense to a lot of people," said wine analyst Eileen Fredrikson. Not to mention to the wine industry, which can charge a little more for the smaller bottles and has increased shelving in areas where young adults get their beverages -- alcoholic and otherwise -- such as supermarkets and convenience stores.

But as wine packaging becomes more and more akin to soda and other nonalcoholic drinks, it becomes more of a target for groups concerned with drinking. "It's all about making wine an everyday drink," said George Hacker, director-alcohol policies project, Center for Science in the Public Interest. "It's an introduction to wine for a lot of people reluctant to buy a whole bottle. It's treating wine like any other beverage when it is not."

<http://adage.com/article?article_id=111474>



# 5. Fetal Alcohol Spectrum Disorder on the Rise

By Kim Welty-Murray - *American Chronicle*

August 22, 2006

At any given time, this means that there are roughly 1 million children in the United States suffer from some form of Fetal Alcohol Spectrum Disorder. More commonly known as Fetal Alcohol Effect or Fetal Alcohol Syndrome, the manner at which this disorder presents it’s self encompasses a broad spectrum of behaviors. Behaviors seen in children with Fetal Alcohol Spectrum Disorder (FAD) are similar to those in children diagnosed with ADHD, autism, Aspergers Syndrome, Tourette’s syndrome, epilepsy, mental retardation and other psychiatric disorders. FAD is not limited to neurological impairments; it can also include distinctive facial abnormalities such as flat noses, small eye openings and smooth philtrum just to name a few.

In 1997, 1 baby with FAD was born per 100 children. This number has risen to 1 live birth per 750 In 2005. This drastic increase in children being exposed to alcohol in utero is to be taken seriously. The long term permanent and long term impairments affect society as well as the child struggling with FAD.

Alcohol exposure to the brain has an adverse effect on behavior. Alcohol is known as a teratogen, substance that is toxic to the baby’s developing brain, and as such causes brain deformities to vary parts of the brain. Depending upon which areas of the brain are developing at the time of alcohol exposure will determine which areas of the brain are affected. The baby’s neurological system is developing throughout the pregnancy, the therefore vulnerable to damage from alcohol. Behaviors exhibited by children with FAD include, but are not limited to, inability to bond, lack of impulse control, inappropriate sexual behaviors, trouble processing information, inability to apply consequences to behaviors, severe mood swings, and little to no concept of time or money. These children are in need of constant monitoring and protection. Many of them will not be able to live an independent life much less enjoy being a child.

It is estimated that approximately 60% of children with FAD, ages 12 and up, will be in the criminal justice system. Psychiatric and psychological treatment is costly and state services for the most part are limited. A large portion of children with FAD fall through the cracks of society because of this. With virtually no family support and limited government programs, many children end up in foster care, long term residential treatment or juvenile detention. It is estimated that throughout the entire life span of a child the cost to society per child is approximately $5 million dollars. This figure does not include lost salary and impact on the local economy. FAD is not a disability that individual families struggle with; it is something society struggles with.

There are many reasons for the increase in children with FAD. Some have been mistakenly diagnosed with Autism, ADHD, Asperger’s Syndrome, Tourette’s syndrome and other psychiatric disorders and have been re-evaluated. It is symptomatic of a larger problem within our society; the lack of regard for life. Whether it is the pregnant woman who consumes alcohol or the bartender serving alcohol to a pregnant woman, it is clear the value that the unborn child has is equal to a few dollars. How much of your children’s mental, physical, psychological and emotional health worth to you? That is another article.

It would be in the best interest of the child with FAD and society to take a proactive, preventative position advocating intervention on behalf of these children instead of “damage” control. It would behoove society and future generations of the United States to take immediate preventative action to cause the number of children born with FAD to decrease. Enlarging the warning on the alcohol bottle is not merely enough. Educating students from junior high to college about the neurological and physical effects of alcohol consumption during pregnancy, testing women suspected of alcohol abuse at this time along with FAD education and after these steps have been taken to educate and alcohol use has continued, the mother should be charged with child abuse. FAD is the highest form of child abuse.

While it is not curable, it is absolutely 100 % preventable. Educating the ignorant and criminally charging the deliberate may act as a deterrent. Perhaps these suggestions will make an impact on the rising level of children born with FAD and provide more hope for the future of those who are.

<http://www.americanchronicle.com/articles/viewArticle.asp?articleID=12760>



**6. Wine Sales Thrive As Old Barriers Start to Crumble**

By Vanessa O’Connell - *Wall Street Journal*

August 25, 2006; Page A1

The business of wine is breaking free of one of the world's most archaic and tangled retail systems. The result: a rise in sales, and an explosion of new ways to buy wine.

One of wine's new winners is Gary Vaynerchuk, a 30-year-old Belarus immigrant who recently dipped his nose into a glass, inhaled deeply, and stared into a videocamera. "Bell pepper, green pepper, red pepper," he declared. "This smells like a salad."

That observation helped ring up sales of 194 cases of 2003 Noblaie Chinon Rouge, an obscure French red, at $14 a bottle, by the Wine Library in Springfield, N.J. It used to be a small store in a New York City suburb. Today, with a busy Web site, it's one of the highest-grossing independently owned wine and liquor retailers in the nation, with about $45 million in annual revenue. Web sales -- launched in 1997 and buoyed by Mr. Vaynerchuk's folksy online reviews -- grew by about $10 million in the past two years alone.

The market is in upheaval because its many barriers are starting to crumble. Recently, a Seattle federal court struck down state rules forcing retailers to buy through wholesalers at pre-established prices. Several states are lifting rules that prevent consumers from buying wine directly from out-of-state producers and retailers.

At the same time, giant players like Costco Wholesale Corp. -- today the biggest wine seller in the country -- are pressing for reforms that would largely eliminate the industry's powerful middlemen.

The changing landscape is helping wine move into new mainstream markets. At 7-Eleven Stores Inc., shoppers can buy Chardonnays and Pinot Noirs. Roughly 500 Target Corp. stores carry wine, compared to 280 last year. Growth in U.S. dollar sales of wine is outpacing that of beer and liquor, according to research firm ACNielsen. Americans spent $7 billion on table wine at food, drug and liquor stores over the past year, 9% more than they spent the previous year.

For decades, wine and liquor marketers have been restrained by the 21st Amendment, which ended Prohibition in 1933 and granted the states broad power to control sales of alcoholic beverages. Fearful that a single player might dominate alcohol sales as gangsters had in the 1920s, the states set up a three-tier marketing system.

**Power of the Wholesalers**

By law, producers could sell alcohol only to state-licensed wholesalers. Wholesalers then sold products to state-licensed stores, who ultimately made sales to consumers. Until recently, the three-tier system -- with its patchwork of state regulations -- made online sales nearly impossible. Some states, such as Missouri, even had laws in place setting a minimum wholesale price for wine and liquor sold in the state. Elsewhere, wholesalers often had to adhere to mandated minimum markups of 10% or more, or were required to sell each wine to all retailers in a state at the same price.

Retailers grew dependent on wholesalers -- some larger than the companies whose products they sell. Miami-based Southern Wine & Spirits of America Inc. is the market leader, with roughly $7 billion in annual revenue, according to the research firm Impact. The world's biggest wine company, Constellation Brands Inc., by comparison, has roughly $3.2 billion in annual wine sales.

Wholesalers only carry certain brands in a particular market, so stores must often go to dozens of them just to get the products they want. Since no one wholesaler does business in every state, national chains might have to deal with more than 450 different wholesale suppliers.

The snarl of rules explains why no retailer has emerged to carve out a nationwide franchise in wine, as Starbucks did with coffee, Victoria's Secret with lingerie or Home Depot with hardware.

Over the past several years, a spate of mergers in the wine business sparked similar consolidation among wholesalers, anxious to maintain their bargaining power. Giant companies like Southern, whose operations straddle several states, fought state-mandated controls on wholesale prices and some other restrictions.

**First Big Challenge**

The first major challenge to the old system came in the late 1990s, from small wineries in Virginia, Northern California and elsewhere. Eager to ship wine to customers in other states, the wineries began mounting legal campaigns against laws barring interstate wine sales in Indiana, Texas, Michigan, New York and North Carolina.

Their efforts culminated in a major victory last year, when the Supreme Court ruled that states must allow wine shipments to consumers from wineries both in and out of state -- or ban such sales altogether. While the court sanctioned interstate sales, it left it up to each state to permit them or not. The ruling didn't address beer and liquor producers, which are fewer in number than wineries and whose products are more broadly distributed in retail stores across the U.S.

Today, 34 states let consumers order direct from out-of-state wineries. In 1997, only 17 states allowed such shipments, thanks to lobbying in the 1980s and 1990s in those states by wineries in California and elsewhere.

Big retailers such as Costco, Target and Wal-Mart Stores Inc. are now pushing for change too, eyeing a lucrative new way to expand their sales. Wal-Mart found that at its new, upscale store in Plano, Texas -- where the median household income is nearly twice the national average -- its 144-square-foot wine section generates more sales per square foot than dairy products.

Costco mounted a federal court challenge to the three-tier system in Washington state's U.S. district court. In April, it emerged victorious when Judge Marsha Pechman issued a sweeping ruling, calling state wine and liquor regulations "plainly anticompetitive" and in violation of antitrust laws.

**Advice to Lawmakers**

Judge Pechman not only struck down state pricing controls but also, earlier in the case, she prompted lawmakers to address the direct-sales issue. The state enacted new legislation allowing out-of-state wineries and brewers to ship their products directly to Washington retailers.

If the court's rulings ultimately are upheld on appeal and applied broadly, they could drive wine prices down and streamline the sales process. Warehouse clubs and other wine discounters could benefit the most because they compete ferociously on price. Costco already has a following from consumers looking for deals on fine wines, especially from France.

Washington's alcohol control board and wholesalers have filed separate appeals. Wholesalers say they play an important role in checking the power of big retailers and helping smaller stores compete.

Costco is "trying to change the system so they can apply direct pressure on suppliers without wholesalers being involved," says Craig Wolf, general counsel for Wine and Spirits Wholesalers of America. "The regulations challenged by Costco -- such as uniform pricing and no volume discounts to stores -- were intended to prevent big retailers from having advantages over the mom and pops, who lack the resources to keep up."

John Sullivan, associate general counsel for Costco, says its suit is about "bringing competition to the distribution of beer and wine, so that the distribution is subject to the same competition as every other facet of business." He says Costco is not trying to do away with wholesalers, but argues "there's no reason that wholesalers should have a special protection from competition just because of the things that happened 70 years ago."

In the months since the ruling, Costco has begun trying to get out-of-state wine and beer suppliers to sell to it directly, without much success. "We are doing our best," Mr. Sullivan says. "The current system has some inertia and there's great resistance" from wholesalers.

"Everybody wants to see how this plays out," says Mike Martin, a spokesman for Constellation Brands, which has refused to sell wine to Costco directly.

Last year's Supreme Court decision regarding interstate trade applied to wineries, not retailers. But store-owners argue they also should be covered. Some wine stores, wanting to directly ship bottles to consumers nationwide, have begun mounting their own legal challenges to state restrictions.

Earlier this year, for instance, California-based Wine Country Gift Baskets.com, K&L Wine Merchants and Beverages & More joined with a few Florida stores in an alliance to change the rules. The group hired Northern California wineries' legal counsel -- including a former U.S. Solicitor General, Kenneth W. Starr of Kirkland & Ellis -- to help them challenge bans on out-of-state retail orders in states such as Texas. In May, Texas alcohol regulators agreed to suspend enforcement of its ban.

Amid the gradual erosion of rigid rules, other marketers are rushing into the business of selling wine. Often they use nontraditional sales tactics, from flashy floor displays to unusual packaging -- to lure consumers. The players include startups such WineStyles Inc., a fast-growing national franchise of 64 stores which popped up in 17 states in the past two years. It focuses largely in states with less-restrictive wine retailing laws, such as Florida, Texas, Illinois, California and Minnesota.

As retailers gain clout, more sellers are similarly threatening the role of wholesalers by selling their own private-label brands. Generally priced at $20 and under, these store brands are at least twice as profitable to retailers as other wine. Most retailers don't disclose that a particular wine is their private label; shoppers generally can't tell the difference, and don't seem to care.

At Cost Plus Inc.'s World Market, a home-textiles chain that is also one the largest wine sellers in the country, markets its own brands -- such as Atacama Chilean merlot, and Timbuktu Big Block Red, a South Australian blend -- just as if they were any other wine.

**Cheaper Products**

Wine shoppers are romping through a new world of choices. Ruthann Stambaugh of Deltona, Fla., says she recently started experimenting with cabernets from around the world, some of which she purchased from Wal-Mart's Sam's Club, where prices on some brands are $2 a bottle cheaper than at her local wine merchants.

Mr. Vaynerchuk, the director of operations at the Wine Library, started the store's Web site nearly a decade ago, but originally he used it only as a tool to take orders for pick-up. Some states allowed shipping from his store but he didn't bother untangling the forbidding rules.

Over the years, he started keeping track of states that allowed direct delivery. He pounces with each new opportunity. In May, when he learned that Texas had begun allowing shipments from out-of-state retailers, Mr. Vaynerchuk quickly removed the state from his site's "restricted list." Within days, he had sent out email notices to the hundreds of Texans who had previously sent his store email inquiries.

His video tastings appear online almost every day, and they sell wine. Even a $60 old-growth Tuscan red he described as redolent of "stinky socks" saw its sales rise by 5%.



**7. DISCUS Report Handful of Ad Complaints**

Source: *Join Together*

August 24, 2006

The Distilled Spirits Council of the U.S. (DISCUS) reported Aug. 18 that the complaints were related to the content or placement of ads. Complaints were lodged against the makers of Sauza Tequila, Jim Beam Bourbon, Bulleit Bourbon, Svedka Vodka, Seagram's Extra Dry Gin, and Bailey's Irish Cream.

The complaint about Sauza revolved around placement of a billboard near a school in New Bedford, Mass.; the DISCUS Code Review Board agreed that the billboard violated its rules, and the makers of Sauza agreed to take it down. The board also said a Bailey's ad showing a man drinking from an ice bucket ran afoul of rules against depictions of overconsumption; advertiser Diageo pulled the ads after the ruling.

The Board agreed with critics who said that the website for Svedka Vodka violated rules against linking alcohol consumption with sexual prowess, but the company -- which is not a DISCUS member -- did not take any corrective action.

Ads for Jim Beam (banners at a NASCAR Cafe), Bulleit Bourbon (a contest with a mountain bike as the grand prize), and Seagram's Gin (linking drinking to a beauty salon) were found not to be in violation. The entire report can be viewed online in PDF format.



**II. IOWA NEWS.**

**8. Fake ID Season Opens**

By Danny Valentine - *The Daily Iowan*

August 25, 2006



For John's Grocery, the start of the school year is peak season for adorning its infamous "Wall of Shame" with fake IDs.

Since students returned for the fall semester, the number of cards tacked onto the wall has grown to eight, including four from last weekend. Five-year John's employee Dee Jurgens is proud of the store's hard-line reputation.

"It's just more of a game for us," she said on Thursday, adding that the store's only tangible incentive to confiscate the cards is a congratulatory letter from police. But "none of us want to get a personal fine or lose the liquor license for the establishment."

The 401 E. Market St. grocery isn't alone.

As many underage and even under-19 UI students can attest to, getting into a drinking establishment illegally doesn't require too much cunning. But as students return to school, many bars and liquor establishments in the downtown area say they are eager to prove their zero-tolerance status.

"It's always a bigger deal at the beginning of the year," said Mike Porter, the owner of the Summit, 10 S. Clinton St. The students "try to test us," he said.

Porter said he compensates door staffers $10 for each time they stop someone younger than 19 from entering the bar.

Vito's bartender Jason Shibata also said the beginning of the year is prime time for ID snatching. So far this year, Vito's employees have nabbed around 10 of the fraudulent cards at the 118 E. College St. bar, he said.

Several downtown bars - Brothers, Joe's Place, Sports Column, and the Q Bar - refused to comment on their policies.

Although bar owners say underage drinkers are more likely to test their luck at the beginning of the year, 808 owner Robbie Uchida said the total number of fakes is down from previous years. Redesigned driver's licenses, made difficult to replicate by technological advances, are behind the decrease, he said.

Despite claiming to have a strict policy, hea is realistic about the difficulties of catching a fake.

"A good fake is virtually impossible to spot," he said, adding that the 121 Iowa Ave. bar has not yet confiscated many IDs. "We do the best job that we can to find them, short of getting a DNA sample."

Uchida said his employees look for anything, from IDs with tattered or frayed edges to discrepancies in height and eye color. Sometimes, the user of the fake ID does not remember the information on the card, he said.

Even with 19-and-over bars such as 808 closely scrutinizing IDs, Rory Brown, the owner of Dublin Underground, 5 S. Dubuque St., said he thinks minors can more easily score a drink at one of the "underage" bars.

"We don't want to teach people to drink," he said. "We want established drinkers."

But Brown, who said he turns away three to four people a month, readily concedes defeat to Jurgens and the other John's employees when it comes to finding fakes.

Last spring, the grocery store collected 47 fake IDs. Workers have seen every variety of ID violation, ranging from people using their friends' cards to students presenting IDs appearing to be all but hand-drawn.

Finding fakes generates a breadth of reactions, employees said.

"Most of them ask for it back," Jurgens said. "Other people slink away, duck their heads."

They're not getting it back, she said, unless - of course - they are willing to get a police officer to come to John's and prove the workers wrong.

That hasn't happened - yet.

<http://www.dailyiowan.com/home/index.cfm?event=displayArticlePrinterFriendly&uStory_id=ed5267fe-0825-472d-8a27-2ad9b3ac9f56>



**9. Wine Festival Features Grape-Stomping Fun**

*Des Moines Register*

August 21, 2006

Two grape-stomping contests will be part of the festivities Saturday at the second Iowa Wine Festival on the Indianola town square. One of the contests will include local celebrities, and the other contest will be open to anyone who wants to stomp. Stompers will be judged on their style and their ability to produce grape juice.

The festival will feature wines from more than 10 Iowa wineries. There are currently more than 238 vineyards in Iowa.

Tickets are $10 at the gate or $8 in advance. Advance tickets can be purchased from Hy-Vee stores or from the Indianola Chamber of Commerce. Tickets for wine tasting will be available at the event. Commemorative glasses will be given to the first 2,000 people.



**10. New DMACC Class Teaches Wine Production**

*Des Moines Register*

August 21, 2006

Des Moines Area Community College will offer a three-credit introduction to wine class on Tuesdays this fall at the Ankeny campus, 2006 S. Ankeny Blvd.

A day class will be held from 11:15 a.m. to 12:40 p.m. on Thursdays beginning Aug. 31. A night class will meet from 6 to 9 p.m. on Tuesdays beginning Aug. 29.

Both classes will be taught by Paul Gospodarczyk, who earned his degree in fruit science and enology - wine science - from Missouri State University. He has worked for wineries in Colorado, Oklahoma, Oregon and New Zealand.

DMACC is developing a certificate program in viticulture and enology, which will focus on the practical aspects of wine production and vineyard operations.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20060821/NEWS08/608210347/1001/NEWS>



**11. Council to Move on Bar Crowds**

Susan Elgin - *The Daily Iowan*

August 22, 2006

The Iowa City City Council will vote tonight to increase penalties for downtown bars violating occupancy limits.

Under the proposal, fines for overcrowding would be $750 for the first offense, a raise of $500.

"I'm totally for occupancy loads," City Councilor Connie Champion said. "It's time to implement change."

Councilor Bob Elliott said he would like bars to have a couple of months to implement crowd-control procedures.

Bar owners were trained on emergency evacuation plans in March and April, and crowd-control managers will be trained in the upcoming weeks, said Fire Chief Andy Rocca.

Councilor Dee Vanderhoef suggested establishments that continually cram excessive numbers of patrons might have their licenses taken away - similar to the consequence of repeatedly violating the requirements for holding liquor licenses.

UI Student Government City Council liaison Austin Baeth said he supports the amendment to the ordinance because he believes every precaution needs to be taken to ensure public safety. The measure is a good alternative to more drastic measures the council has considered to curb overcrowding, such as the 21-ordinance.

"From the student standpoint, I can see both sides," Baeth said. "Some students will be turned away at the door, but if you're already in the door, then you're not facing crowds."

Some downtown establishments have requested that their occupancy numbers to be reviewed, Rocca said. In some cases, the occupancy load in bars have fluctuated by hundreds of people because of changing provisions, including providing adequate bathroom facilities, seating area, and sprinkler systems.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2006/08/22/Metro/Council.To.Move.On.Bar.Crowds-2236817.shtml?sourcedomain=www.dailyiowan.com&MIIHost=media.collegepublisher.com&mkey=433542>



**12. Liquor House Opens at New Location**

By Hieu Pham - *Iowa City Press-Citizen*

August 21, 2006

Anyone who has driven down S. Gilbert Street lately has probably noticed bright lights from a new glass storefront belonging to a familiar business in Iowa City.

Liquor House, which moved from 326 S.Clinton St. to 425 S. Gilbert St., opened last Thursday and has already seen a surge in business at the bigger and better store, said co-owner Jeremy Harrod.

“It’s a huge upgrade from what we had,” said Harrod, who owns the store with his brother Mark Harrod and former Hawkeye football star Tim Dwight.

The new store is about 25 percent bigger than the old one and has a 400-square-feet walk-in cooler that can house up to 85 kegs. The store’s inventory has doubled, with three new liquor sections and expanded wine collections.

In addition, Liquor House will offer a home delivery service for the first time. That service is available during the store’s operating hours, which is extended during game days.

“I was worried about people not knowing where we were,” said Harrod.” (But) it’s a better location and it’ll end up better in the end.”

Harrod said he and his partners have been eyeing other locations but it was damages occurring from the April 13 tornadoes that really prompted the move.

Damages closed the store on Clinton St. for about a month. When it reopened, it operated without any air-conditioning as a result of remaining damages to the cooling system.

“It was terrible place to work,” Harrod said, adding that all former employees have been transferred to the new store.

The old Liquor House is scheduled to be demolished on Sept. 1. The building is owned by Hieronymus Square Associates, a group of developers intending to use that area on the southwest corner of Clinton and Burlington streets to build a $40 million, 13-story high-rise.

So far, the new location - and the new look - has been good for business, Harrod said.

He said the old Liquor House was “pieced together” since its original design was intended for office space use. Now it has a large glass storefront easily seen by drivers, a back area to pick up kegs, more foot traffic in general at the heavily trafficked street.

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20060821/NEWS01/60821003/1079>



**13. Survey Says UI is No. 9 Party School**

By Mike McWilliams - *Iowa City Press-Citizen*

*August 22, 2006*

And tops 'students never study' list

When it comes to partying, the University of Iowa ranks ninth best in the country, according to a survey released today by the Princeton Review.

The list, which is not affiliated with Princeton University, is based on surveys of 115,000 students and is included in the Princeton Review's "Best 361 Colleges." The University of Texas-Austin topped the best party school list.

Besides being named a best party school, UI ranked No. 1 nationally in the "Students (almost) never study" category. It ranked 12th in "lots of hard liquor," 14th in "Teaching assistants teach too many upper level courses" and 15th for "lots of beer."

Last year, UI was ranked the eighth best party school, according to the Princeton Review.

Jeanne Krier, publicist for Princeton Books, said where other surveys list schools based solely on academics, the Princeton Review includes other important factors to consider when picking a college. Last Week, U.S. News and World Report ranked UI No. 25 among the nation's top 50 public universities and 64th among nearly 250 public and private universities.

"Certainly, schools where there's a high social life, it can be very important to some sets of students and what they go for, but that's not to say they're not academically great schools," Krier said. "The question isn't what's the best school academically, it's what's the best school for you?"

UI spokesman Steve Parrott criticized the rankings as little more than a marketing ploy by the Princeton Review to help sell books. Parrott said the findings are not scientifically valid and should not be taken too seriously.

"The only thing I would comment on is we know we have a problem with students who drink too much ... and we don't really need the Princeton Review to tell us that," Parrott said. "Give them credit for knowing that they've found a good way to market themselves, but that's about the only thing you can say about it."



**14. Our View – Bars Should be Responsible for Checking Occupancy**

*Iowa City Press Citizen*

August 25, 2006

The Iowa City Council made the right decision Tuesday in its unanimous vote to increase fines for bars that exceed their occupancy limits.

Two years ago, the council decided against imposing a 21-only ordinance on the city's bars and nightclubs. At the time, we described the decision as the councilors caving to complaints from college students and bar owners; others viewed the decision as a pragmatic realization that the downtown economy needs a large student presence in order to survive; a few others even bought the specious arguments that underage drinking in downtown bars was safer than at house parties elsewhere in the city.

However the council's earlier decision gets described, it has left downtown Iowa City with a significant underage drinking problem. For the last two years, city staff along with police and fire officials have been trying to figure out how to enforce the drinking laws and to improve public safety in an environment in which overcrowded bars and underage consumption seems all but inevitable.

In the absence of a 21-only ordinance, we've been supportive of the fire department's recent efforts to enforce stricter fire codes in bars ("Bars wary of stricter fire codes," April 7) and of the police department's more specific criteria for denying liquor license renewal ("Pragmatic, yes, but moral?" June 25). As such, we're generally in agreement with the spirit of the new proposal ("Fines could triple for overcrowded bars," Aug. 18, and "Occupancy issues rise with change of code," Aug. 23).

Currently, bar owners face a $250 fine for a first offense, a $500 fine for a second and a $750 fine for a third. Iowa City Fire Chief Andy Rocca said that after exhausting other methods for controlling occupancy rates in the downtown bars, his department is asking the council to raise the fines to $750 for the first offense and $1,000 for additional offenses.

Brian Flynn, co-chairman of the Iowa City Alcohol Advisory Board and owner of Joe's Place, said that most bar owners are willing to enforce reasonable occupancy standards, but many complain that the standards already are too limited and include variables -- such as bathroom size -- that have little to do with fire safety concerns. With the start of the school year and the Univeristy of Iowa football season, there's little time for owners to make the changes necessary to increase their occupancy.

Because some bar owners stand to profit when drinking laws and fire ordinances are not followed, they need strong incentives to do a better job of counting heads. If they are so dead-set against a 21-only ordinance, they will have to work more closely with public safety officials.

We would be even more in favor of raising the fines if the occupancy rates had been enforced more regularly under the current levels. Because the fire department has said it will spot-check occupancy more often, however, we urge the council to pass the proposal.

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20060825/OPINION03/608250301/1018>



**III. OTHER STATE NEWS.**

**15. Liquor Control's Interim Chief Gets the Job Full Time (Oregon)**

**By Janie Har – *The Oregonian***

August 19, 2006

State liquor commissioners picked an insider as Oregon's new director of the Oregon Liquor Control Commission on Friday.

Steve Pharo, 57, will continue to lead the agency he temporarily inherited after Teresa L. Kaiser resigned in April following a two-car crash involving alcohol. Kaiser has pleaded not guilty to drunken driving and six other misdemeanor charges.

"It was a hard decision but it was a decision we finally came to agreement on, that his experience outweighed the experience of the other candidate," said Phil Lang, chairman of the five-member commission, which sets policy for the agency.

The vote was unanimous, he said.

Commissioners picked Pharo after private interviews with him and finalist Don Wood, a retired banker. The two men presented clear differences: a 12-year agency veteran liked by staff and familiar with the process and a savvy businessman new to Oregon with the potential to shake up the agency.

Commissioners debated in executive session for nearly two hours and brought Pharo back for a second round of questions.

Pharo is responsible for a 211-person agency that regulates the sale and consumption of beer, wine and distilled spirits in the state. Officials expect liquor sales to hit about $722 million for the two-year budget period ending June 2007.

"The OLCC is one control system, which means we focus on our core mission of public safety, in the way we deal with licensees and deliver the distilled spirits and services that Oregonians have come to expect," Pharo said in a statement.

Lang was anxious to get a director in place for upcoming holidays and the start of the 2007 Legislature, which convenes in January. The agency received nearly three dozen applicants for the job, mostly from people in Oregon.

Pharo most recently led the distilled spirits division. He is a retired colonel in the U.S. Marine Corps Reserve, has a bachelor's degree from the University of Alabama and an MBA from George Fox University in Newberg. He has worked for the agency since 1994 and lives in Vancouver.

He will receive an annual salary of $109,128.



**16. Bill Allowing Liquor Distillers to Sell to Retail Stores Gets Veto (New York)**

*The Business Review*

August 18, 2006

Albany, NY -- Fear of inviting litigation from out-of-state companies has caused New York Gov. George Pataki to veto a bill that would have given small distillers of liquor the same ability to sell their product at retail as farm wineries have.

Current law allows distillers to produce up to 35,000 gallons of specialty liquors a year, but they are limited to selling that product to wholesalers because they cannot sell to retailers for off-premises consumption.

The legislation would have ended that prohibition and allowed the small distillers to sell their product at retail. It would also have allowed the liquor products to accept orders by mail or over the Internet for shipment to New York customers.

Pataki said the bill, if it had become law, would have invited litigation from out-of-state distillers seeking the same ability to ship their products to New York consumers. A similar legal fight ultimately resulted in out-of-state wineries being able to ship their product directly to New York consumers, but only from states which allow New York wines to be imported to their citizens.

<http://albany.bizjournals.com/albany/stories/2006/08/14/daily46.html>



**17. Judge Opens Kentucky to Wine Shipments (Kentucky)**

By David Goetz - *The Courier-Journal*

August 22, 2006

Small wineries inside and outside Kentucky can ship products anywhere in the state, a federal judge ruled Tuesday, if they have a state license.

The ruling, by U.S. District Judge Charles Simpson in Louisville, said the state cannot enforce the criminal statute against out-of-state wineries shipping into Kentucky.

The ruling also strikes down provisions of current Kentucky law requiring consumers who want wine shipped to order it in person. That could allow orders of out-of-state wine by telephone, mail or Internet.

Simpson said requiring customers to order in person gives too much advantage to Kentucky wineries, violating interstate commerce protections.

It's unclear what the ruling means for a new state law governing small wineries that goes into effect in January. Legislators most familiar with the new law could not be reached late Tuesday.

<http://www.courier-journal.com/apps/pbcs.dll/article?AID=/20060822/BUSINESS/60822035>



**18. Study Hits Wine Sales 'Monopoly' (Massachusetts)**

By Chris Reidy, *Globe*

August 23, 2006

**Food store proposal would lower prices, Mass. trade group says**

Advocates for a November ballot initiative that would allow more Massachusetts food stores to sell wine said yesterday that their proposal would save consumers $26 million to $36 million per year by ending the ``virtual monopoly" of wine sales by package stores.

That assertion was part of a $38,000 study prepared at the request of the Massachusetts Food Association , a trade group of local grocery stores and the prime mover behind the ballot question.

Partly based on comparisons of wine sales in states where many grocery stores can sell wine with sales in states where they can't, the study estimates that if voters approve the initiative, Massachusetts wine prices would fall 5 to 7 percent because of increased competition.

The Wine Merchants and Concerned Citizens for Safety , a group that opposes the initiative and includes many package stores, noted there are already 2,500 independent wine merchants in Massachusetts, providing consumers with plenty of competition and convenience.

The food association study doesn't take into account ``the social costs that will be incurred by the single largest expansion of liquor licenses in this state in its history," said Justine Griffin , a spokeswoman for the group. ``Consumers and concerned parents have to decide whether we really need over 2,800 new liquor licenses in Massachusetts."

According to the group, national grocery and convenience store chains have no incentive to police underage drinking, and it will increase if the initiative is approved because alcohol will be more widely available.

Christopher Flynn , the president of the Massachusetts Food Association, said he expects fewer than 1,000 food stores to apply for wine licenses, and he dismissed claims that selling more wine in food stores would increase underage drinking; there is no evidence to suggest that underage drinking violations are higher in states where many grocery stores can sell wine.

Besides, most underage drinkers gravitate toward beer and liquor, not wine, he said.

Arguments about underage drinking are a ``smoke screen" by package stores, said Flynn, adding: ``It's an economic issue. They're trying to protect a virtual monopoly."

According to the study, an estimated $515 million in wine is purchased annually in Massachusetts, with package stores ringing up 85 percent of that total and convenience and grocery stores accounting for the rest. That figure doesn't include wine bought in bars and restaurants.

Package stores own the majority of the 2,555 liquor store licenses in the state, according to the study. A 1934 law also prohibits one person or company from owning more than three licenses statewide, a barrier to supermarket chains that want to sell wine in all their Massachusetts stores.

Under current regulations, 30 to 40 of the food association's roughly 600 grocery stores have licenses to sell some form of alcohol, Flynn said.

``Because current state law protects the market power and market share of package stores, they can sell more wine than retailers in other states and can charge higher prices and make higher profits on wine sales," the study claims.

The ballot initiative would create a category of licenses that grocery stores could apply for to sell wine, Flynn said.

The study was prepared by the Northbridge Group of Westford. Yes on 1: Grocery Stores and Consumers for Fair Competition , a group that Flynn chairs, paid for the study, Flynn said.

``We restrict licenses to control certain industries to keep people safe," Griffin, an opponent of the initiative, said. ``Just because someone will make more money, in this case, Stop & Shop and 7-Eleven, doesn't mean it's a good idea."



**19. Drink Coupons Draw Fire at UGA (Georgia)**

Source: *WXIA / 11 Alive*

August 21, 2006

In Athens, less than a week after the beginning of fall classes, the off-campus bars and pubs are competing for the UGA students' beer money more fiercely than ever.

Some of the businesses have just started distributing coupons for drink discounts to students of all ages, including underage students.

UGA students who shop at a couple of privately-owned bookstores off campus -- the Off-campus Bookstore and the East Campus Bookstore -- can get a bonus with their book buys -- coupons for drink deals -- alcoholic drinks at a discount.

The coupons are free for the taking, right there on the check-out counter, a booklet of discounts at more than a hundred athens-area businesses, including about a dozen bars and liquor stores and pubs offering the students discounts, by the drink, the bottle and the pitcher.

"it really doesn't bother me, as long as you're of age, I think you should be allowed to have the coupons," said UGA student Zac Smith.

Student Juanchella Kemp said, "It's just sending that message, like, drink, drink, drink. I don't agree with it personally. I don't agree with it."

UGA's Community-Campus Alcohol Coalition, which is working to reduce DUIs and alcohol poisoning and binge drinking, says the coupons are one more assault on vulnerable students.

"We certainly want them to realize what the laws are, we certainly want them to realize that there are other things to do besides using alcohol irresponsibly and in an unhealthy way," said Dr. Pat Daugherty, assistant vice-president of student affairs.

Businesses that are advertising in the coupon book insist they are targeting those people who are 21 years old and older, and they can't afford to do anything that would jeopardize their liquor licenses.

They say the coupons are nothing compared to all the advertising and promotions students see constantly in the free newspapers distributed all over town -- ads that target adults.

"I carry 17 different kinds of beers, but it's for the 21 years and up age group. It's not for the underage kids. I mean, we're very hard on ID-ing people," said Mark Lake of the Broad Street Bar and Grill.

And just in case a student gets into trouble, drunk or sober, the booklet also includes student discounts for local bail-bond companies.

The owner of the bookstore where the coupon books are available says that the marketing company had promised him there would be no alcohol promotions in it.

So he says he will not renew his contract with the company unless the drink coupons are taken out, from now on. The company would not comment.



**20. Vodka Ad Too Sexy for Buses, Okay for Taxis (New York)**

By Bradley Hope, Staff Reporter – *Sun*

August 23, 2006

The advertisement could be considered run-of-the-mill these days: Beside the word "Georgi" in bright yellow block letters is a close-up of the backside of a woman wearing a string-bikini. Her skin is dusted with sand, as if she has just risen from a short rest at the beach. A bottle of vodka is superimposed next to her; the word "Georgi" is written in green letters on the bikini bottom.

"Georgi, The First Name In Vodka," it beckons.

Similar ads are found at beach resorts and in clothing catalogs. Scantily clad women, it is commonly thought, are powerful, albeit blunt, ammunition for companies competing for the youth market.

However, the vodka advertisement was removed from 365 city buses last December for a reason the Metropolitan Transportation Authority's marketing company, CBS Outdoors, won't disclose. The company replaced the advertisements with another, almost identical advertisement - instead of the bikini bottom, there is a naked woman who covers herself by crossing her legs and arms.

While the MTA deemed the advertising too risqué for the city's buses, the Taxi and Limousine Commission decided that it was appropriate for the tops of the city's yellow cabs. The advertisements have run on 150 yellow cabs since the beginning of the month, and will stay up for at least another week.

Martin Silver, the chief executive officer of Star Industries, which distributes Georgi vodka along with three other brands, said the MTA's standards curtailed his free speech and ability to sell his product.

"The city didn't like such a sexy ad, but if you go five blocks in the city you'll find sexier ads than this one," he said.

He said the bikini-clad model is his daughter, Laurie Adams, a 36-year-old promotions and advertising manager at Star Industries.

"Best buns in the city," he said. "Her friends call her 'buns' now."

Ms. Adams echoed her father's defense of the ad, calling the MTA's decision "a shame."

"I just happen to think it's a great ad," she said.

Asked what the advertisement communicated to the general public, she said: "It conveys just fun, a good time," she said, adding "taste" after a moment's thought. The photo shoot took place at Coney Island, she said.

The owner of Beekman Liquors Inc. on Lexington Avenue, David Frieser, said a liter-sized bottle of Georgi vodka sells for about $10.

"It's very inexpensive, a sort of a pouring vodka - the kind you use for mixed drinks that don't call for a specific brand," he said. On a scale of one to 10, one being the worst in quality, he said it was a two, with rubbing alcohol rating a one.

A spokesman for the MTA, Tom Kelly, said CBS Outdoors manages all advertising on the subways and buses. The MTA sets the ground rules about sensitivity to the city's communities. If an advertisement is put up that MTA officials believe to be in bad taste, they would ask CBS Outdoors to take it down, he said. Mr. Kelly said the decision to remove the Georgi ad was made by CBS Outdoors.

"We stand behind our original decision in December," a spokeswoman for CBS Outdoors, Jodi Senese, said in a statement. "We are sensitive to the community's standards, as our buses travel through every neighborhood in the five boroughs and are viewed by millions of people every day, children included. We do our best to ensure that all our displays are appropriate in the venues in which they are presented."

A spokesman for the Taxi and Limousine Commission said a marketing company, Clear Channel, handles all of its ads and that no one in the commission exerts any editorial control over them.

"It's always a case-by-case basis of what someone may think at the time is appropriate or not appropriate," the chief executive officer of Clear Channel's Taxi Media Company, Charlie DiToro, said. It is against the company's policy to comment on specific cases or how it decides if an advertisement is appropriate, he said.

Both advertising companies said they had rejected scores of inappropriate advertisements in the past, but refused to specify what they were advertising.

Although CBS Outdoors refused to point out the specific element of the photograph that it considered inappropriate, a furniture restorer from Cambridge, Mass., who was shown the ad, Devin Mead-Ward, said he had an idea as to why it was banned.

"I would say it's no worse than anything else I see," Mr. Mead-Ward, 26, said. "But I think the sand makes it more suggestive sexually."



**21. Alcohol Servers May Train Online Soon (Oregon)**

*KTVZ – Channel 21*

August 22, 2006

The Oregon Liquor Control Commission could move some alcohol server training out of the classroom and into cyberspace if a study it proposes says that’s the way to go.

After denying three industry petitions to allow online server training, commissioners recently ordered staff members to quickly begin rulemaking to allow for the possibility of online training for the entry-level course. Part of that process will be to look into the effectiveness of online server training, classroom training, or a combination of both delivery methods. Renewal server ed training is already offered online.

There has been lively debate over the issue, with classroom instructors advocating for their “hands-on” style of training; and online providers stressing that computer programs are more consistent, accessible and appealing to younger servers.

Each year the OLCC requires more than 25, 000 alcohol servers to take a 4 1/2-hour server-education class which covers liquor laws, safe serving techniques, ID-checking, signs fo customer intoxication and related subjects. Servers pay $23 for an OLCC permit, which is valid for five years. The training class must be taken within 45 days of applying for the permit and costs $25 - $40. About 92,000 Oregonians have OLCC service permits.

The Oregon Restaurant Association (ORA) and Adam F. Chafetz, of Arlington, VA., of the eTIPS online server program, both petitioned the OLCC to amend administrative rules to allow Web-based training. A second ORA petition requested a pilot program to test the online course. The commission voted 4-1 to deny the petitions.

A package of proposed rules is expected by the Sept. 18 commission meeting, said Katie Hilton, OLCC rules coordinator.

<http://www.ktvz.com/story.cfm?nav=oregon&storyID=16395>



**22. Liquor Board Staff Favors Ban of Sale of 28 Beers and Wines (Washington)**

By Jim Brunner, Staff Reporter - *Seattle Times*

A proposed ban on the sale of more than two dozen cheap beers and wines in several Seattle neighborhoods moved closer to reality Wednesday as the staff of the Washington State Liquor Control Board recommended that the board approve the ban.

The liquor board will make a final decision on the proposal at a meeting next Wednesday in Olympia. In brief comments Wednesday, at least two members of the three-member panel appeared inclined to vote for the proposal.

The ban has been sought for years by neighborhood activists and city officials concerned about litter, panhandling and other problems associated with street drunks.

The city's proposal would apply to two so-called alcohol-impact areas (AIAs): one covering downtown, the Central Area, Chinatown International District, Belltown and Capitol Hill and the other covering the University District. The new rules also would apply to Pioneer Square, where sale of fortified wines and single containers of beer already is banned.

While the AIA proposal has been supported by neighborhood and business groups, owners of some small, immigrant-run convenience stores have argued that the ban puts an unfair burden on them and would put them out of business.

The city's list of banned products was reduced to 28 in the final proposal presented Wednesday. The list originally included 34 products, but liquor-board staff found that several beers on the list were no longer sold in the state. Those beers were removed from the list, and one additional beer, Red Dog, was added.

Board member Roger Hoen said he lives in a blue-collar neighborhood and sees people pick up some of the beers on the list after a hard day's work. He acknowledged that some "innocent" people might be inconvenienced by the ban, but said sacrifices sometimes have to be made for "the larger good."



**23. Sam's Club is Refused OK to Sell Alcohol (Massachusetts)**

By Tamara Race - *The Patriot Ledger*

PLYMOUTH - The first big-box retailer to seek a liquor license on the South Shore suffered defeat last night at the hands of Plymouth selectmen.

The board voted 5-0 to reject the Sam's Club request, saying there was no public need for another liquor store in the West Plymouth area.

''We're disappointed,'' Sam's Club attorney Robert Kraus said. ''I thought we had a shot. It's a good company in a good location. We're just trying to service our customers. They're not coming here for alcohol; it's just a convenience.''

Krause said the license would not threaten smaller liquor stores that offer more variety and more services.

''We're a destination store that serves more than Plymouth residents,'' Kraus said. ''Wal-Mart and Sam's Club invested $39 million in building the two stores. That's a significant investment in the community.''

But the five liquor store owners who attended the meeting said a big-box store selling alcohol could put them out of business. They strongly urged the board not to grant the license.

Plymouth Liquors owner Michael Karagosian said Sam's Club is less than a mile from his store and would put him out of business.

He asked the board to wait until November to see how people vote on a statewide ballot question on letting supermarkets and convenience stores sell beer and wine.

Owners from Luke's Liquors, Cedarville Wine and Spirits, Pioppi's, and Pilgrim Wine and Spirits said letting Sam's Club sell alcohol would hurt their business.

Selectmen said they could not consider the competition issue, but all of them thought there was no public need for another liquor-selling establishment in West Plymouth.

Big-box retailers are limited to three liquor licenses per state, according to Kraus.

Sam's Club would be giving up its Natick store's liquor license in exchange for the Plymouth license, Kraus said. He said the Natick store is closing.

Selectmen can only consider location, credentials and public need in deciding whether to grant a liquor license.

Kraus said Sam's Club executives would have to decide whether to appeal the selectmen's decision to the state Alcoholic Beverages Control Commission.



**24. Milwaukee, Not Vegas, America's Drunkest City (Wisconsin)**

Source: *Forbes Magazine*

August 25, 2006

**Surprisingly, some party towns didn't top survey, but Boston and Austin did**

It will come as no surprise that the residents of a city known as "The Nation's Watering Hole" like to have a beer or two.

But Milwaukee isn't just your average brewing town. It's the hardest-drinking city in America, according to Forbes.com's ranking of America's Drunkest Cities.

To determine the rankings, we started with a list of the largest metropolitan areas in the continental U.S. Thirty-five candidate cities were chosen based on availability of data and geographic diversity.

Each city was ranked in five areas: state laws, number of drinkers, number of heavy drinkers, number of binge drinkers and alcoholism. Each area was assigned a ranking in each category, based on quantitative data, and all five categories were then totaled to produce a final score, which was sorted to produce our rankings. (Click here for the complete methodology.)

Milwaukee ranks high for its drinking habits across the board. According to data from the Centers for Disease Control and Prevention's Behavioral Risk Factor Surveillance System Survey 2004, more than 70 percent of adult Milwaukeeans reported that they had had at least one alcoholic drink within the past 30 days - the highest percentage on our list. Twenty-two percent of Milwaukee respondents confessed to binge drinking, or having five or more drinks on one occasion--also the highest on our list. And 7.5 percent of the population were reported as heavy drinkers - adult men that have more than two drinks per day, or adult women who have more than one drink per day.

High percentages of alcohol consumption and abuse can translate into serious trouble for a city, including increased public health costs. (See "Cutting Alcohol's Cost.")

Milwaukee has long had a reputation as a city built on beer. It was once the nation's top beer-producing city, home to four of the world's largest breweries: Schlitz, Pabst, Miller and Blatz. Legendary sitcom characters Laverne and Shirley fixed bottle caps on one of the city's assembly lines. Even the name of the town's baseball team - The Brewers -alludes to its boozy past. Today, Miller Brewing, now a subsidiary of SABMiller, is the only major brewery left in town, but other major corporations call the city home, including Harley-Davidson, Briggs & Stratton and Manpower.

Prominent Milwaukeeans say the city's history gives it a bad rap. "It's just such a stereotype," says "Lips" LaBelle, longtime afternoon DJ on 94.5 FM WKTI. "Milwaukee has so much to offer, and I hate to see it painted in that light. I don't think [alcohol abuse] is any worse here than in any other city." Perhaps the city's wide and varied summer activities are driving up the alcohol numbers, he suggests - Milwaukee is also known as "The City of Festivals."

Or, there could be another explanation. "It's cold here, and we need our brandy," says LaBelle.

Coming in second on our list is another chilly metro: Minneapolis-St. Paul. The twin cities ranked No. 2 for adults who reported having had a drink in the last month, No. 3 for binge drinkers and No. 12 for heavy drinkers.

Rounding out the top five drunkest cities are Columbus, Ohio; Boston; and Austin, Texas.

Curiously, several towns with a reputation for partying and drinking didn't rank very high on the list. You might be able to score a free cocktail in any Las Vegas casino, but overall, the city comes in at only No. 14. New Orleans is home to Bourbon Street and Mardi Gras, but it only ranked in 24th place. And spring-break party spot Miami placed all the way down at No. 33 of 35.

Of course, just because a city ranks high on the list doesn't make it a den of debauchery. A top-drinking town could be populated by grandmas who imbibe a glass of wine every night to keep their heart healthy. And just because someone tips back a few beers doesn't make them irresponsible.

But it's a safe bet that nobody's going thirsty in Milwaukee.

