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

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|  | e - NEWS |
| *September 22, 2006* | |

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

**1. Taking Wine Home in a Doggie Bag**

By Vanessa O’Connell – *Wall Street Journal*

September 21, 2006; Page D1



We had finished our dinner, but our bottle of $35 Italian wine was still half full. So we asked the waiter at Manhattan's Parma restaurant if we could take it to go.

The waiter didn't blink. He took the bottle, and a few minutes later, placed it back on our table -- recorked, with tinfoil over the top, and wrapped up in a plastic "I Love New York" bag.

We asked to have our bottles recorked in five cities. It used to be illegal in New York and many other places in the U.S. for a customer to leave a restaurant with an open wine bottle. Now, about 34 states have passed "recorking" laws letting restaurant patrons take home partially drunk bottles of wine, as long as the bottles are properly sealed. Proponents believe that these laws, sometimes known as "cork-and-carry" laws, will encourage more-responsible consumption of alcoholic beverages because customers won't feel pressure to finish a bottle of wine on the spot. For the same reason, many restaurants expect more customers to order full bottles of wine when they go out to eat, knowing they can take it with them if they don't finish. Tom Pirko, president of consulting firm Bevmark, of Santa Ynez, Calif., believes the practice of recorking restaurant wine is "one of the contributing factors for the vigorous recent wine sales."

Some restaurants have been reluctant to encourage patrons to take home partially drunk wine, because they worried that liability issues hadn't been carefully examined. But generally, their concerns have eased as they have become more comfortable with the requirements of new laws. (For instance, the New York law, enacted in 2004, specifies that the wine must be securely resealed and placed in a "one-time-use tamper-proof transparent bag.")

A restaurant's profit is anywhere from two-and-a-half to five times the wholesale cost of the bottle, which gives them a big incentive to try to encourage wine sales by letting wine drinkers take the leftover home. When customers at Cole's Chop House in Napa, Calif., finish their meals, for instance, waiters often show up with desserts and a tall, slender brown bag. Without prompting, they ask whether to recork the wine, and after doing so, will place it in the bag.

"A proven marketing idea" is how WineDoggyBag.com describes the new laws. The San Juan Capistrano, Calif., start-up, now in its second year, supplies restaurants with tamper-proof, transparent, one-time-use bags designed for restaurant patrons looking to take home unfinished bottles of wine. It also suggests restaurants put stickers on wine lists that say: "Take home your unfinished wine. Ask your server for details."

To see how easy restaurants are making it to pack up leftover wine to go, we dined out at five restaurants around the country and asked to take home the wine we hadn't finished. All but one of the restaurants we visited were in states that had laws in place allowing wine doggie bags.

Our experience showed restaurants were very willing to let us take the wine home, even in Illinois, where the so-called "merlot-to-go" law at the time had been passed by the state legislature but hadn't yet become effective. (The law was signed by the governor on July 24.) One restaurant took an extra measure to make patrons like us feel comfortable carrying out their leftover wine. At Patina restaurant in Los Angeles, we waited until our date was in the restroom, then said: "This is a little awkward, but can we take the wine in a doggie bag?" The reaction: "Of course! You paid for it!" Our server then discreetly left the doggie bag for pickup at the maître d' station, so we could reclaim it as we headed out the door.

But at the same time, we discovered that many restaurants do very little to package the leftover wine in a sophisticated way. Generally, we found ourselves walking out of the establishments with our wine bottle wrapped in a white, plastic grocery-store bag. At a seafood restaurant in downtown Des Moines, Iowa, when our waitress delivered the check, we said, "We only drank half our wine. May we take it home?" Without hesitation, she cheerily replied, "Certainly. I'll get you a bag." She returned with the kind of plastic bag you get in grocery stores and produced a metal screw top for the bottle from her pocket. She then placed the bottle in the bag and twisted it around the neck. "Looks kind of tacky," she rightly observed.

What's more, before you run out to a restaurant and expect to leave with your half-empty bottle, you should call ahead and make sure it's okay. Lynn Walding, administrator of Iowa's Alcoholic Beverages Division, said that restaurants in the state must pay $500 for a special license if they want to let patrons take home open bottles of wine. The manager of Splash Seafood Bar & Grill, the Des Moines restaurant we visited, acknowledged that a waitress there shouldn't have let us take the bottle home, since Splash doesn't have the requisite state license. He added that she was being "overly friendly."

Keep in mind that about 40 states and Washington, D.C., have "open container" laws prohibiting people from traveling in a car with an open bottle of wine, liquor or beer. In Iowa, recorked wine is considered "unsealed," and is supposed to be placed directly in the car trunk.

At Jeffrey's, in Austin, Texas, our waiter told us "as long as it's corked up, you can take it," and then he picked up the cork and pushed it halfway into the bottle. He didn't provide a bag. As we left, we grabbed the bottle, walked outside, gave the valet our car ticket, then handed the wine to our passenger and drove home. Turns out we broke the law. According to Carolyn Beck, public information officer at the Texas Alcoholic Beverage Commission, what Jeffrey's did was perfectly legal. But having an "open container" in out car was a Class C misdemeanor punishable by up to a $500 fine. Any open bottle of wine must be in either a locked glove compartment or the trunk.

Even so, we felt that perhaps restaurants should encourage more people to take their wine home. The night we were at Jeffrey's in Austin, for instance, one patron was escorted into the bathroom, which she occupied during all of our meal, because, the waiter told us, she and her table had a little too much to drink.

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| **RESTAURANT/CITY** | **COST MEAL/WINE** | **HOW REQUEST WAS MADE** | **REACTION** |
| **Patina** Los Angeles | $231.66  (before tip)/$62 | After meal, asked: "This is a little awkward, but can we take the wine in a doggie bag?" | "Of course! You paid for it!" |
| **Parma** New York | $390 (before tip) for a party of four/ $26 | After we finished our meals, asked for leftovers to be wrapped up -- including unfinished wine. | Waiter indicated there would be no problem. |
| **Splash Seafood Bar & Grill** Des Moines, Iowa | $196.52  (with tip)/ $36 | As our server delivered the check, we said, "We only drank half our wine. May we take it home?" | "Certainly. I'll get you a bag." |
| **Jeffrey's** Austin, Texas | $210  (before tip)/$34 | While ordering an after-dinner coffee, we asked: "I think we're done drinking for the night. Could we take the bottle home?" | "As long as it's corked up, you can take it." |
| **Kiki's Bistro** Chicago | The meal cost $149  (before tip)/ $39 | At the end of our meal, we asked if we could have a "doggie bag" for the wine, which was still about a third full. | Our waiter initially refused, saying that was "against the law." He later let us take it, saying the restaurant would make an exception for us. The law had been passed by the state legislature but hadn't yet taken effect. |

**---- Ethan Smith, Richard Gibson, Russell Gold and Ilan Brat contributed to this article**

<http://online.wsj.com/services/article/SB115880773637369747-search.html?KEYWORDS=%22doggie+bag%22&COLLECTION=wsjie/6month>



**2. How Heineken Dropped the Ball With Amstel**

By Al Ries – *AdAge.com*

September 17, 2006

**A Hard Look at a Light Beer’s Marketing Strategy**

Years ago, I was invited to Amsterdam to make a presentation to the marketing staff at Heineken. We'd like you to come back every year to keep us up-to-date on marketing trends, I was told.



Heineken, which owns the Amstel brand, has launched Heineken Premium Light, which directly competes against Amstel. Does this make sense? |

**Sacred cows**

That invitation lasted for about an hour and a half. As soon as I reached the law of line extension in my presentation, the faces in the room clouded up and I knew I was on the wrong side of one of their sacred cows.

Why are so many marketing people enamored with line extensions when history shows that line-extension successes are mostly "illusions."

Which brings us to Heineken and its recent launch of Heineken Premium Light. What is astounding about this move is that Heineken already has an imported light beer in the American market, Amstel Light. Why would you want to compete with yourself?

**Corona Light**

As a matter of fact, Amstel Light is the largest-selling imported light beer in the U.S. until recently when it was passed by Corona Light.

Which proves, of course, that a line extension is better that a new brand. Or does it? How successful is Corona Light?

If you look at the numbers, not very. Corona Extra outsells Corona Light 11 to 1. (The confusion factor between Extra and Light is probably responsible for some of Corona Light's sales.)

Companies tend to treat a line extension as a separate brand when logic suggests that consumers see a strong connection between the base brand and the extension. (Diet Coke is widely perceived as regular Coke with the sugar replaced by an artificial sweetener.)

**Like a teeter-totter**

This connection is like a teeter-totter. When the extension goes up, the base brand goes down. Sometimes dramatically. The success of Miller Lite just about killed Miller High Life. And the same thing happened with Coors Light and regular Coors.

While line extensions seldom work, what almost always works in marketing is being first. After the repeal of Prohibition in 1933, Heineken was the first imported beer to enter the U.S. market. And Amstel Light was the first imported light beer.



Heineken was the first imported beer to race into the U.S. market when Prohibition was repealed. Being first was a key factor in the brand's long-term success here.

The power of being first in the mind is so overwhelming that you can do almost everything else wrong and still be successful. Let's look at Amstel Light.   
  
**Naming mistake**

Heineken made a mistake with the name. They should have just called the brand "Amstel." The "Light" implied that the brand was a line extension when it was not. (At least, not in the U.S.)

Later, they also line-extended the brand, confusing everybody. In addition to Amstel Light, they tried to sell Amstel Bier, a lager, and Amstel 1870, a pilsner. This couldn't possibly work and it didn't.

Being first is the most important move you can make in marketing, but it's not everything. To assure your brand's longevity, you should add a conceptual idea that attests to the brand's leadership and authenticity -- like Budweiser's "King of Beers" or Nike's "Just do it."

**Memorable and meaningful slogan**

Every big beer brand usually has some favorable association. Coors is brewed with "Rocky Mountain spring water." Miller is associated with "Miller Time." Samuel Adams is the "microbrewed" beer.

But what's an Amstel Light? What memorable slogan does your average beer drinker associate with Amstel Light?

Live tastefully? The brand's latest slogan sounds more like a strategy for a clothing brand rather than a beer brand. Prior to that, Amstel Light was the "Beer drinker's light beer." (I thought the beer drinker's light beer was Bud Light.)



Corona Light now outsells Amstel Light, depriving Amstel of its previous claim to category leadership.

In the 25 years that Amstel Light has been on sale in the U.S. market, the brand has failed to associate itself with any motivating idea or concept. Now that Corona Light outsells Amstel Light, the brand can't even claim the leadership position in imported light beer.

**Heineken's weak slogan**

For that matter, what's a Heineken? Their current slogan, "It's all about the beer," doesn't define the brand in any meaningful way.

In Colombia, Heineken has used the slogan "La cerveza más famosa del mundo" ("The most famous beer in the world"). Not a bad idea for the leading imported beer in many countries.

Then there's the Heineken campaign that tried to associate the red star on the bottle with the brand. Typical billboard headline: "Stare at this for a long time and you'll see a red star."

A red star? Why in the world would Heineken want to use a Russian symbol for a Dutch beer? (Would a Russian beer use a tulip as a visual symbol?)

**The power of color**

Furthermore, Heineken has a unique color (green) that it never has taken full advantage of. Color can be a very effective branding device. Tiffany has blue. UPS has brown.

What the green jacket has done for the Masters golf tournament, the green bottle could have done for Heineken.

If you want to build a successful long-term brand, for a beer or any other product, you can't go wrong by following two simple rules. (1) Be first. (2) Rub it in with an anthem that resonates with consumers.

And go light on line extensions.

<http://adage.com/article?article_id=111926>



**3. Pernod May Take a £2.7bn Shot of Vodka**

By Harry Wallop – *Daily Telegraph*

September 22, 2006

Pernod Ricard, the French drinks giant, said it would "have a very close look" at Absolut vodka, if the Swedish brand comes up for sale. There has been intense speculation as to the future of Swedish state-controlled Vin & Sprit, the owner of Absolut, following the victory of the centre-Right alliance last weekend.

Part of the new government's manifesto is to sell state-owned assets, and executives in the drinks industry are expecting either a trade sale or flotation of V&S at some stage next year. Bankers estimate that Absolut - the world's third largest spirits brand - is worth up to ?4bn (£2.7bn).

A new government in Sweden may look to sell Absolut

Pierre Pringuet, the managing director of Pernod, said yesterday: "We are absolutely convinced that the consolidation in the spirits and wine industry will continue. And whatever happens we want to be part of that consolidation."

Pernod is the first company to publicly state its interest in Absolut, one of Sweden's most famous brands but one that has under-performed in recent years. The City is already gearing up for an intense auction.

Fortune Brands, the owner of Jim Beam, is the hot favourite to win control, because it has an existing tie up with V&S in the United States. Others that are rumoured to be interested include Bacardi, Constellation brands, Brown-Forman, the owner of Jack Daniel's, and **Anheuser Busch, the brewer of Budweiser.**

Mr Pringuet added that his main priority was to look at potential acquisitions in the United States and admitted that any attempt to buy Absolut would be problematic. It has an agreement to distribute Stolinchnaya outside of Russia - an agreement that excludes it from distributing other vodka brands.

Pernod was unveiling its full-year results. Mr Pringuet described them as "very good", with the company spending less than expected on integrating Allied Domecq, which it bought last year. Net profit increased from ?493m to ?670 on sales up 70pc to ?6.07bn.

However, the shares fell as analysts expressed concerns that the company was spending too much on advertising, which went from 14.5pc of sales to 16.3pc. "It will continue to grow," warned Mr Pringuet, who insisted that this was the right strategy. He pointed out that Beefeater Gin had been "under-invested" in Allied's hands but had responded very well to a new advertising campaign. The shares fell ?7.9 to ?161 in Paris.

Diageo, whose Smirnoff vodka competes with Stolichnaya, last month reported a 42pc surge in annual profit on strengthening US revenue. In addition to spending more to advertise in the US, where the liquor market is the world's largest by value, Diageo invested in Asia to benefit from growth in countries including China.

Michael Bleakley, an analyst at Credit Suisse, said that "strong double-digit growth" calls into question current expectations of plus-25pc, given the "heightened cost of competition in both Asia and the Americas."



**4. Diageo Finds Takers for Ready-to-Drink Cocktails**

By Jeremy Mullman – *AdAge.com*

September 18, 2006

**Early Results From Test Could Be a Bad Sign for Beer Industry**



Retailers in Florida said the canned rum, vodka and whiskey cocktails were selling briskly in the test area.

CHICAGO (AdAge.com) -- In the spirits industry's latest intrusion upon brewers' turf, Diageo is testing ready-to-drink cocktails in 12 oz. cans with the same alcohol content as most beers.

**Strong early returns**

The Tampa-area test involves four brands -- Captain Morgan and Cola, Smirnoff Vodka and Lemon-Lime Soda, George Dickel Whisky and Cola, and Seagram's 7 American Whiskey and Lemon-Lime Soda -- and participating retailers said early returns were strong.

"They're selling very well and we're pleased," said Bob Gibson, marketing director for ABC Fine Wines & Spirits, a chain of 150 Florida liquor stores. Mr. Gibson said Diageo has indicated that it intends to expand the test to a larger geographical area, and to a fifth cocktail featuring Crown Royal whiskey.

"We see (ready-to-drink cocktails) as an untapped category," said a Diageo spokeswoman. "We're anxious to see how consumers react to them."

**Accepted overseas**

While ready-to-drink cocktails are largely absent from the U.S. market, they've been widely accepted in certain overseas markets. In Australia, for instance, Beam Global Wine & Spirits sells 7 million cases of Jim Beam Bourbon Whisky and Cola each year, a "significant percentage" of the Beam brand's Aussie sales, according to a spokeswoman.

Despite that success, however, the marketer has not aggressively marketed the ready-to-drink product in the U.S., choosing instead to focus on its signature bourbon. But Diageo's apparently successful test so far (it's expected to run until next spring) could potentially pave the way for a much larger ready-to-drink spirits presence in the U.S., a move that would serve as another offensive by spirits distillers into beer's traditional domain. It's also likely, however, to spur complaints by advocacy groups that pre-mixed cocktails may have appeal among too-young drinkers.

**Sitting next to beer**

Like beer, these new products are about 5% alcohol by volume and come in 12-ounce cans, meaning they can be sold alongside beer in convenience stores, gas stations and beverage depots. With beer's share of the alcohol market falling to 51.6% from 55.5% since 2000, and spirits' share having climbed to 31.8% from 28.7% during the same period, any innovation that cuts into beer's portability edge will be viewed warily by brewers.

"It extends the occasions [spirits] can penetrate, and in that way it's a threat to beer," said alcohol-industry consultant Brian Sudano, managing director at Beverage Marketing Corp. "It opens up picnics and beaches and even some concessions."

Still, Mr. Sudano said that the ready-to-drink cocktails pose as much risk to traditional spirits as they do to beer. "I mean, if the quality is there, you can just buy the [ready-to-drink product] and not buy the spirit," he said.

<http://adage.com/article?article_id=111941>



**5. Absolut Goes 'Bling' for Gift Pack**

Source: *just-drinks.com*

September 20, 2006|



The Vin & Sprit-owned brand will be ‘pimped up’ as part of its Absolut Bling-Bling gift pack, the company said today (20 September). The golden, form-fitted plastic cover is “a tribute to all the style icons within the ‘more-is-more’ sector,” V&S added.

“The campaign is a celebration of fun,” said Eva Kempe-Forsberg, vice president of marketing at V&S Absolut Spirits. “In the last couple of decades, the phenomena of “blinging something up”, be it your mobile phone or your car, has spread from very specific groups to become a whole new style segment. This holiday, the Absolut vodka bottle has some new threads to wear and it looks good.”

The campaign will also include advertising, a website presenting Absolut’s take on the history of Bling-Bling as well as promotional materials for on- and off-trade.

The new gift pack will launch in 61 markets, including global travel retail, next month. The new website will open for business on 12 October.



**6. First Female Chairman for Beer Trade Body**

Source: *just-drinks*

September 19, 2006

The National Beer Wholesalers Association has elected its first female chairman.

The US trade organisation, which represents around 1,900 independent beer distributors throughout the country, said yesterday (18 September) that Betty Buck will assume the mantle from Phillip Short, who has completed his tenure as chairman.

Buck is the president and owner of Buck Distributing, one of the largest Miller distributors in the Mid Atlantic area of the US. She has served on NBWA's board of directors since 2000. Throughout the 2005-2006 term, she served as the association's vice chair. She has also served as the NBWA secretary and treasurer as well as chair of the education and political action committees.

Short, president of P.A. Short Distributing in Virginia, has completed what the NBWA described as "an enormously successful" term as chairman and will begin his service as 2006-2007 immediate past chair for the association.

At the same time, the organisation has elected Aldo Madrigrano, president of W.O.W. Distributing in Wisconsin, as vice chair and Phillip Terry, CEO of Monarch Beverage in Indianapolis, as treasurer. Mitch Watkins, president of Watkins Distributing, Sales and Service has also been named secretary.



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

**7. Iowa Ear: Kerry 'Beer Bong' Picture Sparks Media Buzz**

Compiled by Political Editor Kathie Obradovich and staff members – *Des Moines Register*

September 21, 2006

  
U.S. Sen. John Kerry's tailgating adventures at the Iowa-Iowa State football game have caused quite a buzz since this photo of the 2004 presidential nominee was first published on DesMoinesRegister.com.

U of I student Kasie Ver Schuure, left, said she was celebrating her 21st birthday with her friend Erika Tahmasebi, right, at the tailgate when she spotted the Massachusetts Democrat and posed for the shot holding up the "beer bong" - basically a funnel designed for speedy alcohol consumption. Kerry didn't partake, but the photo was referred to in a New York Times article this week, as well as hitting political blogs galore.

"I think it's hilarious," Ver Schuure said, although she acknowledged her dad, in Oskaloosa, wasn't too thrilled about the beer bong.

The New York Times said Kerry, considering a 2008 run for president, "learned his lesson" about the peril of wading into "festive" environments.

The Times said Kerry's spokesman, David Wade, stressed that Kerry did not try the beer bong and joked, "Actually, since we were in Iowa, it was probably filled with ethanol."

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=2006609210394>



**8. Weekend Nets Blizzard of Alcohol Tickets**

By Emileigh Barnes and Kelsey Beltramea - *The Daily Iowan*

September 19, 2006

From the beginning of pregame parties to final victory celebrations, Iowa City took in more than $50,500 in fines for alcohol and drug-related charges this weekend, according to UI police and Iowa City police online reports accessed Monday.

By the time revelries subsided Sunday night, authorities had written tickets for 98 PAULAs, 64 public intoxications, 53 possession of open containers of alcohol in public, 13 OWIs, seven marijuana possessions, seven unlawful uses of fake IDs, and six keeping disorderly houses between Sept. 15 and Sunday, records show. No one was given a ticket for presence in a bar after hours on those days.

The $50,500 was calculated using the minimum fines for each charge, so actual revenue figures are likely higher.

The Iowa State game could have caused higher ticketing in Iowa City because of the closeness of the two schools, said Iowa City police Lt. Jim Steffen.  
  
"Obviously, the potential [for more tickets] is there because of the instate rivalry," he said.

During a postgame house party early Sunday morning, UI sophomore Benjamin Clark had his fun cut short when police issued him a PAULA ticket for $200, court fees and surcharges excluded.

The 19-year-old said he was at a party at a College Street residence when a fight began and someone broke a window on the house. Residents ordered everyone to clear out, and he stuck around to help clean up the mess, he said.

He recalled drinking a Keystone Light outside the house about 20 minutes later. Then he saw red and blue lights approaching.

"It's not like I was being out of line or anything," Clark said. "I was sitting on a rocking chair on the front porch."

He called his ticketing unreasonable and said he thought officers had other, more pressing matters to address.

Steffen said authorities generally only ticket offenders who are breaking additional laws or endangering the people around them.

"The mistaken idea is that police officers arrest everyone who's been drinking," he said.

Steffen added some telltale signs authorities use to spot impaired drinkers include balance problems, a strong smell of alcohol, watery/bloodshot eyes, and poor decision making - such as walking into a busy street without looking.

Although officers probably don't misidentify impaired drinkers very often, "just because the person has one indicator doesn't mean they're intoxicated," Steffen said.

He said receiving a citation doesn't necessarily deter an offender from behaving illegally.

Clark said although he was furious about his PAULA, it won't prevent him from partying in the future.

"I'll be out this Friday and Saturday," he said. "Actually, probably, I'll be out this Thursday, Friday, and Saturday."

<http://www.dailyiowan.com/home/index.cfm?event=displayArticlePrinterFriendly&uStory_id=6ae946a5-4c42-4b94-91aa-37590ee829ab>



**9. Enforce Underage Drinking Laws**

Editorial - *Des Moines Register*

September 22, 2006

DES MOINES, IA -- I would like to commend the West Des Moines Police Department for its continuing efforts in fighting alcohol sales to minors by licensed liquor establishments.

This past year, the West Des Moines police checked 98 of its 138 licensed liquor establishments. It cited 30 operators with selling alcohol to minors. When approximately 30 percent of licensees checked are violating the law, it is a very serious problem.

It is an effective tool to publicize establishments’ names so other licensees realize they are being monitored. It’s unfortunate that our laws are so lenient on first and second offenses that the fines are just part of the cost of doing business. How much profit is being made before the chance of being caught is realized?

By Tony Bisignano

(Former State Senator)



10. Fair Warning: Tobacco Compliance Checks Under Way  
By Melissa Regennitter - *Muscatine Journal*

September 20, 2006

MUSCATINE, IA — Area tobacco retailers should consider themselves warned.

The Muscatine County Sheriff’s Office has announced it will be conducting tobacco compliance checks on local establishments between now and June 2007. By law, the department is required to give notice of the intent to conduct this type of procedure.

Deputies will be conducting compliance checks by sending underage customers, supervised by law enforcement, into establishments to attempt to purchase tobacco products. Clerks who make illegal sales will be cited on the spot.

Criminal penalties for clerks who sell tobacco to a minor include a $100 fine for the first offense, a $250 fine for the second and a $500 fine for the third and subsequent offenses.

It is illegal for anyone under the age of 18 to buy tobacco products.

The operation is part of the Iowa Pledge Program. The program was established in 2000 in partnership with the Iowa Alcoholic Beverages Division.

Throughout the year, deputies will be offering free monthly Iowa Pledge Retailer Certification classes to local retailers who sell tobacco products. Employees will learn the fundamentals of Iowa tobacco laws as well as how to calculate a customer’s age and effectively refuse illegal sales.

It’s an effort “to keep tobacco out of kids’ hands,” said Deputy Michael Schmidt of the Muscatine Sheriff’s Department. “The program helps educate retailers on how to card individuals.”

Clerks who successfully complete the online exam will be Iowa Pledge certified and the retail establishment will receive an affirmative defense against civil penalty if a certified clerk makes an illegal sale. This means the retailer will not be penalized.

According to Schmidt, a retailer can be penalized by having its tobacco license temporarily revoked after numerous non-compliant checks at that location.  
  
According to a press release from Sheriff Greg Orr, handing out citations is not the intent of the Iowa Pledge Program.

“By partnering with the Iowa Alcoholic Beverages Division, we hope to educate clerks and maintain a compliant retail environment in our community,” Orr said. “Moreover, we pledge to keep tobacco out of the hands of Iowa’s youth.”

According to the Muscatine County Sheriff’s Department, the Iowa Pledge Program has helped increase statewide tobacco compliance by 22 percent since 2000.

Retailers or clerks interested in participating in the Iowa Pledge Program and taking the free exam should call Schmidt or Capt. David Lerch at the Muscatine County Sheriff’s Department, 563-263-6055.

<http://www.muscatinejournal.com/articles/2006/09/19/news/doc45100d6eb3997125565097.txt>



**11. City Takes Aim at Crowded Bars**

Ben Fornell - *The Daily Iowan*

September 20, 2006

Bar owners who try to crowd their establishments and push occupancy limits will soon face fines triple the current amounts.

The City Council officially passed an ordinance Tuesday that increases the fine for overcapacity establishments to $750, with a second-offense fine of $1,000. The new amounts will become effective Feb. 1, 2007.

While the new penalties will affect any crowded building in Iowa City, Mayor Ross Wilburn acknowledges that it is bars thick with drinkers that are being targeted.

"There's been difficulty getting compliance" on occupancy limits from bar owners, he said. "In the case of a fire emergency, we don't want to have a tragedy."

But some bar owners already strictly enforce occupancy requirements, and they say they will not be affected by the new fines.

"We've always enforced [our occupancy limit], and we've always had good business," said Ashley Arp, a bartender at Quinton's Bar & Deli, 215 E. Washington St. "It's worth it in case of an emergency."

Quinton's uses a hand-held counter to track the number of patrons at the bar and it enforces a "one-in-one-out" policy when the bar has reached its occupancy limit of 149 people.

One-Eyed Jakes bartender Brian Sixsmith said he thinks the 18-20 S. Clinton St. establishment may have to change its policy to allow only 21-year-old patrons to enter.

"I think you'd almost be forced to," Sixsmith said. "You can't have all those people just standing around [not buying liquor]. Bar crawls would have to go, too."

Patrick Vance, a cook at the Sports Column, 12 S. Dubuque St., said he feels the city is enacting the new fine amounts as another tactic to fight underage drinking.

"I think it's a good idea because of fires and stuff like that," he said. "But underage drinking makes a lot of money for the city."

<http://www.dailyiowan.com/media/storage/paper599/news/2006/09/20/Metro/City-Takes.Aim.At.Crowded.Bars-2286373.shtml?norewrite200609201053&sourcedomain=www.dailyiowan.com&mkey=433542>



# 12. Ahh, Can You Drink Away the Hangover?

By Bob Batz Jr. - *Pittsburgh Post-Gazette*

September 19, 2006

A new drink solicits you to "take me to bed" after a night at the bars and promises to make you feel better in the morning.

The drink, just hitting the regional market, is called After Hours, but it invites, "Call me AH," as in "ahh."

What's billed as a new hangover relief is described as "a vitamin-fortified drink specifically designed to replenish what a night of drinking can take away," and it claims to be the first such drink to do so.

Unlike most so-called energy drinks popular with the partying set, AH claims to contain only a little caffeine and no sugar, carbs or calories. In fact, besides some amino acid L-glutamine, B vitamins, sodium bicarbonate, folic acid, potassium and 100 percent of your daily allowance of Vitamin C, it's mostly water, and that's what it tastes like: fruit-flavored water.

The flavors: "Last Call Lemon" and "Bedtime Berry" and the new "Goodnight Grape."

The marketing says the drink was developed by a team of partyers who were "sick and tired of feeling run-down the day after a night of drinking. Just because they had to be 'professional' in the morning didn't mean they still didn't want to have fun the night before. So, they brainstormed, went to laboratories, came up with a formula, tested it and are now patenting this one-of-a-kind beverage."

DTK LLC, based in Peoria, Ill., started distributing it in June, and it's now available in certain markets from coast to coast. CEO Tom Pemble says the company has "exploded" and sold 350,000 bottles in the past month.

"There's a little bit more to it than 'Let's flavor some water and throw in some electrolytes,' " he says, claiming the ingredients work together to speed recovery.

Could it work?

Well, the drink's hip Web site, www.tasteafterhours.com, includes testimonials from drinkers who can share their own "stories from the morning after," but they're anonymous. One amazed guy wrote that he "also put down some additional water, but that was it. Call it a coincidence or a 'placebo effect' or whatever ..."

Experienced drinkers and experts alike long have advocated drinking lots of fluids over most wacko folk remedies.

Dr. Jeffrey Wiese, associate professor of medicine at Tulane University Health Sciences Center in New Orleans, is a national authority on the physiology of the alcohol hangover. He recommends the afflicted double their intake of fluids containing electrolytes, such as sports drinks and fruit juices.

In that sense, he said after looking at AH's Web site, "They're not totally off the mark with that formula." One of the three reasons hangovers make you feel bad is you're dehydrated, and electrolytes such as potassium help your kidneys hang on to more water. What you don't want to drink is anything that is diuretic, such as coffee or caffeinated drinks.

The other two reasons hangovers hurt, he explained, are inflammation, from impurities in drinks, and lack of sleep because alcohol impairs the brain's ability to get into deep sleep.

Thus, besides drinking more liquids, Dr. Wiese recommends taking a pain reliever such as ibuprofen or aspirin (if your stomach can handle it).

His hangover research, which has been interrupted by the effects of Hurricane Katrina, is more serious than it may sound. As he and colleagues reported in 2000 in the Annals of Internal Medicine, "In the United States, related absenteeism and poor job performance cost $148 billion annually (average annual cost per working adult, $2,000)." When he resumes studies next year or so, one question he wants to answer is why frequent hangover sufferers are more likely to have heart attacks (he thinks it may be the recurring inflammation).

Meanwhile, the marketing of After Hours isn't so serious.

"I know for a fact it works. I did some research last weekend," says a laughing John Galli of New Kensington's Galli Beer Distributing Co., which started distributing AH in this area last week. He says the drink's edgy advertising campaign, aimed at the college crowd, hits town this week and has been "causing a stir" wherever it's introduced.

The drink ("We like to call it a 'beer accessory,' " says Mr. Galli) comes in single 16.9-ounce plastic bottles and four-packs for about $2 a bottle, although bars will likely charge more. Mr. Galli is selling it to beer distributorships and convenience stores, too.

The company suggests consumers make it their last drink in the evening and continue drinking it the next day. It also suggests AH makes a good party favor: "You wouldn't let your guests drive home drunk. So don't let them wake up with a hangover either."

Of course, you also could avoid drinking to excess. According to information from Highmark Blue Cross Blue Shield, women should not have more than three drinks on one occasion, or more than seven each week; men should have no more than four drinks per occasion, or more than 14 drinks each week (and that decreases for a man age 65 or older). And, of course, there are times when you should drink less or nothing, such as when you're pregnant or going to drive.

<http://www.post-gazette.com/pg/06262/722943-51.stm>



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

**13. Judge Again Delays Ruling on Beer and Wine Distribution (Washington)**

Source: *Seattle Post-Intelligencer*

September 15, 2006

A federal judge Thursday again put a ruling on hold that the state's three-tier system for distributing beer and wine violates federal antitrust laws and must be changed.

U.S. District Judge Marsha Pechman's stay will now give the Legislature a chance to fix the state's beer and wine laws. Pechman, who initially stayed the judgment for 30 days, will give lawmakers until May 1, 2007.

Pechman on April 21 ruled the state must strike down almost the entire distribution system, which among other things forces producers and distributors to each mark up their products by 10 percent, bans high-volume beer and wine discounts to retailers, bans central warehousing of beer and wine by retailers, and requires that all deliveries be paid with cash, not credit.

The case, first brought by Costco Wholesale Corp. against the Liquor Control Board in February 2004, has drawn the attention of retailers, wholesalers and producers throughout Washington and the rest of the United States.

<http://seattlepi.nwsource.com/business/285208_bizbriefs15.html?source=rss>



**14. Should More Grocery Stores be Allowed to Sell Alcohol? (Massachusetts)**

Source: *Boston Globe*

Sept 17, 2006

Chains are pushing for a November intiative to loosen controls on wine, saying consumers would benefit from lower prices as a result. But a comparison of package stores and markets already selling it shows that bigger isn't always cheaper.

The big supermarket chains don't seem to be as price-competitive on wine as their campaign literature would lead you to believe.

As they push for a November ballot initiative that would allow them to obtain more licenses to sell wine, the chains are saying package stores don't have enough competition and, as a result, consumers are paying too much for their chardonnay or merlot. Give us more licenses, the supermarkets say, and prices will drop 5 to 7 percent.

But a spot check of prices at several supermarkets that currently have liquor licenses indicate the big chains don't compete that aggressively with nearby package stores. Large package stores often beat the supermarket prices by anywhere from $1 to $5 a bottle. Smaller package stores were far less competitive, but still managed to match the prices of nearby supermarkets on some products.

``This isn't going to be about pricing," said Al Israel , the owner of a Macy's Liquors store in Weymouth, which is just down the street from a Stop & Shop with a full liquor license. ``You're going to find our prices are lower than Stop & Shop's, or at least as low. ``

The pricing data, while limited in scope, casts doubt on a central claim of the supermarket chains as they push for a referendum that, if passed, would allow municipalities to award at least five new wine-at-food-store licenses and possibly many more, depending on the community's population. Under the existing law, which dates to 1934, an individual or a company is allowed to have only three retail licenses to sell alcoholic beverages in Massachusetts.

Stop & Shop and Shaw's are the two biggest backers of the wine referendum, contributing 55 percent of the $2.8 million raised so far.

A report done for the supermarkets last month indicated that package stores control 85 percent of the state's off-premises wine sales and charge higher markups on wine than any other product, as much as 41 percent at large package stores.

``If the stores were exposed to additional competition, package stores would lose their market power, which would force them to lower prices and improve service and selection to maintain customers," said the report, prepared by a Westford consulting firm, the Northbridge Group.

Extrapolating from price survey data from Minnesota and econometric and simulation modeling from New York, Northbridge estimated passage of the referendum would yield consumer savings of 5 to 7 percent off the $515 million in off-premises wine sales last year.

But it's always helpful to look at some actual prices on the shelf before reaching any conclusions. The Globe selected a handful of popular wines and compared the prices charged at two Stop & Shops and two Shaw's/Stars with those at nearby package stores. We also looked at other alcoholic beverages, including beer, because opponents of the referendum think wine is only a starting point.

Macy's in Weymouth was hands-down cheaper than the nearby Stop & Shop. A bottle of Kendall-Jackson chardonnay at Stop & Shop cost $13, but $10 at Macy's. A 1.5 liter bottle of CK Mondavi merlot was $4 less at Macy's. Veuve Clicquot champagne was $7 less at the package store.

In Quincy, Wollaston Wine & Spirits on Beale Street was very competitive with the Stop & Shop on Newport Avenue. Wollaston charged $3 less than Stop & Shop for the Kendall-Jackson chardonnay, $6 less for the Veuve Clicquot champagne, and $1 less for the CK Mondavi merlot. A Turning Leaf merlot was 50 cents cheaper at Stop & Shop; a Blackstone cabernet sauvignon was $1 less.

Faith Weiner , a spokeswoman for Stop & Shop, declined to discuss the company's alcohol pricing. ``We don't disclose pricing strategies, but our goal is to be competitive in each market we serve," she said. ``There is room for more competition, and Question 1 gives voters the opportunity to decide."

Price comparisons were more difficult for the Shaw's at the Prudential Center in the Back Bay and the Star on Mt. Auburn street in Watertown. Nearby package stores tended to be much smaller and often didn't carry the same wines as the supermarkets. When they did, the supermarkets tended to have better prices, but not always.

The Watertown Star was charging $9 for a Blackstone merlot, which cost $10 at the nearby McHugh's Wine & Spirits. The Star was also charging $2 less a bottle for a Columbia Crest cabernet sauvignon and $5 less for a Rosemont Estate Diamond Label cabernet sauvignon. McHugh's was $2 cheaper for the Kendall-Jackson chardonnay.

The Shaw's at Prudential had very little local liquor competition. The tiny Wine Emporium on Columbus Avenue carried very few of the wines I had priced at Shaw's, but there was some overlap. A 1.5-liter bottle of Yellow Tail chardonnay was $14 at the Wine Emporium, $2 above what Shaw's was charging. A Blackstone cabernet sauvignon, however, was $1 less at the Wine Emporium.

Unlike Stop & Shop and Shaw's, some food stores compete very aggressively on alcohol prices.

Costco Wholesale Club, which charges an annual membership fee to its shoppers, offers very low prices on alcohol at stores where it has a license. At the Costco in Avon, the price of Clicquot Champagne was $36 a bottle, the Kendall-Jackson chardonnay was $9 a bottle, and a Blackstone merlot $8. To date, Costco has not joined the supermarkets in pushing for the referendum.

Kevin Dietly , a principal at the Northbridge Group, said the point of his study was not that individual supermarkets would have the lowest prices around if the referendum passed, but that greater competition from all food stores would end up reducing the hefty profit margins of package stores.

``There's a bubble here that, if it was burst, would bring prices down," Dietly said. ``For the supermarkets, it's really all about being more of a one-stop shop for people. That's why they have banks, dry cleaners, and doughnut shops inside their stores."

The prospect of supermarkets adding wine to their shelves scares package stores more than the price competition they would face if the referendum passes.

``We do compete with them on price, but we can't compete with the convenience factor," said Israel, the Macy's Liquors owner. ``Who wants to make another stop?"



**15. California Group Attacks Massachusetts Law (California)**

**Source: *just-drinks***

September 19, 2006

A Californian wine trade association is challenging the state of Massachusetts over its direct shipping legislation.

Family Winemakers of California confirmed yesterday (18 September) that it has filed a lawsuit against the state, seeking to invalidate certain provisions of its recently-enacted direct wine shipping permit law.

The lawsuit claims that Section 19F, which replaces state laws previously declared unconstitutional, is an equally unconstitutional form of discrimination. Rather than limiting wine shipping rights through residency requirements, the suit says, Section 19F limits wine shipping rights based on wineries' total annual production of wine and existing relationships with Massachusetts-licensed wholesalers, the association alleges.

"In purpose and effect, the limits imposed by these capacity caps fall solely upon out-of-state wineries, whereas Massachusetts wineries continue to enjoy unfettered access to the Massachusetts market," FWC said.

"We are one national market," said Paul Kronenberg, FWC president. "But the Massachusetts law is blatantly discriminatory. It aims to protect Bay State wineries, but prevents Massachusetts' consumers from having unfettered choice.

"Last year, the Supreme Court told Michigan and New York to stop the discrimination. But the Massachusetts legislators have chosen to ignore the court's message that we are one national economic market. State laws that protect and perpetuate a wholesaler monopoly at the expense of wineries seeking market opportunities and consumers seeking a wider choice in wine, run counter to the concept of free trade within the nation."

Family Winemakers of California represents around 740 smaller wineries, vineyards and supporting businesses. The organisation was founded in 1991.

<http://www.just-drinks.com/article.aspx?id=87787>



**16. Queens Pols Step Up Calls For Liquor Ban (Excerpt) (New York)**

By Colin Gustafson, Assistant Editor – *Queens Chronicle*

September 14, 2006

Queens civic leaders and elected officials are vowing to fight what they see as a proliferation of bars and nightclubs in residential areas, after learning that a state liquor board freeze on approving liquor licenses applied only to Manhattan.

Last Wednesday, the New York State Liquor Authority approved an immediate four month moratorium on new liquor licenses for areas that already have three or more license holders within 500 feet of each other. The move followed the deaths of two women who were killed this year after drinking heavily at city bars.

The authority's decision comes amid mounting public pressure to either shore up its enforcement of the law banning multiple licenses in a single area, or grant more authority to local agencies to regulate liquor sales on their own.

Local civic leaders, who have long criticized the state for laxly enforcing the 500 foot rule, initially welcomed the announcement of a license freeze. But members of Community Board 2-which represents Long Island City, Woodside and Sunnyside-learned early Thursday that the ban will not apply to Queens. Since then, community boards throughout the borough have renewed calls to block license requests in neighborhoods already glutted with bars and restaurants.



# 17. Judge Hears Arguments over Wine Law (Oklahoma)

*The Associated Press*

September 18, 2006

NORMAN, Okla. -- Liquor wholesalers who object to a state statute allowing winemakers to sell their products directly to liquor stores and restaurants asked a federal judge today to throw out the voter-approved law.

Attorney Robert McCampbell said the law puts out-of-state wine producers at an unconstitutional disadvantage compared to in-state producers.

Assistant attorney general Sherry Todd said the law should be preserved and that some small Oklahoma winemakers would be forced out of business if it were invalidated.

U-S District Judge Stephen Friot is considering the arguments. He made no immediate ruling.

<http://www.kten.com/Global/story.asp?S=5423998>



# 18. Rewritten Wine Law Sparks Debate (Arizona)

By Howard Fischer -  *Capitol Media Services*

September 17, 2006

An Arizona law on interstate shipment of wine is going to be challenged in court shortly after it takes effect Thursday. James Tanford, an attorney for some Arizona wine lovers and an out-of-state winery, acknowledged that legislators re-crafted the old law after a U.S. Supreme Court ruling that found it and similar laws elsewhere unconstitutional.

And, on the surface, it would seem to address the problems found by the high court.

But Tanford said the new statute is no more constitutional than the one it replaces.

He will get a fight from Leesa Berens Morrison, director of the Arizona Department of Liquor Licenses and Control. She said the new law eliminates the practices that illegally discriminated against out-of-state wineries.

Tanford, however, said he is asking U.S. District Court Judge Mary Murguia to look beyond the actual words of the statute and to examine its practical effects. If she does, Tanford said, she will declare it unconstitutional.

Such a ruling would not disappoint at least one legislator.

Sen. Barbara Leff, RParadise Valley, said she sees no reason to throw roadblocks in the path of Arizonans who want to order wines that are not generally available directly from local retailers. She said the only reason the law wound up the way it did is because the distributors did not want to lose business.

Arizona law for years has revolved around a three-tiered system: Manufacturers sell only to wholesalers; retailers can buy only from wholesalers.

A 1982 law designed to help the state’s nascent wine industry created an exception: Arizona wineries producing less than 75,000 gallons a year could sell directly to consumers.

More to the point, they also could ship directly to both retailers and consumers, bypassing the wholesalers.

The idea was that many wholesalers would not bother with the Arizona wines.

All went well until the U.S. Supreme Court last year voided similar laws in other states.

The justices concluded that special privileges granted by legislators to only that state’s wineries violates the Commerce Clause of the U.S. Constitution.

That led to a pitched battle at the state Capitol, with some wholesalers pushing to scrap the exemption entirely.

They said direct shipments to consumers makes it easier for underage drinkers to get alcohol.

And they questioned whether the state would be cheated out of its taxes on alcoholic beverages.

In the end, the key provision of the new law that takes effect Thursday allows any winery, anywhere, that produces less than 20,000 gallons a year to ship directly to customers and retailers in Arizona.

“Within a few days thereafter, we will file an amended complaint that addresses the new statute,’’ Tanford told Capitol Media Services.

“That will sort of start things over again.’’

Tanford, a professor at the Indiana University College of Law, specifically mentioned that 20,000 gallon figure.

“Not by coincidence, every Arizona winery but one produces fewer than 20,000 gallons,’’ Tanford said.

And that last winery, he said, apparently didn’t care if it kept the direct shipment privilege.

The net result, he said, is nothing changes for virtually every Arizona winery. But it continues to exclude 90 percent of out-of-state wineries.

“It is overtly discriminatory,’’ Tanford said.

He said the fact that the law does not, on its face, give special privileges to in-state wineries does not protect it from challenges.

“The law requires the court to look beneath the surface of a law and ask the question whether a law has the practical effect . . . of discriminating against out-ofstate business entities and giving favorable treatment to in-state entities,’’ he said.

Beyond that, Tanford said there is no legitimate justification to have disparate treatment between small and large wineries.

“If you’re concerned about shipments to minors, what difference does the size of the winery make?’’ he asked.

“If you’re concerned about everybody paying their taxes, what difference does the size of the winery make?’’

He said about the only thing a gallonage limit does is protect the in-state wholesalers, ensuring they have exclusive rights to distribute the “big wine labels.’’

And that, said Tanford, also is impermissible economic protectionism.

<http://www.eastvalleytribune.com/index.php?sty=74292>



**19. State, Retail Groups Push for Tighter Rules on Alcohol Sales (Indiana)**

By Niki Kelly - *The Journal Gazette*

INDIANAPOLIS - For the first time in more than a decade, an interim legislative committee Tuesday tackled a number of alcoholic beverage issues that don't appear to be going away and have no easy answers.

The meeting started with Alcohol and Tobacco Commission Chairman Dave Heath seeking legislative changes for the 2007 session, including rules requiring alcohol to be separate from other food items in grocery stores.

"The alcohol shouldn't be right across from toys and chips," he said.

Heath also wants authority to do "compliance checks" - sting operations with underage Hoosiers - to try to catch those establishments with alcohol permits selling to minors.

Several alcohol groups in the room testified in support of such a program as long as it is under the auspices of the ATC and not local law enforcement.

The state agency already has that authority for tobacco, although Heath would like to tweak that program, which does not allow the state to take away from repeat offenders the right to sell tobacco products.

In fact, the $50 fine can grow to a maximum of $250 for multiple offenses but after three months automatically resets to $50 for a subsequent offense.

In 2000, when the tobacco program started, children were able to buy cigarettes 40 percent of the time. That number is now down to 12 percent.

Heath said it is not his intention to revoke licenses but said there are a few problem places where the authority would be helpful.

He also defended the state commission, which has recently overturned some decisions by local boards with respect to granting or denying alcohol permits.

The 107 boards around the state are appointed by local elected officials but are+ an arm of the state ATC and must follow state law, he said.

In the 20 months since Heath took over, the state commission has overturned 14 of 11,000 permit decisions. And it did so only when the denial was obviously illegal, he said.

A common example is when boards deny a grocery store an alcohol permit on the sole basis that the business sells gasoline.

Heath said that issue has been litigated and is not allowed to be the reason for a denial.

Also, he said, one reversal involved a case where the applicant had a petition with 436 names of people in support while not a single person remonstrated against the project.

On a related tangent, a major issue that continues to plague the ATC is that the state does not define what a grocery store is, which makes it easy for gas stations and convenience stores to receive such a permit to sell warm beer and wine.

Heath had promised his agency would come up with a definition but has since punted to the legislature.

Grant Monahan, president of the Indiana Retail Council, said the state should also change the quota limiting grocery store permits from one for every 1,500 in the population to one for every 2,000.

That would mean a 25 percent reduction in future permits.

John Livengood, president of the Indiana Association of Beverage Retailers, told the group that his industry of package liquor stores will die out if no major changes are made.

Package stores can sell wine, liquor and cold beer but are forced to follow much stricter alcohol rules than grocery stores and drug stores. For instance, liquor stores clerks have to be trained and licensed.

Livengood thinks that rule should be expanded to all sales clerks who sell alcohol regardless of what kind of store they work in.

He also supports requiring identification from everyone who buys alcohol, not just those who look younger than 30.

Livengood acknowledged that equity between package liquor stores and other alcohol retailers is not completely possible because it would require deregulation of his industry, which he does not support.

But he said changes could bring the two sides closer.

"For us it's a matter of survival," he said, noting the proliferation of grocery stores, drug stores and big box stores with pharmacies that can sell alcohol with few limits. "We've been losing our market share."

<http://www.fortwayne.com/mld/journalgazette/15562551.htm>



**20. Report: 45 Percent of Indiana College Students Binge Drink (Indiana)**

By Zachary Osterman – *Indiana Daily*

September 19, 2006

**IU officials say trend shown by the study is 'troubling'**

A recent survey of 7,600 Indiana college students reported that 45 percent of those questioned said they participated in binge drinking while in college, which the report defined as consuming five or more drinks for a male and four or more drinks for a female in a two-hour period.

This number is 2 percent below the national average but is still too high, according to a report by the Indiana Coalition to Reduce Underage Drinking.

The study comes on the heels of a Welcome Week at IU that saw several students hospitalized with dangerously high blood alcohol levels. Fourteen students were hospitalized between Aug. 23 and 27, according to an Aug. 28, 2006, Indiana Daily Student article.

IU Dean of Students Richard McKaig said this trend, which was reinforced by the study, was troubling. McKaig said that he was concerned not just with the consumption of alcohol on campus, but also with the health consequences of such activities.

"(The incidents) really are a concern because I think our primary concern ought to be the health and safety of college students," McKaig said.

The study offered supporting evidence to McKaig's concerns about the consequences of drinking. The study reported that 35 percent of students said the abuse of drugs or alcohol led to some kind of public misconduct, and 24 percent admitted to driving under the influence.

The study also reported that 25 percent of responders experienced emotional problems as a result of their drinking. Another 36 percent said they did something they later wished they had not done.

McKaig said he believed the problem wasn't just the lack of awareness about the consequences of drinking. He felt like students came to the University with plenty of education on the subject but felt that they didn't know how to handle the increased level of freedom college offers them.

"Certainly information plays a role at some point in the process of helping people to make good decisions about alcohol ... (but) we really think it's more than education that's missing," McKaig said.

Freshman Avi Zimmerman said he didn't receive a lot of alcohol and drug education in school outside of health class and driver education. However, he also said he believed it would be hard for the University to run mandatory awareness classes.

"They can offer it, but ... I know I hardly ever went to any program by the University," Zimmerman said. "I feel like it would take a lot of work to try and force that on students, and if you made it optional, nobody would show up."

IU Police Department Captain Jerry Minger also said he didn't think IU students were more or less educated about alcohol and drug awareness coming to college. Minger pointed out that the incidents should not be used to generalize the behavior the entire student body,

"I don't think they're becoming less aware," Minger said. "I would hate to say that the general student population has become any specific way."

Minger also said "several" students arrested or hospitalized during Welcome Week were not first-time offenders.

Minger described the increase in "critical incidents," or incidents where students had to be hospitalized, as a "spike." However, Minger said he believed the rise in hospitalizations did not signify a major trend. Rather, he said he thought this year was more of an aberration and pointed out that arrests for alcohol related incidents were down from previous years.

Both McKaig and Minger said many of the incidents in which students had to be taken to the hospital involved drinking games where several shots were taken over short periods of time. McKaig said he felt the prevalence of binge-drinking activities, such as drinking games, is supported by their own observations and study's conclusions.

Additionally, McKaig and Minger both agreed they did not think more education would actively deter more critical incidents. Instead, McKaig said he believed awareness and acting responsibly could solve the issue more effectively.

He asked friends to watch out for one another and exercise responsibility.

"Clearly one of the things that I wanted to emphasize ... (is) friends watching out for friends," McKaig said. "Friends can also help people stop when they are drinking at dangerous levels."



**21. Officials: No Hard Liquor Allowed At Two Costco Locations (Michigan)**

***ClickOnDetroit.com***

September 19, 2006

The Michigan Court of Appeals has reinstated the City Council's decision to not allow hard liquor sales at Costco's Haggerty and Middlebelt stores in Livonia, reversing the Wayne County Circuit Court's earlier decision.

The three-judge panel said in a Sept. 14 ruling that although Livonia officials may grant up to 34 liquor licenses, it's up to their discretion whether to issue all of them.

City officials said that Livonia already had 29 liquor vendors, six of which were within a mile of the Middlebelt store.

Judges Christopher Murray, Michael Smolenski and Deborah Servitto said the circuit court's 2004 decision "does not square with Michigan law."

According to City Council, the main reason Costco was denied is because the store's proposal didn't meet the city's requirement that liquor be displayed behind a counter.

There were other reasons that, in 2004, the city Planning Commission and council denied a request to sell alcohol other than beer and wine.

Costco had a history of violating the Michigan Liquor Control Commission's rules, according to a spokesperson for the Planning Commission.

The commission cited the Haggerty store for selling alcohol to a minor in 2001 and the Middlebelt store for the same violation in 1999 and 2001. Both were licensed in 1998, Director Julie Wendt said Monday.

According to records, the city has denied similiar requests from Costco and other large stores.

But when Costco sued in Wayne County Circuit Court later in 2004, the bulk discounter won.

The judge in the case ruled that the council's decisions were arbitrary, because Livonia had previously approved licenses for Costco to sell beer and wine, which he believed had as much of a negative impact on a community as hard liquor.

And he disagreed with the City Council's concern that Costco would compete with smaller retailers.

A month before the council's April 2004 decision, local party store owners attended a public hearing to complain that if Costco sold hard liquor, their mom-and-pop businesses would suffer.

At the time, Costco said it served a different market and that elsewhere in the region, small businesses weren't affected by sales of hard liquor at nearby Costcos.

<http://www.clickondetroit.com/news/9884071/detail.html>



# 22. Kentucky Appeals Ruling on Wine Sales: Decision Allowing Shipping Challenged (Kentucky)

By Robert Schoenberger - *The Courier-Journal*

September 20, 2006

Kentucky is appealing a federal court decision allowing small wineries in and out of the state to ship to Kentucky customers who order over the telephone from catalogs or from the Internet.

Last month, U.S. District Judge Charles Simpson of Louisville struck down a requirement that customers buy the wine in person at the winery, saying it treated Kentucky wineries more favorably than out-of-state ones.

In its appeal, the state Environmental and Public Protection Cabinet, parent agency for the Office of Alcoholic Beverage Control, disagreed with Simpson's finding that the in-person purchase requirement is unconstitutional.

State officials declined to explain the basis of the appeal, saying supporting documents will be filed in coming weeks.

Simpson ruled that granting more favorable ordering conditions for in-state wineries is a restraint of trade against small out-of-state wineries. In his ruling, he noted that the U.S. Supreme Court struck down wine-shipping regulations in New York and Michigan.

The state's appeal was filed with the 6th U.S. Circuit Court of Appeals in Cincinnati.

The ruling came in a lawsuit filed by the Huber Winery of Southern Indiana. Dana Huber, spokeswoman for the winery, said despite last month's ruling, Huber's has not been taking orders from Kentuckians because it knew an appeal was likely.

"We knew we could not ship in Kentucky until that grace period (for filing appeals) had passed," Huber said. The winery will study the state's appeal before deciding its next move, she said.

<http://www.courier-journal.com/apps/pbcs.dll/article?AID=/20060920/BUSINESS/609200531>



**23. Time to Deal (Washington)**

By Roger Downey – *Seattle Weekly*

September 20, 2006

**The cozy relationship between the Liquor Control Board and the people it's supposed to be monitoring is falling apart-finally.**

The Washington State Liquor Control Board has fallen on sorry times. Created after Prohibition to enforce the making, importation, distribution, and sale of all alcoholic beverages in the state, it soon developed into a reliable pasturing ground for superannuated pols. The genial corruption game began to get more iffy in the reformist atmosphere of the Evans and Gardner governorships, but serving on or working for the liquor board remained, and remains even today, a great way to collect favors and junkets from the booze industry.

Times have changed, though. The courts no longer allow the board to claim that any regulation, no matter how absurd, is legitimate to support the cause of keeping liquor out of the wrong hands (and providing a reliable source of income for the state monopoly stores). The cozy relationship between the board and the people it's supposed to keep an eye on-the importers, wholesalers, and distributors-is breaking down, as big-box retailers and small family producers alike have begun to question the whole rigid, inefficient, and monopolistic process of getting beer, wine, and liquor from producer to customer.

The board's life got really difficult in 2004, when local retail giant Costco sued in federal court essentially to gut the whole rickety system, at least as regards wine. Last year, the judge ruled firmly in Costco's favor on a number of important issues, and hinted that she was ready to take on the constitutionality of the entire system. The Legislature revised some state laws in accord with her decision, but the board and its pals in the wholesale and retail business swore they would appeal. Last week, the judge, in effect, told them: "Go ahead and appeal, and lots of luck. But in the meantime, I suggest that the Legislature might want to look into a complete revamp of its liquor-control laws in the coming session, to be ready when the appeals court rules, as I am confident it will, that my decision stands."

The board and its lawyers claim that it needs all the regs it now has to protect the public from unscrupulous products and marketing. That assertion would be more convincing if there were any sign that the board pays attention to dubious marketing that already exists. As Robin Pollard of the nonprofit Washington Wine Institute pointed out recently in a letter to the liquor board's deputy administrator, Rick Garza, a number of products sold in Washington state, including some of the state stores' most popular and lucrative brands, appear to be in clear violation of state labeling laws.

Two weeks after receiving the letter, Garza still hasn't responded, nor has he answered numerous calls asking for comment. Meanwhile, the call to look into the board's enforcement practices has spread from the winemakers represented by the Washington Wine Institute to legislators like Jeanne Kohl-Welles, chair of the state Senate Labor, Commerce, Research & Development Committee, which will undoubtedly be taking on further revisions in regulations to keep Washington compliant with the federal courts.

If there ever was a time for the board to recognize that its ass-oh, all right, its credibility-is on the line, the time is now. By hunkering down and hoping conditions will revert to the cozy old under-the-table way of doing things, the board risks not just certain defeat, but possible abolition as well.

