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|  | e - NEWS |
| *July 27, 2007* | |

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

**1. Aged Rums Gain New Appeal and Market Share in the US**

*Market Wire*   
July 20, 2007

Move over cognac! According to a July 16 issue of Time Magazine, under "Global Business," more consumers are reaching for a bottle of aged rum to pour in their crystal snifters versus other aged spirits. Aged rums have new snob appeal among hip cocktail aficionados. Sales of high-end rums in the U.S. have increased 45 percent in the last three years to $287 million, according to the Distilled Spirits Council in Washington, DC.

That's good news for Puerto Rican producers, since local laws require that all Puerto Rican rum be aged a minimum of one year in charred white oak barrels. Seventy percent of all rum sold in the U.S. is from Puerto Rico. All of it is aged, as required by law.

"There is learning and growth going all around regarding spirits with much focus being on rum. For me, the essence of an aged rum is best enjoyed in a snifter. The maturing of rum brings out the complexity and beauty of the product. In the cooler months of the year here in New Orleans, I have guests that enjoy an aged rum much like many enjoy a fine cognac at the end of a meal," said Lu Brow, mixologist for New Orleans' Cafe Adelaide.

Puerto Rican rums can be aged as little as one year and as long as 15 years. Rums aged for one year are called "blanco" and are light in color. They are versatile and mix well with fresh juices or light sodas. Rums aged for at least two years are amber in color and have more body. These mix best with colas and ginger ale. Dark rums, called anejo, are aged at least three years and often much longer. These rums are full bodied with caramel, nut and honey notes and should be enjoyed like a fine cognac, served straight up in a snifter. Another growing category, according to Rums of Puerto Rico, is flavored rums, which are lighter and are infused with fruit flavors.

"Aged rums are not only wonderful enjoyed on their own but are another color on the creative mixologist's palate of flavors," noted Las Vegas beverage consultant Tony Abou-Ganim ("The Modern Mixologist").

Puerto Rican rum is distilled from molasses. The quality of all rum is based on four factors: fermentation, distillation, aging and blending. The process for each master distiller is proprietary, from extracting yeast cultures to the intricate blending of spices and fruit flavors. The results can be enjoyed by consumers around the U.S. from some of the best-known rum brands from Puerto Rico: Bacardi(R), Captain Morgan(R), Don Q(R) and Ron del Barrilito(R).

Rums of Puerto Rico, a division of the Puerto Rico Industrial Development Company (PRIDCO), was created in 1948 to promote the sale of all rums shipped from Puerto Rico to the mainland U.S. Rums of Puerto Rico sponsors events in collaboration with the Puerto Rico Tourism Company.

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**2.** **Mixing its Drinks could be Wrong Policy for Diageo**

Jenny Wiggins  
*Financial Times*  
July 20, 2007

When Franz Humer, the Roche chief executive, swaps drugs for drinks and becomes Diageo's new chairman next year, his experience of corporate battles in the competitive pharmaceuticals industry could help Diageo as it tries to shake off an image of stolidity.

There was consternation among senior management at Diageo's headquarters in Henrietta Square last month after a perfectly respectable trading statement was followed by a 2.5 per cent drop in its share price.

Why, when the drinks group had reaffirmed its guidance for 8 per cent underlying profit growth in 2007, were investors selling its stock?

Diageo's problem is that the distiller of famous brands of vodka, gin and whisky such as Smirnoff and Johnnie Walker appears to be a little too respectable for its own good.

"There's nothing wrong with being a very steady performer," says Rob Mann, analyst at Collins Stewart. "Their strategy has been successful . . . but the lure of higher growth is at Pernod Ricard."

The French drinks group, which swept into the UK in early 2005 to buy Allied Domecq, the spirits group, has become something of a darling among City analysts, who believe its profit margins have greater potential for growth than Diageo's.

Pernod has expanded more quickly in emerging markets than Diageo, particularly in China, and has also been more aggressive in recent years on acquisitions.

Analysts say this can be attributed partly to Pernod's smaller size and decentralised management structure, which means it can make and act on decisions quickly. Diageo has typically made its big decisions out of the London head office.

Pernod has weaknesses. It lacks a big brand in the lucrative vodka market and profit margins on its mainstream brands are lower than Diageo's. But analysts believe these can be rectified.

Pernod plans to go after Sweden's Absolut vodka brand, if it is put up for sale, and is also trying to buy the international distribution rights to the Stolichnaya vodka brand from SPI, the Russian group.

Diageo's shortcomings are of a different nature. It has a booming spirits business in the US, where sales are rising faster than the overall market, and has so much cash on its books that it returned £2.3bn to shareholders over the past year in dividends and share buy-backs.

But throwing money at share buy-backs does not boost Diageo's long-term profits growth significantly. Pursuing acquisitions is also tougher for Diageo than Pernod because its bigger size means it runs into regulatory hurdles in many markets.

Meanwhile, Diageo must make tough decisions about what kind of company it wants to be as falling Guinness sales in Ireland and the UK hurt its beer profits.

Diageo is trying to counter the decline by developing a sweeter version of the stout, Guinness Red, and trying to sell more Guinness in emerging markets such as Africa. But speculation has resurfaced recently suggesting the group's best option could be to sell the brand to a brewer such as Heineken or Anheuser-Busch.

Trevor Stirling, an analyst at Bernstein Research, says it will be difficult for Diageo to recoup the money it is losing in the UK and Ireland in other markets. "The question for Diageo is: do you get bigger in beer or do you get out of beer?"

Diageo has maintained publicly that it is committed to its strategy of being a "total beverage alcohol" company, one that sells all kinds of drinks, from spirits to wine and beer.

But if Diageo's shares continue to underperform the rest of the European beverages sector, as they have done for most of this year, it may start to rethink whether being everything to all people is really the best strategy.

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**3.** **Constellation Pouring Money into wine Site**

John Robbins  
*Niagra Falls Review*  
July 21, 2007

A seven-year, $47-million capital investment in Vincor Canada is proof its new owner, global liquor giant Constellation Brands Inc., is committed to the company and its operations in Niagara, the company's president said Friday.

"This is a true show of confidence in the quality and potential of our Canadian wine business by our new owners," said Vincor president and chief executive officer Jay Wright. "This commitment in (terms of) investment and the ongoing growth of the Canadian wine industry will contribute to the long-term sustainability of our industry."

Wright made his comments during a lunch-time ceremony at the company's Niagara Falls production facilities, during which he helped cut a ribbon to mark the official opening of a new 34,000-square-foot warehouse and bottle shop.

The building was constructed as part of the first phase of a $21-million capital expansion of the Dorchester Road facility, which began in 2003.

Work has already begun on Phase 2 of the plan, which involves construction of another massive building to house fermentation and storage tanks.

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**4.** **Analyst Predicts InBev, A-B Deal Soon**

*Associated Press*  
July 23, 2007

A Citigroup analyst upgraded shares of Anheuser-Busch Companies Inc. on Monday, expecting the brewer to combine operations with rival Belgium-based brewer InBev S.A.

Citigroup's Philip Morrisey upgraded Anheuser-Busch shares to "Hold" from "Sell" and raised his price target by $4 to $52, anticipating an alliance in the next couple years.

Morrisey said fundamentals in the domestic beer industry are weak, and said Anheuser-Busch needs to make an alliance with a major brewer.

Morrisey said a combination with InBev -- the world's largest brewer by volume -- would bring cost savings and better growth opportunities.

"The combination of the two companies would create a global brewer powerhouse," Morrisey wrote in a client note.

Morrisey said there's a 70 percent chance a combination will occur, bringing between $4.1 billion and $9.8 billion in cost savings.

Meanwhile, Morrisey said Chief Executive August Busch IV, who was named to the position in December, remains focused on making changes.

"As the new CEO he offers a fresh perspective on regaining global beer leadership with a more open view on merger and acquisition than the company has had in the past," Morrisey wrote.

<http://www.beverageworld.com/content/view/33447/>

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**5.** **'Direct Sales' Still Face Labyrinth of State Laws**

Jeff Quackenbush *North Bay Business Journal*  
July 23, 2007

Big distribution headaches in the wine world this year are the end of the reciprocal-state system for direct-to-consumer shipments, flip-flopping in courts and state legislatures over the right of wineries to ship directly to retail trade accounts.

By the end of this year, only New Mexico and Iowa likely will remain reciprocal, meaning wine producers in those states can ship wine to each other's residents with few regulatory hurdles, according to Steve Gross, director of state relations for the San Francisco-based industry advocacy group The Wine Institute.

The rest of the 13 reciprocal states before the 2005 U.S. Supreme Court decision in the Granholm case have shifted or are poised to transition to permit systems. Oregon's and Missouri's legislatures have passed such permit regimes that are awaiting gubernatorial signatures. Illinois, with the top-tier Chicago wine market, and Wisconsin have bills that cleared at least one legislative house in each of those states.

The wine industry has pushed the reciprocal states to move toward a permit structure despite the requisite additional licenses, fees and tax reports.

"The upside is that we avoid having those [reciprocal] laws declared unconstitutional," Mr. Gross said, noting that Missouri's new permit law headed off a major lawsuit challenge.

**Capping self-distribution**

The other repercussion in states grappling with Granholm is a spreading fight over direct shipments to trade accounts, commonly called self-distribution.

The Granholm decision and a federal court ruling last year in favor of Costco Wholesale's key claims against Washington state's limitations on self-distribution have led to eight states opening up limited access. An equal number of states have cut off wineries from self-distributing in the past year and several lawsuits are pending. That leaves about 40 states to which wineries can self-distribute, nearly the same as before Granholm, Mr. Gross noted.

The Washington legislature this year pulled out a sunset clause in the self-distribution rules it passed last year because no appeals have surfaced. This year, Oregon Gov. Ted Kulongoski signed what has effectively become unlimited self-distribution in that state.

Last year Arizona, Maryland, Connecticut and Massachusetts allowed wineries to sell directly to retailers. Virginia retrenched from its ban on all self-distribution when local vintners claimed financial hardship.

Vermont went with a quantity limit for self-distribution to 2,000 gallons a year per vintner, or about 840 cases.

Arkansas passed a cap of 150,000 gallons a year, barring wine companies producing more than about 63,000 cases a year from direct sales in that state. Florida, the No. 3 U.S. wine market behind California and New York, had a bill pending before its legislative session ended that called for a cap amounting to 100,000 cases a year, and Arizona is testing its own capacity cap.

A production-cap challenge pending is Family Winemakers of America's lawsuit against Massachusetts' new cap.

Production caps complicate matters for wineries with more than one sizable brand, according to Jeremy Benson of Free the Grapes.

"Essentially these states are implementing another form of discrimination based on size," he said.

Though the direct-sales regulatory landscape nationwide remains in flux, much of it can be dealt with by following the licensing and reporting rules put in place in New York and Texas, key wine markets that were the first to "level up" after Granholm, Mr. Gross said.

Nonetheless, increasingly more wineries, especially smaller ones, are outsourcing their direct-sales compliance because of the web of state laws. That has led to a bumper crop of compliance product offerings from North Coast order fulfillment houses and accounting software developers.

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**6.** **Mexican Farmers Switching to corn could Create Tequila Shortage**

Angela Kocherga  
*KENS 5 Border Bureau*   
July 24, 2007

Tequila is key to a great margarita, but many farmers in Mexico are now ditching the blue agave plant used to make the liquor to cash in on corn and the demand for alternative fuel — and some say that could lead to the great tequila shortage.

In the highlands of Jalisco, workers known as jimadores harvest blue agave plants. They slash off the sharp leaves to get to the heart, which is used to make tequila.

The plants take at least six years to ripen, and patience can pay off when agave prices are high.

However, now some growers are bulldozing their fields to make way for corn. It's worth more, says one worker, thanks to the growing demand for ethanol.

At same time, agave prices have plummeted, as there's an overabundance of the plant.

One grower is so eager to clear his agave field that some of the workers are harvesting plants that are not quite mature. He and others in the region are eager to cash in on corn before the crop's prices peak.

People are hopeful it means more jobs in area known for heavy migration.

"I think this shift to corn is just a sign of desperation," said David Suro, who created his own premium tequila two years ago to appeal to increasing U.S. demand.

Suro timed the launch to ensure there was enough agave available.

"It's a casino business. It really is like, you walk into a casino, and you don't know if you're going to win or lose. Here, we're seeing the consequences," Suro said.

Now desperate farmers bet by turning their backs on blue agave and hope they'll hit the jackpot with corn.

Some farmers are even burning their agave fields to make way for corn.

Experts predict the shift will cause an agave shortage in a few years that will drive up the price of tequila.

! Viva el jimadores !

[Click here to watch broadcast](http://www2.mysanantonio.com/multimedia/video/NewsOnDemand/index.cfm) and then search for the title of this article.

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**7.** **Roads Safer When Drunk Drivers Immediately Lose License to Kill**  
**Study shows threat of on-the-spot license suspension a greater deterrent to drunk driving than postconviction punishment**

Coco Ballantyne   
*Scientific American*  
July 24, 2007

Keeping Drunks off the Road: Immediate suspension of driver's licenses saves hundreds of lives.

Nearly 40 percent of all fatal traffic accidents in the U.S. involve drinking, resulting in annual death toll of 17,000, according to the National Highway Traffic Safety Administration. Yet, according to a recent survey by the Substance Abuse & Mental Health Services Administration, 17 percent of drivers age 21 and over admit to getting behind the wheel after consuming alcohol or using illegal drugs at least once a year. A surefire way to prevent at least some of such accidents? Immediately take away the license of anyone who fails a breath test, a move that already saves at least 800 lives a year, says a new study.

 "Preconviction license suspension laws are clearly successful in reducing the rates of alcohol-related crashes," says the study's lead author, Alexander Wagenaar, an epidemiologist at the University of Florida (U.F.) College of Medicine in Gainesville. In contrast, "postconviction laws have virtually no effect." Bottom line: the roads will be safer if drunk drivers are lose their driving privileges on the spot, rather than later.

Wagenaar and fellow U.F. epidemiologist Mildred Maldonado-Molina compared 26 years of federal crash data from 46 states with driver's license suspension laws. "We basically did 46 studies" estimating the impact of suspension laws on alcohol-related accidents for each state and then aggregated the results, Wagenaar says. Their findings, published in the August issue of the journal Alcoholism: Clinical and Experimental Research, confirm that laws mandating immediate license suspension reduce the number of drinking-and-driving fatalities by 5 percent, indicating that the measures appear to encourage people to hesitate before boozing and driving. Researchers say the laws seem to deter both social drinkers and carousers.

Legal scholars have long studied the influence of celerity (the time elapsed between crime and punishment) and found that swift (rather than delayed) discipline is more effective in preventing future crimes. "Theory would predict that celerity of punishment marginally adds to the deterrent effects of criminal punishment," says Jeffrey Fagan, a Columbia University law professor.

But Fagan also cautions that whisking away a driver's license instantly following a breathalyzer test has implications for people's rights. "Even if there is a public safety value to imposing punishment immediately [without due process of law], that may expose someone to an unjust punishment if their arrest violated their civil rights and procedural safeguards," he says. Some defendants may question the validity of the breath test or contend that the police did not have reasonable suspicion to pull them over, he notes.

Currently, all but nine states have laws on the books that require police officers to strip drunk drivers of their licenses before they have been convicted. The nine exceptions are Kentucky, Michigan, Montana, New Jersey, New York, Pennsylvania, Rhode Island, South Dakota and Tennessee.

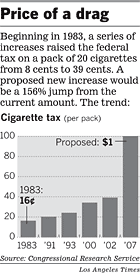
Wagenaar says that all states should adopt preconviction suspensions, noting they are a cheap and efficient way to save hundreds and perhaps thousands of lives.

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**8.** **Cigarette-tax hike would Fund kids' Healthcare**  
**A program for low-income children is up for renewal. To pay for it, Congress may boost the tax per pack to $1.**

Ricardo Alonso-Zaldivar  
*Los Angeles Times*July 26, 2007

The plan moving through Congress to provide health insurance for more children in low-income families is highlighting a pointed question: Are cigarette smokers the only people left in America for whom politicians think it's fine to raise taxes?

The health program, created in 1997, is up for renewal this year, and Democrats are pushing to extend benefits to more children. Many Republicans, with an eye to next year's elections, want to support the expansion. And that means buying into huge increases in tobacco taxes.

The Senate version of the bill calls for adding 61 cents a pack to the cigarette tax, a 156% increase over the current 39 cents. The House version would add 45 cents in taxes, an increase of 115%. Those would be the biggest percentage boosts since Civil War days.

But stirring up sympathy for smokers is not easy, said Robert Blendon, a public opinion expert at the Harvard School of Public Health. "You are raising a tax where the majority of Americans know they will not pay it," Blendon said. "And there is a sort of moral dimension to this tax, since many people think you're taxing something that should not be done at all."

Smokers and the tobacco industry have teamed up with anti-tax conservatives to oppose the plan. The R.J. Reynolds Tobacco Co. has issued a "call to action" on its website and has set up a toll-free number where callers can be connected with lawmakers' offices. President Bush has threatened a veto. And House GOP leaders say they will fight higher taxes.

"People are beginning to be concerned about the size of the tobacco tax increases that are being talked about," said Rep. Jim McCrery (R-La.), an opponent of the proposed levy. "We ought to take into account the impact on Joe Six-Pack and on small shop owners."

But some Republicans already have signaled they will break with the party line on this issue. Some have predicted it could be the first Bush veto to be overridden since he took office in 2001.

Mitch Daniels, Bush's former budget director and now the Republican governor of Indiana, is relying on a tobacco tax hike to fund his plan to expand health insurance coverage in his state.

Asked recently about the Senate proposal, Daniels responded: "I can only applaud something that is going to reduce smoking and all the costly consequences of it."

Even some smokers say fighting a tobacco tax, especially one that would bring medical care to children, is an uphill battle.

"Obviously cigarette buyers are an easy target," said Steven Durose of Tarzana, a pack-a-day smoker who works as a mortgage broker. "If you are looking for public support, you are going to put smokers on one side of the aisle and kids on the other.

"I don't enjoy being singled out," he said. "There are a lot of products out there that are bad for your health besides cigarettes."

Public health advocates say a stiff tax increase is exactly what's needed — the economic equivalent of shock therapy — to convince smokers to quit and reduce the cost to themselves and society of lung cancer, emphysema and other smoking-related illnesses.  
"If they only increase taxes by a little bit, the cigarette companies can monkey around with prices and promotions, and it will get lost in the shuffle, and no smoking behavior will be changed," said Eric Lindblom, research director for the Campaign for Tobacco-Free Kids. Teenagers are particularly likely to be deterred from smoking by higher taxes, he said.

At issue is legislation to renew and expand the State Children's Health Insurance Program, a popular and successful partnership between Washington and the states, which provides coverage for about 6 million children of low-income working parents. In California, the program is known as Healthy Families. Renewing the program is considered the most important healthcare decision Washington faces this year.

Both the House and Senate plans are expected to see floor action next week.

The last change in federal cigarette taxes came 10 years ago, when Congress passed a two-step increase, raising it 10 cents in 2000 and 5 cents more in 2002. That brought the tax from 24 cents in 1997 to the current rate of 39 cents a pack.

Many smokers have not yet heard about the proposal to make them pay more for their habit. When told about it, most react negatively, although some say it might nudge them to quit.

Marilyn Epps, a preschool teacher from Washington, D.C., said a $1-a-pack tax would hurt, particular on days when she was stressed and bought two or three packs, what she called her "safety net."

Epps pays about $5 a pack now. "If it went up to $6, I would quit," she said.

Epps said she was skeptical the government would really use the money for children's health insurance. However, she added, "I think it would be all right — if it is being used for children. I'd be for it."

Tobacco companies say their products already carry a disproportionate share of taxes — both state and federal levies as well as the cost of funding the massive 1998 settlement between tobacco companies and attorneys general in 46 states, including California.

But public health advocates say revenue from such taxes doesn't come near the cost to Medicare and other government programs for treating smoking-related illnesses.

Because the number of Americans who smoke — now about one in five adults — is slowly but steadily declining, the companies also question the logic of tapping tobacco to pay for healthcare.

"You are looking at taking a declining source of revenue and using it to fund a program that is growing," said John Singleton, a spokesman for R.J. Reynolds. "At some point you are going to reach an impasse where the money is not going to be there. For long-term sustainability, you have to look at broader funding."

Some independent economists agree with that assessment but note that Congress is only voting to extend the children's program for five years.

"Using [tobacco taxes] as a long-term strategy to pay for healthcare is problematic because you're setting up two conflicting goals: If you can get everybody to stop smoking, you'll lose your revenue source," said Kim Rueben of the nonpartisan Urban Institute.

But, "as an interim solution, I think this is better than many other possibilities, because it is feasible to get it passed," she said.

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**9.** **Maker of Budweiser beer Reports 2Q profit Increased 6.1 pct on Similar rise in Sales**

*Associated Press*July 25, 2007

Anheuser-Busch Cos. Inc., the largest U.S. brewer, said higher beer prices and stronger demand helped push its profit up 6.1 percent in the second quarter on a similar rise in sales.

Chief Financial Officer Randolph Baker said the company plans to raise prices on almost its entire line of beers in the first months of 2008. He said it is not clear how high prices will be raised, but said the results will vary by geographic region and market.

"We're in the process of formulating the plan," Baker said during a conference call with stock analysts. He noted the company expects its own costs to rise in coming months from increased fuel, commodity and marketing costs.

The maker of Budweiser, Bud Light and other beers earned $677 million (?492.61 million), or 88 cents per share, in the three months ended June 30, up from $638 million (?464.24 million), or 82 cents per diluted share, in the same period in 2006.

Net sales after excise taxes also rose 6.1 percent to $4.52 billion (?3.29 billion) from $4.26 billion (?3.1 billion).

Analysts polled by Thomson Financial expected earnings per share of 86 cents.

The company also said its board has raised the regular quarterly dividend rate by 11.9 percent to 33 cents from 29.5 cents per share. The higher rate is payable Sept. 10 to shareholders of record on Aug. 9.

Anheuser-Busch shares rose 47 cents to close at $49.59 Wednesday.

Anheuser-Busch is still struggling with consumers' shift away from its core brands like Budweiser because imported beer, wine and spirits are gaining in popularity, said Benj Steinman, publisher of Beer Marketer's Insights.

Anheuser-Busch finds itself in the difficult position of trying to sell more imported beers while putting energy into its core product line, Steinman said.

"They've got to do both, that's the tricky part," Steinman said.

The good news is that consumers seem to be accepting of Anheuser-Busch's price hikes, which are in many cases still lower than the cost of inflation, Steinman said.

The company reported the revenue of its U.S. beer segment jumped 6.9 percent during the second quarter, due in part to higher prices the brewer phased in earlier this year. Revenue per barrel rose 3.1 percent while total U.S. beer sales volume rose 2.3 percent.

"Anheuser-Busch had a solid quarter in many aspects of our core operations," said August Busch IV, president and chief executive officer.

"Led by U.S. beer operations, all of our business segments reported improved earnings in the second quarter and the company is on track to deliver accelerating earnings growth in the second half of the year."

For the first six months of the year, Anheuser-Busch earned $1.2 billion (?0.87 billion), or $1.55 (?1.13) per share, up from $1.14 billion (?0.83 billion) or $1.46 (?1.06) per share last year. Net sales rose to $8.37 billion (?6.09 billion), up 4.5 percent from $8.01 billion (?5.83 billion) in 2006.

grapes<http://www.iht.com/articles/ap/2007/07/26/business/NA-FIN-EARNS-US-Anheuser-Busch.php>  
  
  
  
  
  
  
**10.** **Drinking Teens Eschew Beer for Hard Liquor**

*Atlanta Journal Constitution*  
July 26, 2007

Hard liquor is the drink of choice among the 40 percent of teenagers who try alcohol, a new government study shows.

Bourbon, rum, scotch, vodka and whiskey were consumed more than beer by high school students who drank, according to a report in this week's issue of Morbidity and Mortality Weekly Report (MMWR), a publication of the U.S. Centers for Disease Control and Prevention. For the most part, the finding held true for both genders and across all racial groups.

"The rate of teen drinking is pretty dang high," said Dr. James Garbutt, a professor of psychiatry at the University of North Carolina at Chapel Hill. "It is intriguing that hard liquor is the preferred beverage. I wouldn't intuitively have thought that."

In the MMWR report, CDC researchers culled data from a youth risk behavior survey conducted in 2005 that focused on four states: Arkansas, New Mexico, Nebraska and Wyoming. The number of teens surveyed ranged from 1,615 in Arkansas to 5,634 in New Mexico. The prevalence of drinking ranged from 42.3 percent in New Mexico to 45.4 percent in Wyoming.

In all the states in the survey, liquor was the most popular drink, ranging from 34.1 percent in Nebraska to 44.7 percent in Arkansas. This was followed by beer or malt liquor. Wine was the least popular drink, ranging from 1.6 percent in Arkansas and Wyoming to 3.1 percent in New Mexico.

With the exception of Nebraska, liquor was the most popular type of alcohol consumed by boys, followed by beer. Beer was the most popular drink among boys in Nebraska, followed by liquor, the researchers found.

Among girls, liquor was the most popular drink in all four states, followed by malt beverages and beer.

As for binge drinking, the prevalence ranged from 28.6 percent in New Mexico to 32 percent of teens in Wyoming. Liquor was the most popular drink for binge drinking in all four states and among both boys and girls, except in Nebraska, where beer was preferred by boys.

"These data also underscore the need to continue the use of evidence-based strategies to reduce youth drinking," the MMWR editors wrote. "Previous studies have indicated that certain strategies are effective, including improved enforcement of minimum legal purchasing-age laws [e.g., through compliance checks in which minors or youthful-looking adults attempt to purchase alcohol from retail establishments] and increased alcohol excise taxes," they added.

The researchers suggested several reasons why hard liquor might be preferable to beer among teens, reasons that included the fact that it's easier to hide alcohol consumption by pouring it into a soft drink, and that the taste might be more palatable to beginning drinkers.

Another reason might be that the alcohol level is higher in liquor, so binge drinkers feel the effect of the alcohol faster, Garbutt said.

Garbutt thinks that the report confirms that "alcohol is one of our most misused and abused drugs."

Parents should educate their children about alcohol, Garbutt stressed. "Parents need to be aware of children's access to liquor in the home. Whether they want to keep it locked up or whether they want to monitor it, they need to educate their children about drinking," he said.

grapes<http://www.healthcentral.com/newsdetail/408/606766.html>  
  
  
  
  
  
  
**11.** **Pernod unlikely to Acquire both Absolut and Stolichnaya**

*Forbes*  
July 26, 2007

Pernod Ricard does not believe it will be able to acquire both Absolut and Stolichnaya vodkas because of competition concerns.

Speaking at the French drinks group's full-year sales presentation in London, managing director Pierre Pringuet reiterated Pernod's intention to bid for Absolut vodka parent company V&S, should the Swedish government elect for a sale over an IPO.

'It's very clear the day the process starts, we will be there,' he said.

However, Pringuet recognised that the group would probably be prevented from acquiring Absolut and Russian vodka brand Stolichnaya which it already distributes internationally on behalf of brand owner SPI on competition grounds.

'That's why we would be very happy with one,' he said.

Pernod acquired the international sales and marketing rights for Stolichnaya when it acquired Allied Domecq in 2005 and has been in negotiations with the Russian authorities and SPI since last spring, looking to pave the way for outright acquisition.

The premium vodka brand sells around 2.1 mln cases in the US out of a total international volume of 3.1 mln cases.

Absolut, meanwhile is the leading imported vodka brand in the US with sales of around 4.5 mln cases. Its sale along with V&S stable mates Cruzan rum and Plymouth gin is expected to fetch upwards of 5.5 bln usd.

Stolichnaya, one of Pernod's 15 core spirits and wine brands, saw volumes increase 19 pct for the year, with sales up 21 pct in the year to end-June and excluding July 2006. The US market registered a 6 pct increase in depletions (sales to retailers).  
  
<http://www.forbes.com/markets/feeds/afx/2007/07/26/afx3956520.html>

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**12.** **Joint Position on MADD's Campaign to Eliminate Drunk Driving**

*Beer Institute / NBWA*  
July 25, 2007

The National Beer Wholesalers Association (NBWA) and the Beer Institute (BI) are committed to continue working to eliminate drunk driving, underage drinking and the problems associated with the abuse of alcohol.

BI and NBWA believe the best approach to combat drunk driving is to support effective, state-based solutions. As such, BI and NBWA support the mandatory use of ignition interlocks for offenders with repeat DWI convictions and for drivers convicted of drunk driving with a blood alcohol content (BAC) of .15 or higher, even for a first time offense. Judicial discretion may be used when determining the suitability of interlocks for offenders with a BAC in excess of the legal limit of .08. Additionally, beer distributors, brewers and importers believe that other emerging technologies could be important tools to fight drunk driving.

BI and NBWA have a long history of working to strengthen effective state-based alcohol regulation to provide the proper regulatory environment to address the potential for the abuse of alcohol including drunk driving. Moreover, America's beer distributors, brewers and importers are leaders in the effort to provide education, free cab rides, responsibility training, media campaigns, public service announcements and other programs to fight drunk driving across the country and within local communities. Over the past 20 years, the beer industry has dedicated substantial financial resources to address the important issues of drunk driving and alcohol abuse.

BI and NBWA support efforts such as saturation patrols together with other effective and constitutional law enforcement measures. The publicity surrounding enforcement is an effective tool to fight drunk driving and educate consumers about the importance of responsible behavior.

grapesNBWA and BI will continue to evaluate legislation on a state-by-state basis and support other proposals that work to reduce drunk driving.  
  
  
  
  
  
  
**13.** **Diageo boss praises Mallya's move for W&M**

*Scotsman*  
July 26, 2007

The boss of Diageo, Scotland's biggest whisky company with more than 30 per cent of the market, yesterday said further consolidation in the spirits industry was likely and his group would remain a player.

It came as Paul Walsh also said Indian drinks magnate Vijay Mallya's £595 million acquisition of Glasgow-based distiller Whyte & Mackay (W&M) recently was encouraging news for the industry generally.

Walsh, whose group's main whisky brands include Johnnie Walker, J&B and Bell's, said: "There is an emergence of a super-league in wines and spirits and beer. A few companies are leading the march on consolidation. We have been first-mover and with that comes certain advantages.

"Consolidation is going to continue, and we will be participating. The consolidation game is not over."

Diageo, which later this year celebrates the tenth anniversary of its creation from the merger of GrandMet and Guinness, is the biggest spirits company in the world, cementing its position a few years ago via the purchase, with Pernod Ricard, of Seagram's drinks business.

It also snapped up Bushmills whisky two years ago, as a spin-off from Pernod's acquisition of Allied Domecq, Scotland's second-biggest whisky producer.

More specifically, Walsh confirmed Diageo was interested in Swedish vodka Absolut, its owners having appointed advisers to investigate a sale or flotation.

The Diageo chief executive, speaking ahead of the group's annual results at the end of August, said he would not rule out a full acquisition of a company.

But he acknowledged that, given its size, "acquiring a company that brings a collection of brands with it is going to be more of a [regulatory] challenge".

There has been speculation that Diageo had been looking at some sort of joint break-up bid for Britain's leading brewer, Scottish & Newcastle.

However, while not commenting on specific companies, the Diageo boss said acquiring beer brands would be "more challenging".

Instead, he said Diageo, which owns Guinness and a number of beer brands, was pursuing joint-venture policies in the beer industry, notably with Heineken in South Africa, Russia and Asia.

"One of the issues [in buying beer brands] is that many beers in their domestic markets are under some sort of challenge," Walsh said.

He cited Guinness in Ireland, where many younger people are drinking lager and spirits instead, and cask ales in the UK.

However, Walsh, was more positive about prospects for the Scotch industry, particularly following the recent slashing of import duties by the Indian federal government from up to 550 per cent down to 150 per cent.

He said he was heartened by the potential for further cuts in Indian duty, still high compared with 10 per cent in China and 20 per cent in Brazil, following the swoop by Mallya on W&M.

Walsh said he believed the acquisition of W&M by Mallya's United Breweries group in India, with which Scottish & Newcastle has a joint venture, showed that the Indian businessman believed his country's duties on Scotch would fall farther.

"That's a sign that tariff levels will liberalise [more] in India. He [Mallya] sees that and wants a piece of that market. I saw that as very encouraging. Mr Mallya is a very astute businessman," Walsh said.

<http://business.scotsman.com/agriculture.cfm?id=1162652007>

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**14.** **Diageo to expand Guinness sales in Africa**

Jenny Wiggins   
*Financial Times*  
July 25, 2007

Paul Walsh, chief executive of Diageo, on Wednesay ruled out selling the group's Guinness brand and said it would expand sales of the Irish stout in Africa to counter declines in its home market.

Mr Walsh said a continuing fall in Guinness sales in Ireland had "nothing to do" with Diageo's marketing of the brand, and was instead due to "structural" changes in consumption as people spent less time in pubs.

Guinness accounts for about 13 per cent of Diageo's total sales revenues, which were £7.26bn (?10.8bn) in the 2006 financial year. Guinness sales fell 1 per cent globally and were down 4 per cent in Europe in the six months to December.

"We have to continue to grow the brand outside its home market," Mr Walsh said, adding that sales of Guinness outside Ireland had risen 4-5 per cent.

Mr Walsh also played down suggestions that the group would buy a big beer brand. The Financial Times reported in April that Diageo had considered buying brewer Scottish & Newcastle with SABMiller.

Diageo's near-term acquisition goal is Absolut, the Swedish vodka brand owned by Vin & Sprit.

Mr Walsh said the Swedish government was in the process of distributing an offering memorandum for V&S, as it moves to privatise the company, and that he expected a formal process to start in September. "We will be looking to participate in that process."  
Mr Walsh cautioned that Sweden could also float the group rather than sell it to keep the brand under national ownership. "You could see how an initial public offering would be very attractive from a political level," he said.

Bengt Baron, chief executive of V&S, indicated this month that the Swedish group's best interests might not lie in being part of a global drinks group.

At least four large drinks companies, including Pernod Ricard, Bacardi and Fortune Brands, as well as Diageo, are expected to bid for V&S if it is sold.

Diageo would also like to buy the 66 per cent of Moët Hennessy it does not own if it became available, Mr Walsh said. Moët Hennessy, which owns the brand Moët & Chandon, is a joint venture between LVMH and Diageo. "If [LVMH] does want to sell, we're there," he said.

grapes<http://www.ft.com/cms/s/39231f52-3ae2-11dc-8f9e-0000779fd2ac,_i_rssPage=61e21220-6714-11da-a650-0000779e2340.html>  
  
  
  
  
  
  
**15.** **Pernod warns wine Prices set to Rise**

Jenny Wiggins  
*MSNBC*  
July 26, 2007

Pernod Ricard, owner of Jacob's Creek wine, said an era of cheap Australian "plonk" could shortly come to an end as drought damages the country's grape harvests, heralding an end to the country's wine glut.

Pierre Pringuet, Pernod Ricard's managing director, said: "This question of oversupply of wine [in Australia] is behind us - we might face a situation of shortage."

He argued that a shortage of grapes would help the group restore the "true value" of Jacob's Creek, one of Australia's biggest wine exports. "The competitive pressure on price is about to disappear."

Some owners of Australian wine labels have been forced to take price cuts amid an oversupply of Australian grapes, which has encouraged production of cheap "cleanskin" or unbranded wines.

To avoid cutting prices, Pernod has been extending its Jacob's Creek brand, introducing new lines such as "Three Vines", which sells at a £1.50 ($3.08) premium to the standard brand but has nevertheless been losing sales.

In the UK, the main market for Jacob's Creek, the price of Australian wine has been flat over the past few years, with wine selling at £4.27 per bottle on average, according to market research group AC Nielsen. Stewart Blunt, AC Nielsen wine analyst, said: "It's been remarkably benign to the shopper."

The Australian government has forecast "low-yielding" seasons in 2007 and 2008 and Pernod says it expects yields this year to be 30 per cent lower than last year due to the drought.

Pernod's shares fell ?8.34, or 5 per cent, to ?152.59 on Thursday after the spirits and wine group reported organic sales growth of 8.6 per cent for the financial year ending in June, below analysts' expectations.

Its wine business has been growing more slowly than its spirits business, with sales up 1.3 per cent while spirits were up 11 per cent.

Total sales rose 6.2 per cent to ?6.4bn ($8.8bn).

Sales in Asia were lower than expected due to last year's coup in Thailand, which has hurt the country's economy.

Mr Pringuet reiterated Pernod's interest in the Absolut vodka brand, if it is sold by the Swedish government. "If it is a straight sale, we'll be there."

The French group is also in negotiations to buy the Russian rights to the Stolichnaya brand from the Russian government and acquire ownership of the brand from the SPI Group - which owns the brand outside Russia and licenses it to Pernod.

grapes<http://www.msnbc.msn.com/id/19983978/>  
  
  
  
  
  
  
**16.** **Changing of the guard at Constellation**  
**A new CEO takes over at the world's largest wine company**

*Rochester Democrat*  
July 27, 2007

Marvin Sands, the son of a winemaker, founded a company called Canandaigua Industries in 1945, aiming modestly at selling fruit wines in bulk.

Today that company is Constellation Brands Inc., the largest wine seller in the world with more than $5 billion in annual revenue.

The constant from 1945 to 2007? A Sands family member at the helm. First Marvin, then son Richard and, as of Thursday, Richard's brother, Robert.

"After 14 years, it's time for me to pass the CEO baton to Rob," Richard Sands said at the company's annual meeting at the Riverside Convention Center.

And with his mother, Mickey, his wife, Nancy, and his son and daughter looking on, Robert Sands, 49, assumed his new role Thursday.

Richard Sands, 56, who will stay on as board chairman, is widely credited with building the Perinton-based company into a global alcoholic beverages powerhouse.

Pacing as he spoke to a standing-room-only audience at the company's annual meeting in the Riverside Convention Center, Robert Sands highlighted fiscal 2007 accomplishments. The acquisition of Vincor International during the previous year gave Constellation entry to a fifth core market - Canada, Sands said.

And the acquisition of the Svedka vodka brand this year was "nothing less than stellar," he said. The Swedish brand is the fastest-growing premium vodka in the United States.

Constellation also formed a joint venture with Grupo Modelo. The new venture, called Crown Imports, markets and distributes brands such as Corona Extra, Pacifico, Negra Modelo, Tsingtao and St. Pauli Girl.

Robert Sands also pointed to the increase in the Perinton-based company's stock price over the years. A $6,000 investment in 1979 would be worth $1.2 million in 2007.

Richard Sands highlighted a major challenge of the past fiscal year: a wine surplus in Australia. The United Kingdom is a large market for Australian wines, and the product surplus drove down prices, affecting Constellation's sales.

But agricultural situations are cyclical and the situation is temporary, Richard Sands said.

The brothers took questions from the audience, with one shareholder questioning the 24 percent drop in Constellation's stock price so far this year. The shares closed Thursday at $22.08.

Robert Sands said the company thinks the stock is undervalued, which is part of the reason behind a decision to initiate a $15 million stock buyback.

He also defended the company's debt load, saying it is reasonable, given the recent acquisitions.

In a brief interview after the meeting, Robert Sands said the company will continue to seek strategic acquisitions as well as build the more than 250 brands it now owns. But Constellation has strict financial standards when it comes to acquisitions, he emphasized.

Richard Sands credited his younger brother for much of the growth at the company since he joined it in 1986, seven years after Richard came on board.

And Robert Sands said he will continue to champion the entrepreneurial spirit instilled by Marvin Sands, who died in 1999.

The brothers described their working relationship as a partnership.

"This has been a team effort," Richard Sands said. "Our father gave us tremendous responsibility."

"It's his turn to lead," he said.

<http://www.democratandchronicle.com/apps/pbcs.dll/article?AID=/20070727/BUSINESS/707270357/-1/BUSINESS01>

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**17.** **Underage Drinking**

Craig A. Purser  
*USA Today*  
July 26, 2007

The National Beer Wholesalers Association (NBWA), which represents the interests of the 2,750 licensed beer distributors across the United States, applauds states' efforts to combat underage drinking using innovative strategies ("States get creative in fight against underage drinking," News, July 19).

NBWA is working with Congress to implement and fully fund the Sober Truth on Preventing Underage Drinking Act signed into law in December. This legislation addresses underage drinking and calls for federal funds to fight it. The STOP Act recognizes the unique nature of alcohol beverages and emphasizes states' responsibility to regulate alcohol. Federal law says states must regulate the manufacture, distribution and sale of alcohol beverages. States also have a responsibility to fight youth access to alcohol.

America's beer distributors work in many ways to fight underage drinking. They sponsor responsibility programs, including those providing free cab rides and tips on how to properly check IDs. They support tough state laws that prevent the manufacture or use of fake IDs by providing retail signs and advertising.

Effective state regulations work to prevent abuse, maintain a fair marketplace, ensure taxes are collected and make sure alcohol is sold responsibly. As society addresses underage drinking, the importance of maintaining effective state alcohol regulation is critical.

grapes<http://blogs.usatoday.com/oped/2007/07/underage-drinki.html?csp=34>  
  
  
  
  
  
  
**18.** **Remy the Animated Rat Gets His Own Chard in Movie Tie-In Twist**

Elin McCoy  
*Bloomberg News*  
July 27, 2007

The 2004 Ratatouille French chardonnay label July 26 (Bloomberg) -- Will a cartoon-movie rat on the label of a French-made chardonnay entice drinkers to pick it up?

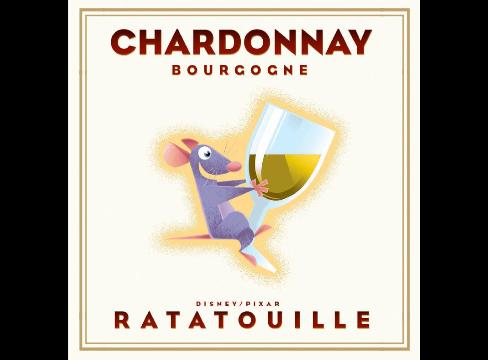
We'll find out next week, when 2004 Ratatouille, named for Disney-Pixar's charming animated foodie flick, goes on sale for $12.99 at Costco stores in 18 U.S. states. This licensed bottling ushers in what may be a whole new trend for wine and the movies.

Plenty of films feature real wine brands, including 2004's “Sideways,'' which doubled sales of California pinot noir. That's why wineries use product-placement agencies to get their labels on the screen.

The 2004 Ratatouille is the reverse version of this promotion strategy: It's the first movie-branded wine, and it's going retail.

The Disney wine doesn't spring from anything specific in the film's story of an ambitious young country rat named Remy who has haute-cuisine dreams and finally makes it as a four-star chef in Paris. The few wines in the film are big-deal bottles. I spotted a Cote-Rotie, a 1961 Chateau Latour and, in the scene when feared restaurant critic Anton Ego orders the legendary 1947 Cheval Blanc, what turns up on his table is Lafite- Rothschild.

Ratatouille wine is more modest, a crisp white from the Macon region of Burgundy. Louisiana-based importer D.C. Flynt M.W. Selections, which handles many wine projects for Costco, sourced the wine from an historic estate, Chateau de Messey. Owner Marc Dumont produced it from grapes in his Cruzille vineyard and put the movie label on a mere 500 cases of his regular Bourgogne chardonnay.

**Costco Wine Program**

The wine tie-in idea surfaced at a Disney-Costco summit in California, says Annette Alvarez-Peters, who oversees the Issaquah, Washington-based retail chain's wine program. She is coy about financial arrangements with Disney, but a typical licensing royalty is 8 percent to 12 percent of the retail price. Given the small numbers, it's hard to view the wine as more than a promotional gimmick.

But there may be a future for a limited number of movie- and TV-branded wines on retail shelves. Surely the wineries featured in “Bottle Shock'' and “The Judgment of Paris,'' two films now in production, will pick up on the idea and offer movie-labeled cuvees when they hit theaters next year. Both tell the story of the famous 1976 tasting in Paris when a handful of California wines beat out the best of France.

The future for real brands on the screen seems bright. Producers and set designers may be influenced by gift bags with free bottles, but serendipity sometimes reigns.

**Free Publicity**

Consider the appearance earlier this year of Kendall- Jackson Vintner's Reserve cabernet in the opening scene of a TV episode of “The New Adventures of Old Christine.'' Star Julia Louis-Dreyfus pulls out a bottle hidden under her bathrobe, announces she's keeping “Mr. Kendall Jackson'' company tonight and takes the bottle into her bedroom.

“I nearly fell out of my chair,'' recalls George Rose, head of public relations for the giant California winery, who was watching the show. He says L.A. product-placement agencies call regularly, pitching a $100,000 budget to place the brand, but this, he reports gleefully, “cost us nothing.''

For tiny brands, the results can be big. When Demi Moore seduced Michael Douglas with a Napa Valley cult chardonnay, 1991 Pahlmeyer, in the 1994 thriller “Disclosure,'' owner Jayson Pahlmeyer was inundated. “I could have sold 400,000 bottles,'' he says, “but I only made 400 cases.'' Pahlmeyer provided two free cases to the film and paid no fee.

**Product Placement**

Usually, though, an “integrated entertainment marketing'' agency is the go-between. Six years ago, Napa Valley's Clos du Val was the first small winery to pursue on-screen product placement, and it paid an agency, Set Resources of Culver City, California, a $5,000 monthly retainer. Soon after, James Gandolfini was pouring Clos du Val on “The Sopranos.'' Since late 2005, the wines have appeared in 25 TV shows and nine films, including recent figure-skating comedy “Blades of Glory.''

Clos du Val's distinctive terra-cotta-colored label is easy to identify on the screen, where instant recognition is essential. Champagne Mumm's Cordon Rouge, with its red sash on the label, has a long movie history -- from the Bogart and Bergman scene in “Casablanca'' (where he says “Here's looking at you, kid'') to the more recent “Pearl Harbor'' and “A Beautiful Mind.''

Hollywood sells, so the bottles of 2004 Ratatouille will surely go quickly. The mystery is why Disney got involved. Profit on 6,000 bottles is a blip in the hundreds of millions the company will earn from consumer products in fiscal 2007. Maybe it's part of Disney's push to attract sophisticated adults with items like furniture.

On the other hand, how sophisticated is a cartoon rat? For movie-magic chardonnay, if budget is no object, I think I'll stick with 2005 Pahlmeyer ($70), which doesn't have a rodent on the label.

<http://www.bloomberg.com/apps/news?pid=newsarchive&sid=aDGbvG9QLraY>

**II.** **INTERNATIONAL NEWS.**

**19. Nissan Motor Testing Ignition Interlocks in Japan**

*Beverage News Daily*  
July 25, 2007

Nissan Motor Co. said it will begin testing a new on-board breathalyzer system that can detect the alcohol level on a driver's breath. If the system detects the presence of alcohol above the specified level, the ignition will be disabled through an "interlock" mechanism. The test is being done in cooperation with local prefectural authorities in Japan.

Nissan is actively engaged in developing a wide range of technologies to improve road safety through the prevention of drunk-driving. In June, Nissan introduced a new message alert against drunk-driving through its Carwings navigation system.

grapesComment: Mothers Against Drunk Driving’s ceo, in a response to a question from Kane’s Beverage News Daily a couple of years ago, said MADD would never seek to make such an interlock system mandatory in the U.S. But you can expect that if it’s adopted in Japan, some anti-alcohol advocates will seek to have it become standard equipment in the U.S., just as seat belts and airbags are today.  
  
  
  
  
  
  
**20.** **Pernod Opens $200 Million Global Media Review - Carat Is U.S. Incumbent**

Brooke Capps   
*Ad Age*  
July 20, 2007

Pernod Ricard has started a global media review of its $200 million account, according to executives familiar with the company. Aegis Group's Carat is the incumbent on the North American share of the account, valued at $66 million in measured media by TNS Media Intelligence.

Carat referred calls to the marketer. Pernod Ricard did not return calls.

**European Markets**

The international alcohol manufacturer, which distributes brands such as Stolichnaya vodka, Kahlua and Chivas Regal, had announced a review of media in its European markets earlier this week. Carat sibling Vizeum is the incumbent in the U.K.

The review takes place less than two years after Carat won the account in the U.S.

Reports out of Europe suggest the review there is aimed to reduce media costs.

Pernod Ricard saw sales increase 7.3% in the first half of 2007 over the same period last year.

<http://adage.com/accountaction/article?article_id=119439>  
  
  
  
**III.** [**IOWA NEWS.**](#II)

**21. Driver Sentenced For OWI Injuring 5 People**

*ABC 9 TV*  
July 23, 2007

Jail time is coming for a Siouxland teen drunk behind the wheel in a serious car crash.

18 year-old Melinda Juhl of Merrill, Iowa is sentenced to 60 days behind bars for her conviction in an accident on Highway 75 near Hinton, Iowa last year.

Five people were injuring in the crash one was hurt so badly her arm had to be amputated.

Authorities say Juhl was driving more than 100 miles per hour when her car crashed.

She had a blood alcohol level way above the legal limit.

As part of her sentence, Juhl must pay more than $6500 in fines and restitution and complete more than 150 hours of community service.

grapes<http://www.kcautv.com/Global/story.asp?S=6820108&nav=1kgl>  
  
  
  
  
  
  
**22.** **Light up in Parks? Council votes No**  
**D.M. officials approve the first reading of a proposal to ban smoking in and near some public parks.**

Melissa Walker  
*Des Moines Register*  
July 24, 2007

Des Moines is set to join a growing number of U.S. cities that have banned smoking in and around public parks.

City Council members on Monday unanimously approved the first reading of an ordinance to ban smoking at some park facilities in the city, including Western Gateway Park, Gray's Lake beach, swimming and wading pools and the James W. Cownie Soccer Complex.

A 25-foot smoke-free zone would surround each area, and the ban would include entire parks that are connected to school sites, such as Westchester Park near Hoover High School. Also included in the ban would be city-sponsored events such as the "Nitefall on the River" concert series at the Simon Estes Amphitheater and youth activities.

Private events on public property such as the Des Moines Arts Festival at Gateway Park could receive an exemption to the rule. Don Tripp, parks department director, would grant all exemptions. Tripp said the ban was proposed because it's a customer service and safety issue for people who use parks facilities and attend parks events.

The new rules could go into effect as soon as September. Council members will vote on the second and third readings of the ordinance next month. Violators of the ordinance would face fines of up to $750.

Des Moines resident Diana Ladd presented the council with a petition signed by 180 residents against the proposed ordinance.

"You want to deny my right to sit on a park bench and enjoy a cigarette," Ladd said to council members.

She said if the city is concerned about aesthetics, it should install more containers for smokers to place cigarette butts.

"Why do nonsmokers insist on sitting next to someone smoking a cigarette and then complain about it?" Ladd said. "Smokers have rights, and we will fight this."

Council members rejected additions to the ordinance from members of anti-smoking groups to include all parks in the ban and to prohibit all tobacco products including chewing tobacco. Dan Ramsey of the American Lung Association said including all parks would make the ordinance more clear-cut and easier to enforce.

The council earlier this year banned smoking in public parking garages. City Manager Rick Clark said the city would use "soft enforcement" of the parks ordinance, which would include an aggressive sign program and a campaign to inform people of the ban.

"It shouldn't be something that requires the service of our police officers," he said.

Urbandale city officials earlier this year banned all tobacco in city parks during youth sports events. Pleasant Hill and Indianola have similar policies, and Johnston has designated some parks tobacco-free. Cedar Rapids has smoke-free public transportation. Ames and Iowa City had banned smoking in restaurants, but the Iowa Supreme Court overturned those ordinances because they were stricter than state law.

Officials nationwide and across the world have banned smoking in public places. In Omaha, officials in 2006 banned smoking in places of employment. Kansas City, Mo., has had a similar ban since 2005.

grapes<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=/20070724/NEWS05/707240382/1001/NEWS>  
  
  
  
  
  
  
**23.** **Ankeny man Boasts nearly 999 cans of beer on the Wall**

Kristin Danley-Greiner  
*Des Moines Register*July 25, 2007

Many fathers and sons enjoy having a beer together. Ankeny resident Mike England and his dad went beyond that bonding time to build an impressive collection of brewery memorabilia.

Nearly 1,000 beer cans line the basement wall in England's Ankeny home, and neon signs and lights adorn the other walls. England said he's never really counted all of the artifacts.

"There are also 185 signs, 99 bottles, 55 etched or enameled beer glasses, 30 trays, 12 wooden crates, plus ball and tap knobs, foam scrapers, matchbooks, openers, coasters, lighters, pencils, coolers, ashtrays, cigarette dispensers, banks, rulers, pocket watches, bottle caps, salt shakers and even a hard-boiled egg dispenser, plus hundreds of other items," he said.

England's father, Walt, began collecting beer cans in the 1970s. When his dad passed away in 1977, England inherited the family collection and continued to add to the display.

England will share his love of beer memorabilia Saturday as he and other members of the Hawkeye chapter of the Brewery Collectibles Club of America host a show in Des Moines.

England, who is president of the national organization, said this weekend's show is the largest of its kind in the Midwest.

"Because of the craft beer renaissance, the brewerania from the micro/craft breweries and brew pubs are a very popular collectible today," England said.

The show will feature more than 100 tables of beer and soda collectibles plus antique stoneware, medicine, elixir and other antique bottles and jars. Area residents can bring along their own items to sell or have them appraised - and purchase other items to add to their displays.

http://cmsimg.desmoinesregister.com/apps/pbcsi.dll/bilde?Site=D2&Date=20070725&Category=NEWS&ArtNo=707260304&Ref=V2&Profile=1001&maxw=250"If you need to add a beer or soda neon or sign for your basement bar, you should find it at our show," England said.

His display started with cans picked up by his father on family trips.

"Whenever we went on vacation he would buy a six-pack or two of a local beer and save one of each to place behind our basement bar. Before long, there were a couple dozen different cans stacked behind the bar, pyramid-style."

England works for the Alcoholic Beverages Division of the Iowa Department of Commerce. Luckily his wife, Abbie, "really enjoys the hobby" and has even begun collecting herself.

http://cmsimg.desmoinesregister.com/apps/pbcsi.dll/bilde?Site=D2&Date=20070725&Category=NEWS&ArtNo=707260304&Ref=V6&Profile=1001&maxw=250The rarest piece in the collection is a two-sided, kerosene-lit, reverse-on-glass outdoor sign that is believed to date to the 1890s.

"The sign is from the Dubuque Brewing & Malting Company, which was located on 30th and Jackson Street in Dubuque. The brewery's buildings are still standing and being used today," he said.

The most expensive piece in his collection is a beer can from the Dallas Brewing Company in Dallas, Texas, that is thought to have made a "last-ditch effort" to save the brewery by changing to the new fad of canned beer, England said.

"They are thought to have produced only a couple of batches of beer in cans before they were forced to close down in 1939. The can that I have is thought to be the second- or third-best example of that can known to exist. I have been offered $7,500 for it. My wife says that it is our trip to Europe or Australia," he said.

His most-prized flat-top can is from the Storz Brewing Company in Omaha, Neb., and was produced in the late 1930s. His favorite sign is a Hauenstein's Lager Beer lithographed tin sign dated 1905. The cone-top can that is his favorite is a quart from the Westminster Brewing Company of Chicago.

"Many of the better-condition cans and signs have been found in attics, walls and crawl spaces during remodeling projects," England said.

Mike Reilly of Pleasant Hill, a fellow club member, also started collecting in the 1970s. He focuses on 12-ounce American cans from the 1990s to the present.

"I have probably 10,000 cans alphabetized in the basement on shelves I built for them," Reilly said. "I told my wife when we met that this is a sickness she was marrying into, and that if we got a house, I got the basement. She's pretty understanding."

grapes<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=/20070725/NEWS/707260304/1001>

**24. Council bans Amateur Fighting**

Kelli Sutterman  
*Daily Iowan*  
July 25, 2007

During the Iowa City City Council's formal meeting on Tuesday night, councilors unanimously banned amateur fighting in establishments with liquor licenses and defeated a proposed amendment to spare USA Boxing from the ordinance.

Last night's meeting was the third and final vote on the fight ban, which passed 6-0. Mayor Ross Wilburn was not in attendance.

The discussion of amateur fighting was first brought to the forefront after the Union Bar, 121 E. College St., began promoting and hosting mixed martial-art fight nights. The council discussed amateur fighting on June 4, after some councilors expressed concern about amateur fighting taking place in an establishment that serves alcohol.

Councilors considered amending the ordinance to exclude USA Boxing, which is regulated across the country.

"I think [boxing] is something that people can choose to go to," said Councilor Dee Vanderhoef. "And if appropriately supervised, I see no reason why there cannot be alcohol in that venue."

However, the proposal to exempt USA Boxing from the ordinance later failed on a 3-3 vote - with Mayor Pro Tem Regenia Bailey, acting on behalf of Wilburn, declaring the outcome.

"I support [the amendment] like it is," said Councilor Mike O'Donnell. "I don't think [mixed martial arts] are appropriate downtown, and I don't think boxing is appropriate downtown."

The fight ordinance adds a new section to city code, amateur fighting and boxing. The ordinance prohibits amateur fighting and boxing at establishments that are licensed to serve alcohol and also prohibits a person from participating in or promoting such an event.

In other business, the council deferred indefinitely action on an ordinance to amend the regulations of sidewalk cafes on a vote of 4-2. Some business owners had expressed concerns about leasing public space to private enterprises.

The discussion began after Jim Mondanaro, the owner of Saloon, 112 E. College St., planned to construct a new sidewalk cafe that would encompass two raised planters on the Pedestrian Mall that extend beyond his property. Currently, city code does not allow planters to be encompassed by a business, and the width of a sidewalk cafe is limited to the width of the cafe owner's building.

In this case, the ordinance would have granted Mondanaro the right to construct on space currently used by food vendors and the public.

Mike Porter, the owner of One-Eyed Jakes and the Summit, both on Clinton Street, spoke against a possible exemption to the law.

"If you're going to change this ordinance, it will dramatically change the complexion of the downtown area," he said. "What gives one business the right to take up space in front of another business? If you really start allowing this, well, then I guess I'll look forward to expanding my outdoor space in front of Iowa Book."

Councilors were quick to note that sidewalk cafes are only granted to restaurants, and they may only be open as long as the kitchen is serving food.

Mondanaro addressed the council and stressed his interest in serving food, not opening a beer garden.

"We're trying to make this work so we have a vibrant downtown," he said. "What we're doing is enhancing the downtown area with a dining venue. The downtown area is reinventing itself. We're always going to have bars, but I've never been bar-driven. I'm a food man; I've always been food man."

After several other business owners addressed the council, Vanderhoef moved to defer the discussion indefinitely, which was seconded by Bailey. The council hopes to further discuss the matter and urges comments from the public.

grapes<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/07/25/Metro/Council.Bans.Amateur.Fighting-2926985.shtml>  
  
  
  
  
  
  
**25.** **After-hours club to open in Downtown Waterloo**

Drew Andersen  
*Courier Staff*   
July 26, 2007

An "after hours" establishment is slated to open in downtown Waterloo within the next couple of months.

Justin Smith, owner of the Jefferson Street Tap at 708 Jefferson St. in Waterloo, confirmed his plans to open Upstairs After Hours on the second floor of the building where the Jefferson Street Tap is located.

The establishment will emulate similar businesses such as Club A.M. and The Boom Boom Room in the Des Moines area. Smith said Upstairs After Hours will initially operate only Thursday through Saturday from 1 a.m. to 5 a.m. Alcoholic beverages will not be sold at the establishment, but patrons will be allowed to bring in their own beer or wine.

"I see there being a need for somewhere bartenders, waitresses and other people in that industry to go after hours," said Smith. "Not everyone works conventional hours."

State law makes it illegal for establishments to sell alcohol from 2 a.m. to 6 a.m., Monday through Saturday, and 2 a.m. to 8 a.m. on Sunday. However, Upstairs After Hours will not actually sell alcohol, and state law does not prohibit establishments without liquor licenses from allowing patrons to drink beer and wine after the 2 a.m. cutoff for alcohol sales.

Smith said he sent letters to anyone who might be concerned with the legality of such an establishment and talked to the "powers that be."

"There is a state law that you cannot sell, distribute or serve liquor, wine or beer during those hours," said Waterloo Chief of Police Thomas Jennings. "But I guess you could say there is a quirk in the law about what patrons can consume after hours."

Smith likened his establishment to Earl Baugh Sr.'s Fantasy Island on Airline Highway, a juice bar which allows patrons to bring their own beer and wine. He said the premise of Upstairs would be the same as Baugh's establishment, "except without the strippers."

Instead, Upstairs will feature a club-like atmosphere with a 1,000-square-foot dance floor and a D.J.

Jennings acknowledged the possibility of increased criminal activity at an "after hours" establishment such as Upstairs. "I don't know if it is a concern, but that would not surprise me," said Jennings. "Unregulated alcohol consumption (and criminal activity) --- the two go hand-in-hand."

But Smith's experience in the business could alleviate concerns. "The owners of the business would be aware of that and take appropriate measures to ensure the safety of everyone," Jennings added.

Smith said that while researching the concept for Upstairs, he visited some of the "after hours" establishments in the Des Moines area. In conversations with doormen at those clubs, Smith became convinced there was no additional concerns about criminal activity at an "after hours" establishment than at a traditional bar or club.

"The initial thought people are going to have is that this will just be a big free-for-all," said Smith. "But I run the bar across the street and every Friday and Saturday night I have to let 100 people walk away just because it is 2 a.m. Now they will have somewhere to go where they can sweat off the alcohol on a dance floor."

Upstairs will draw most of its revenue via a cover charge at the door. However, Smith said the spacious facility would be available for private rental for occasions such as wedding receptions.

"If someone wants to have a wedding reception and save money by bringing their own food and beverages, all they will have to do is pay a rental fee," said Smith.

Both the future site of Upstairs and the Jefferson Street Tap are undergoing heavy renovations to support the new facility. Smith did not provide an exact opening date for Upstairs After Hours, but said, "If we open a month from today, I will be very excited."

<http://www.wcfcourier.com/articles/2007/07/26/business/local/f53370b2a16add6486257324004afdf3.txt>

**IV.** **OTHER STATE NEWS**

**26. A Change in Liquor License Law May Spur Development (Alaska)**

Rindi White *Anchorage Daily News*  
July 24, 2007

A new state law allows cities like Wasilla and Palmer to court restaurants with liquor licenses held outside city limits and previously beyond reach.

The law allows beverage dispensary licenses, the kind needed to operate a bar, to be transferred from license holders in the Matanuska-Susitna Borough to businesses within Wasilla, Palmer or Houston, provided they go to businesses that function primarily as restaurants.

The law, Senate Bill 128, passed the Legislature in May and Gov. Sarah Palin signed it in June. But changes to city and borough law to provide a process for handling transfer requests must be adopted before transfers can start.

Only three licenses may be exchanged across borough and city lines between now and 2009; another three may be exchanged every 10 years thereafter, according to the state law. Wasilla began its effort Monday to incorporate the law.

Borough Attorney Nick Spiropoulos said he has not started drawing up changes to borough law. Palmer City Manager Tom Healy said his city would benefit from having additional licenses available too, although Palmer has not acted to incorporate the new law.  
The law applies only to the Mat-Su and Fairbanks North Star boroughs, the only Alaska boroughs with populations greater than 60,000.

Credit for the change goes primarily to Wasilla, said Doug Griffin, director of the Alcohol Beverage Control Board. City leaders pushed several years for changes that allow cities to tap into available beverage dispensary licenses. City economic development planner Casey Reynolds championed the law when he joined the city last year and pushed for its passage in the Legislature this year.

Until the change, beverage dispensary licenses could be exchanged within the city, but at a high price, he told the City Council Monday.

“It’s all hearsay, but from everyone I’ve talked to, from the ABC Board and others, the difference would be in the hundreds of thousands of dollars,” Reynolds said.

Reynolds and Wasilla Mayor Dianne Keller said restrictions on the number of beverage dispensary licenses owned within the city have stymied growth, especially among businesses such as Applebee’s and Chili’s or Red Robin.

“I think that if done the proper way, it would be good healthy growth within our business community,” Keller told the Council Monday.

“The allocation and the quota for licenses, I don’t think was ever intended to dictate to communities how they develop,” Griffin said. “That was what was happening there. Wasilla wanted to be a core commercial area for businesses ... serving people who don’t want liquor establishments in their neighborhoods.”

City leaders discussed how to issue new license requests Monday. Reynolds presented two options: a first-come, first-served permit process and a more intensive, performance-based option.

City administration recommended the second option, which they say provides more of an opportunity to guide the growth of the city.

The first-come, first-served option, Reynolds and Keller said, didn’t allow city leaders a legal basis to pick and choose which businesses they prefer. Picking the best fit for the city is part of a performance-based process, Reynolds said.

“If you’re the one who can really provide the most community value, we’re going to provide this incentive for you,” he added.

“I’m all for incentives,” Councilman Marty Metiva said. “We have to be a little bit careful that it doesn’t come across that this is us regulating (businesses). And that we don’t give someone an uneven playing field.”

Metiva said he worried that giving a new business a several-thousand-dollar discount on a liquor license could let it sell its products for less than similar existing businesses.

“We’re not just about bringing new businesses in, we’re about having a healthy business community,” Keller said.

City councilors didn’t pick which process they wanted to work with Monday but will consider their options at a future meeting. No date for the discussion was set Monday.  
<http://www.adn.com/news/alaska/matsu/story/9162118p-9078720c.html>

**grapes****27. Front Range Police Form DUI Task Force (Colorado)**

*CBS*  
July 25, 2007

Seven law enforcement agencies along the Front Range announced they were teaming up Tuesday to catch drunk drivers.

The Denver area DUI Task Force is made up of police officers, sheriff's deputies, and district attorneys.

Officers said a large presence is more effective when protecting the public.

"We found that some saturation type patrols seem to be the best possible deterrent," said one state trooper.

grapesAuthorities added that getting arrested for DUI costs a driver up to $10,000. That includes fines, higher insurance rates and attorneys' fees.  
  
<http://cbs4denver.com/local/local_story_206103758.html>  
  
  
  
  
  
  
**28.** **Some Say State Should Get Unclaimed Bottle Deposits (Delaware)**

*KWY*   
July 25, 2007

Some state officials believe unclaimed deposits on soda and beer bottles should belong to the state.

Since most people don't return their bottles for their nickel deposits, what may be (m) millions of dollars in deposits ends up in the possession of beverage wholesalers.

Some lawmakers believe that money should be considered "abandoned property" and turned over to the state.

There is no law requiring that wholesalers report the unclaimed deposits, so the exact amounts they keep is unknown. However, they claim the money covers their costs for the state's bottle recycling program.  
  
<http://cbs3.com/delawarewire/DE--BottleDeposits/resources_news_html>

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**29.** **Underage Drinking (Kansas)**

Bobbi Mlynar *Emporia Gazette*  
July 26, 2007

Little changed in the Emporia area July 1 when an amended alcohol-hosting law took effect across Kansas.

Legislators tweaked the law for the second time since it was enacted in 2004. The original statute provided penalties for hosts of parties where alcohol or cereal malt beverages were served to people under 18 years of age.

This year, the Legislature raised the age from 18 to 21.

County Attorney Marc Goodman said the statute involves intentionally allowing the host’s “residence, land, building, structure, room owned, occupied or procured ... to be used by an invitee of such person or their guests, the results ... are consumption of alcohol or cereal malt beverage.”

Breaking that law can result in a Class A person misdemeanor with a minimum fine of $1,000, according to a copy of the statute obtained from the office of the Kansas Revisor of Statutes.

“If convicted, you can be ordered to serve community or public service as a condition of probation and the court can consider having you do that at an alcohol treatment facility,” Goodman said.

He said legislators’ intentions were good in seeking to prosecute people who provide places for minors to drink. Enforcing the law and prosecuting offenders, however, may not be as easy as it seems.

Kansas Statutes Annotated 36-10 gives privileges of sorts to parents.

“There’s an exemption in that statute that if a parent gives cereal malt beverages to their child, there can’t be a prosecution if it’s done with a parent present,” Goodman said. “Go figure how we ever came up with that.”

It also may be difficult to determine exactly who is an “invitee,” a guest or an underage participant who came uninvited to an event.

“We’ve long argued that the definition of ‘invitee’ may end up being a problem that the Legislature didn’t address,” Goodman said. “And the other part of that is ... there’s a certain element of it still subject to probable cause — all the ways that police become advised of these things. It’s not like police can go out and drive around and burst into your house. ...

“That’s sort of an open-ended argument about how they’re going to enforce it.”

City Attorney Blaise Plummer holds a similar opinion.

“There’s the idea that every problem can be solved if we just pass a law against it and, really, (this is) a complex problem. You can’t address it just by penalizing it, in my opinion,” Plummer said.

Clerk of the District Court Jeanne Turner said it seems there have been no cases involving underage hosting in Lyon County District Court.

“If we did, I don’t remember it,” Turner said. “Those probably go through the city.”

Emporia Municipal Court has prosecuted three hosting cases — all in April 2007 — since January 2006, according to Phil Martin, director of court services. Three of the offenders were in their early 20s and one was 51 years old.

Martin said city court usually follows a fine schedule on such cases. The fine upon conviction is $200 and court costs of $60. Other amounts and sanctions can be applied by the judge, depending upon the circumstances.

Without prior cases to refer to, Turner said, she has no record of fines. Like all misdemeanors, however, there are ranges of penalties and fines that can be applied at the judge’s discretion.

For minors in possession of alcohol, the judge usually assesses a $250 fine and $128 in court costs, she said.

“He suspends their driver’s licenses for 30 days for the first offense. He suspends it 90 days for the second offense and one year for the third offense,” Turner said.

The judge also usually sentences the MIP offenders to 30 days in jail, which is suspended if court costs and fines are paid within a certain period of time.

“If you don’t pay it within that certain period of time, you’re looking at 30 days in jail,” Turner said. “They’re kind of costly.”

Goodman said that a frustrating aspect of underage drinking are parents who believe that allowing their children to drink at home is better than having them drink illegally elsewhere.

“I always want to say, ‘It’s illegal. What the heck are you doing?’ That’s the bottom line,” Goodman said. “How are you going to determine which laws to selectively tell your children to obey? ... We have enough issues without rationalizing (and) picking and choosing what laws you want to uphold.”

Offenses related to underage drinking

• Hosting — intentionally allowing your property to be used where underage drinking takes place. The law now defines “underage drinking” to include anyone younger than 21. There is no age limit on the person charged with hosting. A 19-year-old who allows drinking at a party at his or her apartment could be cited.

• Minor in possession — any person younger than 21 in possession of alcohol or cereal malt beverage. No proof that the minor was actually drinking is necessary.

• Minor in consumption — any person younger than 21 who has or is consuming any amount of alcohol.

<http://www.emporiagazette.com/news/2007/jul/26/underage_drinking/>

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**30.** **Illinois bans Smoking (Illinois)**

*National Restaurant News*  
July 24, 2007

Illinois Gov. Rod Blagojevich has signed into law a smoking ban that takes effect Jan. 1, making Illinois the 19th state to prohibit smoking in all public places.

The ban applies to bars as well as restaurants and moves up a municipal deadline in Chicago that gave bars and restaurants with bar areas until July 1, 2008, to ban cigarettes, cigars and pipes. Outdoor smokers must stay at least 15 feet away from building entrances.

Businesses that violate the smoke ban can be fined $250 for first-time offenses, and individuals can be fined $100 to $250.

The Illinois Restaurant Association maintained a neutral position on a statewide ban after opposing municipal prohibitions over much of the past two decades.

Tobacco shops, some hotel rooms and private offices are exempt from the new law.

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**31.** **Parents Guilty on most Charges (Illinois)**

Tony Gordon  
*Daily Herald*  
July 22, 2007

A Deerfield couple charged with allowing teenagers to drink in their basement and lying to police about it was convicted of most of the charges against them Saturday night.

A Lake County jury of seven women and five men deliberated about seven hours before finding Jeffrey and Sara Hutsell, both 53, guilty of violating the state liquor control act, endangering the health of a child and one count of attempted obstruction of justice.

The jury acquitted the couple of a second count of attempted obstruction of justice.

The party at 775 Summit Drive ended tragically last Oct. 13 with the deaths of two guests in a car crash near the Hutsell home.

Daniel Bell and Ross Trace, both 18, were killed when the Volkswagen Jetta they were in with three other teens struck a tree.

A Lake County jury of seven women and five men deliberated about seven hours before finding Jeffrey and Sara Hutsell, both 53, guilty of violating the state liquor control act, endangering the health of a child and one count of attempted obstruction of justice.

Officials said Bell, the driver, had a blood alcohol content of .132 percent.

"This was a tragic case, because you have two people who had never been in trouble with the law before convicted of a crime," State's Attorney Michael Waller said. "But it was far more tragic because two young people lost their lives because of the bad decisions those people made."

Prosecutors said the Hutsells were aware some of the 29 teens who attended the party in their basement were drinking, because the couple was watching television one floor above the gathering separated only by an open stairwell.

"They were in the home; they were in the home when the kids were in the basement," Assistant State's Attorney Ari Fisz told the jurors. "They were literally one staircase away from what was going on."

But defense attorneys Robert Gevirtz and Eliot Pinsel attacked the handling of the investigation of the case by detectives Juan Mazariegos and Vince Nichols, calling their record keeping suspect and their testimony disingenuous.

"Mazariegos and Nichols were not truthful with the Hutsells, they were not truthful in their reports and they were not truthful with you," Gevirtz said in his argument. "Their testimony was not only incredible and unbelievable, it insults your intelligence."

The defense focused on the fact that the detectives reports were in conflict with those of uniformed officers on the scene in key areas, such as how Jeffrey Hutsell reacted to the smell of beer in their basement and what they said about where their son was when the crash occurred.

Just before the arguments started, prosecutors were allowed to introduce evidence concerning Jonathan Hutsell's two arrests last year for underage consumption of alcohol by a minor.

Assistant State's Attorney Christen Bishop told the jurors the Hutsell's should have been more attentive to the party because of their son's history, and had they been they would have been able to stop the teens from drinking.

"But they probably looked at it like this; the kids are going to drink anyway, so we might as well have them do it in our house where it is safe," Bishop said. "Well, guess what, it is illegal and you are parents."

Teens who attended the party testified throughout the week, most saying they saw evidence of drinking but only one stating flatly that the elder Hutsell's were aware of it.

Deerfield Police Chief John Slizois defended the work of his detectives, saying he had reviewed the reports prior to the trial and found everything to be in order.

"Teenage drinking is an ongoing problem that effects our community," Slizois said. "There is an attitude among some parents that it is safer if done at home, but the tragic results of this case show that attitude is wrong."

The Hutsells were found guilty of an attempted obstruction of justice charge for lying to police about their son's whereabouts at the time of the crash, but acquitted of a second count charging them with hiding beer cans and other evidence of drinking before police could find it.

Pinsel said he was disappointed with the jury's verdict, but respected it, and declined to comment further.

The Hutsells face up to a year in jail and a $2,500 fine on each charge when they return to court Sept. 11 to be sentenced.

grapesThe Hutsells and the jury left the courthouse without comment.<http://www.dailyherald.com/news/cookstory.asp?id=333505&cc=c&tc=&t>=  
  
  
  
  
  
  
**32.** **Police: 'Message has not hit Home yet" as 3 teens in Hutsell case Arrested** **(Illinois)**

Andrew L. Wang  
*Chicago Tribune*  
July 22, 2007

Deerfield police said Saturday that six teens--three of whom were at the Hutsells' home the night of Oct. 13--had been arrested Friday night on alcohol-related charges.

One of the teens arrested Friday at a home in the 900 block of King Richards Court was Angelo Grandi, 19, of Deerfield, who was a survivor of a crash that killed two teens who had been at the Hutsell's home for the Oct. 13 party, according to authorities.  
"The message has not hit home yet," Police Chief John Sliozis said Saturday after the Hutsells were convicted of allowing underage drinking at their home. "And we're hoping that these types of verdicts and decisions help bring that message back to the community."

Examining parents' role in teen drinking

At about 9:20 p.m. Friday officers responded to a call at the King Richards Court address. When they arrived, police encountered three people leaving the home with alcohol, according to a police statement. Officers found three more people hiding in the basement and found more alcohol, marijuana and drug paraphernalia in a search of the home.

Police said in a statement that the teens were in the home without permission of the homeowners, who were not at home at the time.

In addition to Grandi, who was charged with alcohol possession, alcohol consumption and criminal trespass to a residence, five others were arrested and charged.

Charles Jones, 19, of Deerfield was charged with alcohol possession and criminal trespass, as were Matthew Dohnalek, Carly Lapin, all 19 and of Deerfield, Jordan Kristinovich, 19, of Glencoe, and Jonathan Korengold, 18, of Deerfield.

Police said Grandi, Jones and Lapin were at the Hutsells' home last October. Jones testified at the Hutsells' trial last week.

grapes<http://www.chicagotribune.com/news/local/chi-070722hutsell-sidebar,0,976331.story>  
  
  
  
  
  
  
**33.** **Son says dad Visited teen Drinking Party (Illinois)**  
**Mom cries as child testifies at trial**

Andrew L. Wang and Courtney Flynn  
*Chicago Tribune*  
July 19, 2007

Until this point, no witness had elicited much reaction from Sara Hutsell. But this young man, the one set to testify for the prosecution Wednesday in the criminal trial against her and her husband, was one she had known since his birth.

As her son Tyler took the stand, her eyes welled with tears and she held a crumpled tissue in her hands.

In testimony that wound through murky recollections of a tragic night last October, Jonathan Tyler Hutsell told jurors in the Lake County courthouse that about 20 teenagers were in his parents' Deerfield home that night, that some of them brought beer and rum, and that he saw some of them drinking.

The young Hutsell, a 2006 Deerfield High School graduate, also testified that his father, Jeffrey, was in the basement at least once that night.

Both points could be critical in the case against the Hutsells, both 53. Prosecutors argue that the couple knew what was happening in their basement Oct. 13 as they sat upstairs watching TV.

Hours later, two 18-year-olds who had been at the Hutsells' house, Ross Trace of Riverwoods and Daniel Bell of Bannockburn, would be dead after Bell's car slammed into a tree less than a block from the Hutsells' home. Bell, the driver, had a blood-alcohol level of 0.132, above the 0.08 driving limit.

The Hutsells' attorneys contend that Jeffrey Hutsell went to the basement at least three times but didn't see any alcohol and that the couple didn't know the teens were drinking.

Prosecutors quizzed four teens Wednesday about what they saw in the basement that night and what Jeffrey Hutsell might have seen.

Christine Donley, 17, said she saw "probably a case worth, 15 to 20 cans" of beer on a bar counter in the basement. She also said at one point she saw Jeffrey Hutsell make his way downstairs.

Asked about the teens' reaction to his presence, she said: "I don't think anyone moved," adding that she didn't recall anyone trying to hide anything.

"I didn't panic because no one else seemed to panic."

The Hutsells are each charged with two counts of violating the state's liquor control laws, one count of endangering the health of a child and two counts of attempted obstruction of justice, all misdemeanors. If convicted on any of the counts, the Hutsells could face penalties from probation to 1 year in jail.

In addition to testimony Wednesday, the jury of seven women and five men in Circuit Judge Christopher Stride's courtroom saw some evidence taken from the Hutsells' home presented in dramatic fashion.

Prosecutors asked a Deerfield police evidence technician to dump the contents of garbage found in the Hutsells' garage the night of the crash onto a cart. Officer Todd Smith then counted the items, including 17 beer cans, five beer bottles, a large bottle of rum and a broken bottle of whiskey.

Theatrics aside, the teens' words pieced together the picture of a gathering where guests came and went as they pleased through a doorway in the garage that led to the basement.

Under questioning from Assistant State's Atty. Christen Bishop, Tyler Hutsell told jurors that he had "about four beers" with friends in the afternoon before going to the high school homecoming football game.

He stayed at the game for about 45 minutes, then walked to his home with three other male teens, Tyler Hutsell testified. There he spoke with his parents, who were watching TV in the family room on the first floor and asked their permission to have friends over. They consented, he said.

Bishop asked how many people were drinking in the basement that night. Tyler Hutsell testified that he didn't remember.

"But there was drinking?" Bishop asked.

"Yes, there was," replied Tyler Hutsell, who was granted immunity from prosecution for his testimony.

Bishop repeatedly asked whether Jeffrey or Sara Hutsell came down to the basement, to which Tyler Hutsell answered no or that he couldn't remember. But when asked whether Jeffrey Hutsell was in the basement when Manny Abreu, a passenger in the car with Trace and Bell, stumbled back to the basement after the crash looking for help, Tyler Hutsell answered yes.

Under cross-examination, defense attorney Robert Gevirtz asked Tyler Hutsell whether he had asked the teens to keep the noise down so his parents wouldn't have a reason to come to the basement. Yes, he said.

Gevirtz also asked whether some beer cans were kept behind the bar so they couldn't be seen, and Tyler Hutsell again said yes.

Earlier Wednesday, Donley, also given immunity, testified that she drank about five shots after school that day and went to the game. She and a female friend left at halftime and walked to the Hutsells' house, she said, because "we had talked to some friends and we went to see them."

The girls entered the house through the open garage door, down a staircase and through a door to the basement, where other teens had gathered. Asked by Assistant State's Atty. Ari Fisz whether she saw Jeffrey Hutsell in the basement at any time, Donley said she saw him once in the basement and later talked to him as she was leaving to go home.

"I was out of the garage on the driveway when he spoke to me," she testified. "He asked me if I had been drinking. Was I OK to drive? I told him I had not been drinking and I was fine."

Under cross-examination, Gevirtz asked why Donley initially told police that she didn't see friends drinking in the basement that night.

She responded that she didn't want to get her friends in trouble.

Testimony is set to continue Thursday.

grapes<http://www.chicagotribune.com/news/local/chi-web_hutsells_0719jul19,0,3510427.story?page=1>  
  
  
  
  
  
  
**34.** **Michigan House Panel Includes Bars, Restaurants in Smoking Ban (Michigan)**

*Beverage News Daily*  
July 25, 2007

The Michigan House Commerce Committee approved, 12-4, legislation that would ban smoking in the workplace, including bars and restaurants.

The bill now goes to the House floor for the chamber's consideration. The bill also would have to pass the Senate and get Gov. Jennifer Granholm's signature to become law.

The legislation is opposed by the Michigan Restaurant Association and some bar and restaurant owners who say business owners ought to be able to decide for themselves whether to allow smoking.

Those groups say customer demand is adequately driving decisions about where smoking is allowed. The state has nearly twice as many smoke-free restaurants and taverns than it did a decade ago, according to the restaurant association.

More than half the states have enacted some sort of ban on smoking in public or workplace areas, according to supporters of the Michigan campaign. Some of those bans don't apply to restaurants and bars.

**grapes**

**35. Missouri to end Reciprocity on August 28th (Missouri)**

*Ship Compliant*  
July 19, 2007

On July 13th, Missouri Governor Matt Blunt signed into law SB 299. SB 299 changes Missouri's current status as a reciprocal shipping state to a limited/direct shipping state. Beginning August 28th, 2007, in-state and out-of-state wineries may obtain a Direct Shipper's permit and ship up to 2 cases per month, up from the previous 2 cases per year limit.

Wineries will be required to renew the Direct Shipping permit annually, remit excise and sales tax, and file reports of all transactions. Common carriers will also be required to obtain a license to carry and deliver alcoholic beverages.

SB 299 also continues to allow in-state retailers and retailers from reciprocal states to ship directly to consumers at the previous limit of 2 cases per year.

The Missouri ABC is currently drafting its Direct Shippers permit application and reporting requirements. These documents should become available sometime later this month. We will provide updates on the permit documents, tax rates, etc, as they become available. Check back soon.

grapes<http://shipcompliantblog.com/blog/2007/07/20/missouri-to-end-reciprocity-on-august-28th/>  
  
  
  
  
  
  
**36.** **Man Killed Trying to stop Friend from Driving Drunk (New York)**

*Sioux City Journal*July 22, 2007

A man trying to stop a friend from driving drunk after a block party was run over by the woman's car and killed, police said.

Louis Wiederer was holding onto the driver's side of Jesenia Vega's car Saturday evening when she took off and dragged him, Suffolk County police said. Wiederer, 26, lost his grip and fell under the vehicle.

Wiederer had argued with Vega at the block party to prevent her from driving, and he had warned her, "You can't drive like that," witnesses said.

Vega, 27, was arrested at the scene and was charged with driving while intoxicated. She pleaded not guilty Sunday and was being held in jail.

Beatriz Vega said her niece is "very sweet, very nice, from a good family" and that she had never seen her drinking.

grapes<http://www.siouxcityjournal.com/articles/2007/07/23/news/latest_news/91559e268be3577e862573210010c351.txt>  
  
  
  
  
  
  
**37.** **N.Y. Man Convicted In DWI Murders Of Flower Girl, Limo Driver Charged With DNA Test Tampering (New York)**

*Associated Press*  
July 27, 2007

A man convicted of murder in a drunken driving case tried to muddy evidence during his trial by slipping someone else's saliva into his mouth before a DNA test was taken, prosecutors said.

The test was eventually redone, and Martin Heidgen was convicted of killing a wedding limousine driver and a 7-year-old flower girl in a head-on collision. He was to be arraigned Friday on a new charge of tampering with evidence in what Nassau County District Attorney Kathleen Rice called a “deplorable'' tactic to thwart justice.

Heidgen was indicted Thursday, after prosecutors said a DNA sample ordered during his trial revealed the presence of not only Heidgen's genetic profile, but that of another inmate incarcerated with him.

In addition to the 18-year sentence he is serving for his conviction on murder, driving while intoxicated and other charges, Heidgen could face an additional four years in prison if convicted of evidence tampering. His attorney, Stephen LaMagna, did not return a telephone call seeking comment Thursday.

Prosecutors said the Long Island man drove the wrong way down a highway after a night of heavy drinking, slamming into the limousine.

He was charged with murder \_ a rarity in DWI fatal crashes \_ after prosecutors said he showed a “depraved indifference to human life'' by ignoring drivers who flashed their headlights and honked their horns as he drove the wrong way into traffic on the Meadowbrook Parkway in July 2005.

LaMagna is appealing the conviction.

Blood taken from the scene and confirmed as Heidgen's revealed the blood-alcohol level to be 0.28, more than three times New York's legal limit of 0.08. Prosecutors estimated Heidgen consumed at least 14 drinks before getting behind the wheel of his pickup truck.

Killed were Katie Flynn and driver Stanley Rabinowitz. Five of the girl's relatives were injured.

Since the crash, Katie's parents, Jennifer and Neil, have advocated for stricter drunken driving laws. They told their story on “The Oprah Winfrey Show'' last spring and successfully lobbied lawmakers in Albany to strengthen DWI laws.

<http://www.kotv.com/news/national/story/?id=132430>

**grapes****38. ABC Boards Urged to Address Underage Drinking (North Carolina)**

Dale Neal *Asheville Citizen-Times*  
July 24, 2007

Underage drinking is more than a phase to be tolerated by adults, but a public health crisis costing billions of dollars in damages and lost lives, North Carolina’s First Lady Mary Easley said Tuesday.

“You know as well as I do that if you begin alcohol education in high school that’s too late,” Easley said at the N.C. Association of ABC Boards annual summer conference held at the Grove Park Inn.

“Middle school is not too early,” said Easley, who has been active in Leadership to Keep Children Alcohol Free, an initiative of governors’ spouses across the nation.

Local ABC boards oversaw $216 million in revenues from alcohol sales and returned $7 million to alcohol education, Easley said. Easley urged board members to commit more revenue resources to help prevent youngsters from drinking while their brains are still developing.

At least four Western North Carolina counties with a higher percentage of alcohol-related crashes and deaths have been targeted among 18 in the state for a new initiative, Easley said.

Cherokee, Jackson, McDowell and Watauga counties can qualify for a share of $2.3 million annually to help combat alcohol-caused crashes, particularly among young drivers, according to Michael Eisen of the N.C. Department of Health and Human Services.

That initiative is just one of the many new programs Easley said is needed to combat the problem.

Young people who begin drinking before age 15 are four times more likely to develop alcohol dependence and twice more likely to become full-blown alcoholics than those who start drinking at the legal age of 21, said Easley.

<http://www.citizen-times.com/apps/pbcs.dll/article?AID=200770724042>

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**39.** **Bottle bill Doesn't gain Ground (North Carolina)**

Matthew Eisley  
*NewsObserver*  
July 17, 2007

A bill to charge a dime's deposit on beverage bottles to help fight litter got a hearing today, but went quickly back on the shelf.

The bill was uncapped today in the Senate Commerce Committee, where supporters and detractors debated its merits. But no vote was taken or contemplated.

"It will not be heard anymore this session, because in my opinion it would not pass," said committee Chairman R.C. Soles, a Tabor City Democrat and lawyer. "It will still be here in the short session. If there's a groundswell of support for it, we'll consider it."

Facing opposition from more than two dozen corporations and powerful lobbying interests, nowhere near a majority of the committee's 26 members would vote for the bill, said its main sponsor, Sen. Doug Berger, a Youngsville Democrat and lawyer.

"I have touched no bill since I have been in the legislature that was more popular with the people -- or more despised by the opposition," he said. "The impetus has got to come from people putting pressure on their legislators."

Despite the lack of a vote, some senators expressed frustration with North Carolina's growing litter problem. Last year the state spent $16.6 million to remove 10.1 million pounds of roadside litter.

"What we're doing now is not working," Sen. Bill Purcell, a Laurinburg Democrat and retired doctor, told his colleagues.

grapes<http://www.newsobserver.com/politics/story/640258.html>  
  
  
  
  
  
  
**40.** **Drink tax not what either side Predicted in Philadelphia (Pennsylvania)  
Experience suggests tax here wouldn't kill dining business, wouldn't help, either businesses**

Steve Twedt  
*Pittsburgh Post-Gazette*  
July 22, 2007

A 10-percent tax on alcoholic drinks "would be a nail in the coffin" warned one restaurant owner. On the contrary, countered a city aide, the tax would have "no impact on the hospitality industry. None."

The year was 1994, just before Ed Rendell, then mayor of Philadelphia and now governor, and John Street, then its City Council president and now mayor, guided a 10-percent drink tax into place to help the city's financially strapped schools.

Last week, to help raise $25 million in matching funds for the Port Authority transit system, Allegheny County was authorized to impose its own 10-percent drink tax, as well as a $2 per day vehicle rental tax.

County Council President Rich Fitzgerald said he sees only two other ways to find the necessary funds during the budget process this fall: Increase real estate taxes ("Probably the least favorable option") or lay off perhaps 500 county employees.

No one will say the drink tax is a done deal, but, to local restaurant owners, the path looks paved, painted and all but ready for the ribbon cutting.

"There's no question they're going to go for it," said Kevin Joyce, owner of the Carlton restaurant, Downtown, and chairman of the Pennsylvania Restaurant Association.

If that happens, a look at Philadelphia's experience may provide clues for what could transpire here. From the perspective of 13 years, it appears that both the doomsday and "no impact" predictions missed the mark.

It would be hard to argue that Philadelphia's restaurant business is ready to be fitted for a coffin -- since 1997, the number of licensed restaurants there has more than doubled. Center City, in particular, has seen steady growth in restaurants, and up-scale eateries have sprung up in surrounding neighborhoods.

Just as clearly, the emergence of bring-your-own-bottle restaurants (or BYOBs) and chic wine bars has dramatically changed the Philadelphia bar and restaurant scene.

Despite a proliferation of restaurants, Philadelphia has 150 fewer establishments serving alcohol today than in 1995. Population loss, estimated at 150,000 city residents since 1990, has certainly contributed (two of Philadelphia's four closest counties also have fewer liquor license holders).

But locals say the multiple taxes on the liquor under Pennsylvania's state control system have influenced the dining out experience, too. Coupled with the restaurant's liquor markup, the drink tax becomes another add-on that can push patrons to the edge.

"I definitely think it has stunted the traditional restaurant wine list," said Craig LaBan, restaurant critic for The Philadelphia Inquirer. Diners scanning a wine list in Philadelphia, he said, should expect to pay at least $40 ("That's for something drinkable"), but at a fine dining restaurant a decent bottle will be $75 and up.

"I haven't seen a bottle under $30 for many years," said Mr. LaBan. He said prices improve only if he drives south on I-95 to more tax-friendly Delaware.

He's also noticed the recent emergence of wine bars, where patrons buy wine for $8-$9 a glass, rather than a whole bottle.

Adding $4 in tax to a $40 bottle of wine seems unlikely to keep anyone from ordering drinks with dinner. But the cumulative effect is sizeable: In the past 10 years, drink tax proceeds in Philadelphia have nearly doubled, to $38.5 million in 2006, even as the number of licensees has fallen off by nearly 150.

The drink tax didn't cripple the industry, owners say, but it can shave margins uncomfortably thin.

"I paid $100,000 on this tax alone to the city," said Garth Weldon, managing partner of The Prime Rib in Philadelphia, which he says operates with about a 5 percent profit margin. "That's money that goes right to my bottom line and puts me at a competitive disadvantage with restaurants just across the city line."

Jan Zarkin, owner of Rembrandt's, a neighborhood eatery in Fairmount, near the Philadelphia Museum of Art, said he pays between $6,000 and $7,000 a month for the drink tax -- a cost he cannot necessarily pass along to customers.

"When you're operating at a 6 percent margin, you can't absorb the tax by increasing the prices," Mr. Zarkin said. "I sell wine for the same price because I've got competition around me doing the same thing."

The startup and maintenance costs of a liquor license are sobering enough. The license alone runs about $65,000 to $75,000 in Philadelphia (compared with $35,000 to $40,000 in Allegheny County). Then there's a $700 Pennsylvania Liquor Control Board filing fee, $250 to $700 every two years for renewal and a $30 validation fee on alternate years.

That's one reason why local restaurant and bar owners get touchy about adding another tax -- at some point, they face the prospect of either operating at a loss or pricing the customer out the door.

In Philadelphia, some simply have decided to stay out of the liquor selling business.

Mr. LaBan said he's noticed "a lot of young chefs who want to open up a neighborhood restaurant, with sophisticated little store fronts." If they forgo a liquor license, "they could start restaurants that are efficient from the start."

Fewer than five BYOBs operated in Philadelphia in 1996. Today there are nearly 250 and, last November, the Greater Philadelphia Tourism Marketing Corporation made them the centerpiece of a marketing campaign: "Philadelphia -- the place to b.y.o.be."

"Soon the BYOB restaurant will be as synonymous with Philadelphia as the cheese steak, the soft pretzel and Rocky," proclaims the city's tourism Web site. A 2006 press release from the tourism office attributes the rise of BYOBs to "Pennsylvania's strict liquor laws and high liquor taxation."

Whether Pittsburgh would follow Philadelphia's BYOB lead is an open question. Mr. Joyce and other restaurant owners say demographic differences between the two cities rule out making legitimate comparisons. The better comparison, they say, would be with Cleveland, Columbus or Indianapolis.

Neither Columbus nor Cleveland has a per-drink tax, although Cleveland has used a "sin tax" to build stadiums or arenas for its professional baseball, football and basketball teams.

Indianapolis, meanwhile, has a 2 percent food-and-beverage tax, which is designated for helping finance the Colts' new football stadium.

Mr. Joyce and others say the people of Pittsburgh are more "value conscious" than Philadelphians, and even a 50 cent price increase here will prompt comments and complaints.

When Sean Casey, owner of The Church Brew Works in Lawrenceville, first learned of the possibility of a drink tax, he was finalizing months-long plans to buy new copper menu covers and customized beer glasses. He planned to charge an extra 25 cents per beer to cover the cost.

Now, the prospect of adding yet another 10 percent to the customer's bill puts him on edge.

"There's a group of clientele, maybe 25 percent, who are going to be very price sensitive." Taking a $4 specialty beer, he said, then adding another 40 cents for tax, will put that glass of ale close enough to $4.50 to give customers pause, he said.

"They may end up choosing a lesser price option, or they may decide to just stop at one drink," said Mr. Casey. "If I had sat here and figured out that I could charge $4.50, I would have done that a long time ago."

Instead it may be done for him -- only he won't get to keep the two extra quarters.  
  
<http://www.post-gazette.com/pg/07203/803532-85.stm>

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**41.** **Utah Student Drinking Low but Still Worries Legislators (Utah)**

Wendy Leonard  *Deseret Morning News*  
July 23, 2007

College students in Utah consume far less alcohol than their national counterparts, but the average one drink per week is still a concern for state legislators.

"There may not be a lot of people here who drink, but it's a problem as long as there are any kids involved in this type of behavior," said Rep. Carol Spackman Moss, D-Holladay.

A report on substance abuse and binge drinking on Utah college and university campuses was presented to the Higher Education Legislative Task Force recently, and although their reaction was one of relief, they were still worried about national statistics and national trends.

"I am shocked at the alcohol and drug use at the nation's colleges and universities," Sen. Greg Bell, Fruit Heights, task force chairman, said. "It's sad that colleges to some degree have been a facilitator."

The social environment, which includes fraternities and sororities, Bell said, may be the reason many students get into the habit of drinking and partying in college.

"Those types of social systems are bringing kids together when they are away from home and looking for camaraderie," he said. "We need to be sure we're not passively or actively supporting it at our schools."

Nationally, 49 percent of full-time college students binge drink and/or use prescription and illegal drugs, according to 2006 statistics compiled by the National Center on Addiction and Substance Abuse at Columbia University. Researchers found that between 1993 and 2001, there was no real decline in the number of students who drink and binge drink on college campuses.

During the same time, prescription drug abuse, including painkillers like Percocet, Lortab and OxyContin, increased by nearly 350 percent on America's college campuses. Various other drug abuse also increased substantially.

"It's a dramatically different story reflected in Utah data," said Lucille Stoddard, Utah's associate commissioner for academic affairs. She said student services administrators across the state have been concerned about the amount of drinking on Utah's campuses even though the numbers are low.

A 2007 report by Utah's Division of Substance Abuse and Mental Health found that only 22.4 percent of college and university students in the state had more than a sip of alcohol in the past 30 days. Utah is also below the national average in terms of substance abuse of other drugs, with the exception of sedatives. Of 8,000 students surveyed, about 500 reported taking sedatives on one or more occasions in the past year.

Student services administrators from all 10 of Utah's colleges and universities plan to meet at the end of July to discuss safety issues, including alcohol and drug abuse involving students in Utah. An increasing suicide rate and campus gun control are also issues that will be addressed.

"We need to be vigilant, be careful and we can't be complacent," Stoddard said.

<http://www.deseretnews.com/dn/view/0,1249,695194216,00.html>

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**42.** **'Last Call' At St. Johnsbury Bars To Be Rolled Back By One Hour (Vermont)**

Taylor Reed *Caledonian Record*  
July 21, 2007

Selectmen plan to roll back last call by an hour at bars in town.

Starting Aug. 1, St. Johnsbury bartenders must stop furnishing alcohol at 1 a.m. instead of the current 2 a.m., states a new liquor policy selectmen adopted during a meeting Monday.

St. Johnsbury Police Sgt. Clem Houde recommended the change.

"We're certainly not trying to eliminate any bars," Houde said. "It's the last thing on our mind."

The change is aimed at addressing a police-coverage issue and noise problems.

St. Johnsbury police change shifts at 2 a.m. when bars are now required to stop serving alcohol, Houde said. If there are alcohol-related problems when police change shifts, it means overtime pay for officers, he said.

"The citizens of St. Johnsbury have to foot that bill," Houde pointed out.

The new policy should eliminate the overtime issue and allow officers to go home when their shift is through, he said.

"We're also trying to send people home an hour more sober," Houde said.

The new policy is expected to lessen noise problems downtown.

"At 2 a.m. there's nothing left to do, so people hang out and create noise issues for residents," Selectman Dan Kimbell said.

At 1 a.m., however, there may be other places for bar patrons to go, he said.

"They get in their vehicles and go somewhere else, or home," Kimbell said. "They don't stay here."

The new liquor policy does not affect the hours a bar may remain open, only the hours it can serve alcohol.

"Actual consumption may extend beyond 1 a.m.," states the policy.

Vermont law prohibits the sale of alcohol after 2 a.m., said Lt. Andy Thibault, a liquor investigator with the Vermont Department of Liquor Control. Municipalities, however, can set policies forcing alcohol sales to cease before that, he said.

"It's a case-by-case thing for each town," Thibault said. "It's their decision. We don't want to get involved with town policies."

Ken Carpenter, owner of the Tavern on the Hill in St. Johnsbury, said the new policy will have little effect on his business.

"I really don't have any problem with it," Carpenter said.

He rarely stays open until 2 a.m. anyway.

Eric Hudson, owner of the Dawg House Tavern, has already stopped furnishing alcohol at 1:30 a.m., on his own accord.

"He said it did help reduce the number of problems," Houde said.

Hudson is in the process of selling the Dawg House to Ryan Stinson of Florida. Selectmen plan to review a liquor-license application from Stinson next week.

During the meeting Monday, selectmen also approved a liquor-license application from Tim Cole of St. Johnsbury and Dan Zentz of Virginia for a new bar on Railroad Street called Front Row Sports Tavern, in a space formerly occupied by the Underground tavern. The license was approved with conditions.

Front Row staff must be posted outside to curb noise when people are smoking.

"We're trying to allay all the concerns of people downtown," Kimbell said.

Staff at the bar must also be identifiable and do all they can to encourage people to leave the premises and public way when the establishment closes.

Front Row Sports Tavern will have about 3,000 square feet of space and offer live entertainment on Friday and Saturday, states information provided by Welch.  
  
<http://www.caledonianrecord.com/pages/local_news/story/c3982c40b>

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**43.** **Beer and state Politics: Wisconsin Lawmakers give Brewed Beverage Favored Treatment (Wisconsin)**

Scott Bauer  
*Associated Press*July 23, 2007

From handing out free samples at grocery stores to shunning a proposed tax increase, Wisconsin lawmakers love their beer.

One of the first bills they passed this year made sure bar patrons didn’t lose drinking time when the clock jumped back an hour this spring. Other pro-beer bills are brewing.

Politicians generally treat beer-related issues with kid gloves, knowing its rich history in the state, said Jerry Apps, who has written a history of Wisconsin breweries. It also has one of the state’s most powerful lobbies.

“It’s beer, cheese, brats and the Packers. Let’s face it, it’s been our history for some time,” he said.

Wisconsin’s love of beer dates back to the state’s German settlers. In the late 1800s Wisconsin was home to about 400 breweries, Apps said. It now has around 60, including Miller, the nation’s second-leading producer.

Milwaukee, often called the “Brew City,” once was home to Miller, Blatz, Schlitz and Pabst breweries. Miller is the only one still based there, although the city is home to a handful of microbreweries and brew pubs, and, of course, the Milwaukee Brewers baseball team, which plays at Miller Park.

La Crosse’s City Brewing Co. is the nation’s fifth-largest brewery.

“It’s one of our icons,” Apps said of beer in Wisconsin. “You don’t go lobbing stones at our icons.”

Just ask state Rep. Terese Berceau, D-Madison. Her proposal to increase the tax on beer went flat.

“We have given more favorable treatment to the beer industry than any other in this state,” Berceau said. “Everybody’s so afraid of the beer tax and beer industry.”

So afraid, it seems, that Berceau could only find two other lawmakers among her 131 colleagues to co-sponsor a proposal to raise the beer tax for the first time since 1969 and only the third time since Prohibition ended.

The tax under Berceau’s bill would increase from 0.6 cents to 3 cents per bottle, with the additional $48 million a year used for alcohol abuse prevention, treatment and enforcement.

“The first step is we have to admit we have a problem,” Berceau said, noting that Wisconsin’s beer tax is third lowest in the nation. “Unfortunately because the beer lobby is very strong in this building, no one wants to admit to that problem.”

The Tavern League of Wisconsin, the lobbying arm for the state’s 13,000 bars, is generally recognized as one of the most powerful forces in the Capitol.

“I guess overall we’re treated all right,” said the group’s executive director Pete Madland. “I think people understand the nature of our business and our industry.”

Berceau’s not the only one frustrated with how lawmakers bend to the beer industry.

“Drunken driving issues, especially in Wisconsin, are tough for us,” said Lindsay Desormier, victim assistance coordinator for the Wisconsin chapter of Mothers Against Drunk Driving. “I think part of it is just the culture in Wisconsin.”

While the state’s penalties for some serious DUI offenses are on par with others, Desormier said Wisconsin is the only state where a first offense is treated like a traffic ticket with no chance of jail time.

Wisconsin is also one of only a handful of states that allows parents to purchase alcohol for their children to consume in their presence, she said.

And while current law prohibits anyone under age 21 from entering a bar on their own, there are numerous exemptions that let them get into bowling alleys and volleyball courts where alcohol is served. Two pending bills also would make exceptions for batting cages where there is beer and the Wisconsin Renaissance Faire in Chippewa Falls.

Forbes.com named Milwaukee “America’s Drunkest City” last year out of a list of 35 major metropolitan areas. A 2005 study by the Harvard School of Public Health and the U.S. Centers for Disease Control and Prevention found that Wisconsin has the highest adult binge-drinking rate and the second-highest binge-drinking rate among college students of 40 states that had data to review.

Binge drinking is defined as having five or more beers in one sitting over the past month.

There will be plenty of drinking within site of the Capitol in August when beer lovers descend on Madison for the Great Taste of the Midwest, one of the largest beer festivals in the country.

About half of the 100 brewers, and most of the 5,000 ticket holders, hail from Wisconsin, said festival chairman Bill Rogers.

He thinks politicians pay more attention to the concerns of beer distributors than either the brewers themselves or, least of all, the actual drinkers. But Rogers said there’s no denying the state’s love of beer is on their mind.

“I guess everybody knows Wisconsin loves beer and beer helped build this state and make it what is,” Rogers said. “I think some of the legislators get it.”

Apparently, Democratic Gov. Jim Doyle gets it.

He signed into law a bill that ensured there would be no confusion back in March when the time changed and bars were left in a quandary over whether they could legally stay open. The Legislature made clear that they could keep serving, which gave imbibers an extra hour to drink.

Doyle also signed a bill, behind unanimous bipartisan support, allowing retailers to hand out half a can worth of free beer samples to customers.

That bill’s sponsor defended it with reasoning any true cheesehead could understand:

“It’s a beer bill,” said Rep. Scott Newcomer, R-Hartland.

It hasn’t been all about beer love this session, however.

Small brewers showed up in force at a hearing earlier this month on a bill they viewed as threatening their livelihood by placing new limits on how much beer they could produce and sell. They handed lawmakers empty beer bottles stuffed with notes voicing their opposition.

The day before the hearing brewers dumped beer into the Milwaukee River in protest, Boston Tea Party-style.

It worked. The bill’s author, Sen. Fred Risser, D-Madison, has tabled the proposal so he can work out a compromise.

grapes<http://www.lacrossetribune.com/articles/2007/07/23/news/01beer.txt>