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| [*www.IowaABD.com*](http://www.iowaabd.com/) | *Lynn M. Walding, Administrator* |

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| *October 26, 2007* |

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**I. NATIONAL NEWS**

**1. Why Consolidation Storm Is Brewing in Beer Industry**

**The world's beer giants are showing a growing thirst for consolidation as they try to gain leverage with suppliers, distributors and retailers amid slowing sales in the U.S. and Western Europe.**

Jason Singer

*Wall Street Journal*

October 18, 2007

A week after two of America's iconic brewers said they will combine forces, two European titans, Heineken NV and Carlsberg AS, said yesterday that they have formed a consortium to bid for the United Kingdom's best-selling brewer, Scottish & Newcastle PLC.

The announcement followed news that London's SABMiller PLC planned to combine its U.S. unit, Miller Brewing Co., with the U.S. division of Molson Coors Brewing Co., creating a joint venture called MillerCoors.

The maneuvers, coming about 2½ years after the most recent wave of beer-industry consolidation, are a reaction to shifts in beer-drinking habits across the globe. In Western Europe and the U.S., beer sales growth is sluggish amid increasing competition from wine and spirits.

In many emerging economies, however, including Eastern Europe and China, sales are booming. Another factor prompting consolidation is the rising cost of key commodities like grain, glass and aluminum, which is squeezing profit margins.

In the world's mature beer markets, brewers seeking to consolidate hope to use their increased market share to negotiate better deals for everything from commodities to advertising that could bolster profits. That's part of what Miller and Coors plan to do in the U.S., as they seek to forge a stronger competitor to long-dominant Anheuser-Busch Cos.

It's also a key objective of Netherlands-based Heineken in the United Kingdom. Jean-Francois van Boxmeer, the company's chief executive, said in an interview last month that the beer industry today takes so much capital that it isn't worth the expense being in many of the world's markets unless your company is either the No. 1 or No. 2 player. And, he said, the best deals are ones that beef up a brewer's share of an existing market, not ones where it expands into a virgin one.

"Consolidation in terms of operational benefits, synergies, is essentially a local thing," Mr. van Boxmeer said. S&N's marketing and distribution clout in the U.K. could help boost the paltry 3% market share of Heineken's namesake brew, which as a premium brand sells for higher margins.

Carlsberg, of Denmark, and Heineken said they may make an offer, likely in cash, for Scottish & Newcastle, which makes Newcastle Brown Ale, its best-known brand in the U.S, as well as John Smith's and Kronenbourg 1664.

Under the planned deal, Carlsberg, the world's fifth-largest beer maker by volume, or quantity of beer sold, would acquire full control of a joint venture it owns equally with S&N in Russia, where beer drinking is growing as the populace turns away from hard liquor. The venture, Baltic Beverages Holding AB, has the leading market share there, led by Baltika, Russia's best-selling beer. Carlsberg also would acquire S&N's operations in France and Greece.

Heineken, the world's fourth-largest brewer by volume, would take over S&N's U.K. brands and other European markets. Combined, Heineken would be nearly twice as big in Europe by market share, in terms of volume, as the next-biggest player, Carlsberg.

Heineken also would increase its share of the U.S. market through the deal. It would import Newcastle Brown Ale, which had 1.7% of the highly fragmented market for imported beers in the U.S. last year, according to Beer Marketer's Insights, an industry publication.

The Heineken brand is the second-largest imported beer in the U.S. after Grupo Modelo SA's Corona. Heineken could use that size to help raise Newcastle Brown Ale's U.S. profile. Imports account for about 14% of the U.S. beer market.

Heineken and Carlsberg left in question how other joint ventures would be carved up, including businesses in fast-growing regions such as India and China.

The brewers haven't approached Scottish & Newcastle. A person close to the matter said the consortium aims to negotiate a friendly deal. But Scottish & Newcastle said it "is confident in its future as an independent group" and "strongly urges shareholders to take no action," a sign that it fears the consortium may try to buy shares in the market.

The move marks the latest example of a breakup proposal from corporate buyers who group together to acquire businesses that, for a variety of reasons, couldn't be snapped up by just one bidder.

A group of three European banks this month clinched a record $101 billion takeover of Dutch lender ABN Amro Holding NV; the sprawling operations will be sliced apart and divided among the buyers. Consortium bids have been increasing in recent years because despite the difficulty of assembling groups of competitors and getting them to agree on value and strategy, together they can pay a higher price and often overcome obstacles such as antitrust concerns that no single buyer could surmount.

Shares of S&N surged 19% to £7.56, or $15.36. Because rumors of a bid for the company have been around so long, the consortium considers the price on March 19 of £5.31 to be the best reflection of where the shares traded before the rumors began, according to a person familiar with the matter.

Because Carlsberg is already a joint-venture partner with S&N, it could be difficult to assemble a rival group to make a counterbid. The venture has a clause that allows one side to buy back the other's stake.

One potential buyer is SABMiller, but the company earlier indicated it wouldn't be interested in S&N, at least not as a solo bidder. SABMiller Chief Financial Officer Malcolm Wyman said in April the Western European beer market is "singularly unattractive." SABMiller is the world's second-largest beer maker by volume after Belgium's InBev SA.

Another possible suitor for S&N is Anheuser-Busch, the world's third-largest brewer by volume. The St. Louis-based beer maker is heavily dependent on the U.S. market and may be attracted to the opportunity to gain a big stake in Russia or the U.K. W. Randolph Baker, Anheuser's chief financial officer, declined to comment.


<http://online.wsj.com/public/article/SB119262856498561983-gRNPV2tKCLBN6OK63xsRGT40uq4_20071117.html?mod=tff_main_tff_top>

**2. A Couple of Beer Chasers**

**Beer binges often end in a headache.**

*Wall Street Journal*

October 18, 2007

But that hasn't deterred Carlsberg and Heineken from clubbing together to plan a bid for their United Kingdom rival, Scottish & Newcastle. Though the Danish and Dutch brewers both have reasons to pursue S&N, a deal won't be easy -- and it won't be cheap. Since March, S&N's shares have risen 20% amid takeover rumors.

For Carlsberg, the prize would be to get its hands on the entirety of Baltic Beverages Holding, the eastern European joint venture it operates with S&N. BBH's operating profits are increasing 60% annually. Going after S&N alongside Heineken looks like a crafty attempt by Carlsberg to get BBH on the cheap, since making an offer for the joint venture alone would trigger provisions following S&N to match Carlsberg's price.

Most of the value Heineken would get would come in the tax perk from having more debt on its balance sheet -- from the sale of debt to Finance the deal -- and the Dutch group could do that on its own.

If Heineken and Carlsberg offered 760 pence ($15.44) a share, the price at which S&N shares were trading yesterday afternoon, S&N would cost 7.2 billion pounds ($14.63 billion), or 9.1 billion pounds when including the assumption of debt.

To make a post-tax return equal to S&N's 8% cost of capital by the end of 2009, they would need to generate total cost savings between them of 500 million pounds, by breakingviews' analysis -- equivalent to a whopping 15% of S&N's estimated sales this year.

Anheuser-Busch and SABMiller would love to get a better look at its emerging-market assets, and might lay down a price the Danes can't match.

**Dropping the Times**

The most vocal critic of the Sulzberger family's stewardship of the New York Times just threw in the towel. Should the family, which controls the company with super-charged voting shares, rejoice?

The decision by Morgan Stanley's asset-management arm to sell its 7.3% stake removes a thorn from the family's side. Hassan Elmasry, a senior money manager there, repeatedly lobbied the company to eliminate its dual-share structure and criticized its lagging performance. Wearing Mr. Elmasry down may turn out to be a Pyrrhic victory.

How so? The family is stuck with an asset -- the company's stock -- that has lost more than half its value in the past five years. News of Morgan Stanley's decision to sell lopped another 2.5% off the shares yesterday. The Times says its cost-cutting program and the performance of its About.com unit, among other initiatives, will lift its share price in the longer term. If other big holders conclude there is little room for improvement, they too may head for the exits. If so, at some point the stock's slide may become too painful for the Sulzbergers to shrug off.

A falling stock price has a silver lining. It makes it cheaper for the family to take the company private. The publisher's market capitalization is about $2.7 billion. Say it raised around $1.2 billion by selling assets, like its new headquarters and the Boston Globe. If it offered a 30% premium for the stock it doesn't own, it would need to sell only a bit more than $1.6 billion of new debt to finance the rest. That isn't a huge amount, and it would get other pesky shareholders off the family's back. But ridding a company of troublesome investors isn't a great reason to increase debt, especially in a business where flexibility to invest in ventures both new and old is the name of the game.

If the Sulzbergers took the New York Times private, fast-moving opportunities could be harder to exploit. If the company's shares continue to decline, the family may come to regret that investors with strong views, like Mr. Elmasry, threw up their hands.

# grapes<http://online.wsj.com/services/article/SB119266340145662681-search.html?KEYWORDS=a+couple&COLLECTION=wsjie/6month> 3. Japan's Brewers Taste Other Sectors

**Pharmaceuticals, Real Estate Provide Diversity as Beer Sales Sag**

Andrew Morse
*Wall Street Journal*October 22, 2007

While brewers in the U.S. and Europe are buying each other to remain competitive, some Japanese beer makers are taking a different approach: They are expanding in a range of businesses, including pharmaceuticals.

The latest foray by a Japanese brewer came Friday, when Kirin Holdings Co., Japan's biggest brewer by market capitalization, said it. A Kirin spokesman confirms the company was in discussions with Kyowa Hakko but doesn't comment on where the talks stood or how large a stake the company might take. Kyowa Hakko says it is always considering potential tie-ups but that nothing concrete had been decided.

It may seem odd for a beer maker to be keen to acquire a pharmaceutical company. But Kirin already has a sizable pharmaceutical operation that generates 10% of its operating profit and is counting on the business to become a growth area.

Kirin's latest move underscores a fundamental difference in the way Japanese brewers are approaching their future compared with their Western counterparts. Because buying a company within the same industry often requires layoffs and closures, Japanese companies tend to avoid mergers. That has enticed Japan's four big beer makers to seek ways to diversify into far-flung areas, from baby food to flowers.

Analysts caution that the payoff might be far down the road because approval of new drugs can take years. They said consolidation would serve the industry's interests better.

"Pharmaceuticals represent a big dream in the long term," says Naomi Takagi, an analyst at J.P. Morgan Chase & Co. in Tokyo. Ms. Takagi says Japanese beer makers would get a better return if they were more aggressive in investing in overseas brewers.

Japanese brewers do own stakes in some foreign beer companies, but the deals have all been relatively small. They say their efforts to diversify often take advantage of their mainstay beer operations. For example, Asahi Breweries Ltd., Japan's second-biggest brewer, has been making digestive medicines since before World War II because it didn't want to waste the yeast left over from brewing.

Diversification can be tricky. When executed well, a diversified business line can insulate a company from downturns in its other operations. But companies can also stray into businesses in which they have little expertise and have difficulty managing, diverting attention from core operations.

For Japan's beer makers, which have been diversifying for several decades, the results have been mixed. Revenue has been stagnant at the three big publicly traded brewers. But Asahi Breweries, which makes the popular "Super Dry" brand, and Kirin have been able to boost net earnings partly because of their different businesses. Sapporo Holdings Ltd. has seen them slip.

Beer companies around the world are facing slowing growth. The popularity of craft beers and wines has eaten into the growth big brewers used to enjoy. Brewers also face higher costs for everything from the grain beer is brewed from to the aluminum used to make beer cans.

The shifting dynamics of the industry have prompted U.S. and European beer makers to merge into ever bigger companies in order to achieve economies of scale. By banding together, the companies can cut administrative costs and gain leverage when negotiating with suppliers.

This month, SABMiller PLC of the U.K. and Molson Coors Brewing Co. of the U.S. and Canada said they would merge their U.S. operations to cut costs. Last week, Heineken NV of the Netherlands and Denmark's Carlsberg AS said they had formed a consortium to bid for the U.K.'s biggest brewer, Scottish & Newcastle PLC.

Japan's beer makers have resisted the consolidation trend, even though they face an even worse deterioration of their business. Japanese beer shipments have fallen for 10 years in a row and are now at about half the volume of 1996, according to the Brewers Association of Japan. The country's five biggest brewers shipped 3.5 million kiloliters of beer last year, according to association statistics, down from 6.7 million kiloliters ten years earlier.

This year, Sapporo found itself under attack because it had diversified so much that its real-estate business was doing better than its core beer business. That attracted a U.S. hedge fund, Steel Partners Ltd., which acquired a big stake and wanted to take control of the company. Many investors speculated the hedge fund wanted to sell the beer operations to one of the other brewers. Sapporo fought back and won, using a "poison pill" takeover defense.

For beer companies, the link with drug makers isn't as tenuous as it might seem. Many modern drugs, particularly complex protein therapies, are made using technology similar to the fermentation technology the beer companies employ. It is also a high-margin business: Pharmaceuticals contribute just 4% of Kirin's overall revenue but add 10% to Kirin's operating profit.

Asahi also has a pharmaceutical operation and sells health-related products like diet aids. Suntory Ltd., a closely held company, sells health supplements. It sold its pharmaceutical business to the predecessor of Daiichi Sankyo Co. in 2002.

Kirin established its pharmaceutical business in 1982 and launched its first product in 1990. That drug, marketed as Epogen and Procrit, was jointly developed with U.S. biotech giant Amgen Inc. It is used to treat patients suffering from low red-blood-cell counts or requiring dialysis. The drug, which is made using a fermentation process, accounts for about 70% of the revenue of Kirin's pharmaceutical unit.

In 1988, Kirin established a wholly owned U.S. subsidiary to develop medicines based on antibodies, Y-shaped proteins that bind to bacteria and viruses and destroy them. In 2005, it paid about $50 million to buy Hematech Inc., a U.S. company working on antibody therapies.

Kyowa Hakko also develops antibody-based medicines. It has several products in its pipeline to fight allergies and cancer.

<http://online.wsj.com/services/article/SB119300165446466277-search.html?KEYWORDS=japan%27s+brewers+taste+other+sectors&COLLECTION=wsjie/6month>

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**4. Rising Metal Prices Spur Keg Thefts and Leave Craft Brewers Tapped Out
With a worldwide materials crunch pushing up metal prices, add beer kegs to the list of oddball goods being stolen and scrapped for profit.**

Justin Matlick

*Puget Sound Business Journal*October 12, 2007

Keg prices have more than doubled in the past five years, to around $165 apiece, triggering a wave of thefts that has spurred brewers to investigate high-tech keg-tracking systems and help enact a law establishing new penalties for scrapping stolen kegs.

What's more, the high prices are sipping away at brewer profits, making it more costly for the businesses to expand and erecting hurdles in front of upstart beer makers who want to join Washington's booming craft-brew industry.

The keg crunch -- and breweries' response to it -- illustrates a broader trend, as a wide variety of businesses struggle to cope with the skyrocketing prices of steel, copper and other materials.

<http://www.bizjournals.com/seattle/stories/2007/10/15/story2.html>

**5.** **Cork Quality Causing Concern among Wine Pros**

**The average person probably won't know what it is when they take a sip of their favorite wine.**

Mike De Souza

*CanWest News Service*

October 22, 2007

In fact, many wouldn't even notice the mouldy taste, sometimes compared to dirty socks, in their glass. But for wine-tasting experts, who could detect it in concentrations as low as one or two parts per trillion, a small sip would leave a bad taste in their mouths.

"It's not really a safety issue. It's not a health issue. It's a quality issue and it's costing the industry millions and millions of dollars," said Dr. George Soleas, a chemist who has spent more than a decade in the Canadian wine industry.

Poor quality natural corks are the source of the problem, according to industry experts who blame the faulty stoppers for tainting wine with trichloroanisole (TCA), and ruining some of the best bottles on the market.

While a recent American industry estimate pegged losses at up to $250 million a year, conservationists are mounting a campaign to defend the natural cork, arguing that the new solutions from the industry have dirty environmental footprints that are threatening a 30,000-square-kilometre forest in seven countries.

"It's very simple," said Chantal Menard, a spokeswoman for the World Wildlife Fund in Europe. "If you use cork, you use a renewable resource, which is not the case for aluminum which is used in screw caps, and it's also not the case for oil or petrol which is used for making synthetic stoppers."

Natural cork is harvested from the cork oak tree which grows mainly in European and North African countries such as Portugal, Spain, France, Italy, Algeria, Morocco and Tunisia. The harvesting process requires workers to strip the bark of a mature tree that is at least 25 years old. When it is done properly, there is never any need to cut down trees, and the bark grows back in about a decade.

Soleas, who is also the vice-president of quality assurance at the Liquor Control Board of Ontario, concedes that high quality natural cork is still the best option for wine drinkers who want to store their bottles for a few years. The synthetic and screw caps block oxygen from entering in the bottle and allowing the wine to age.

But since most customers consume their wine within a year, he said the LCBO favours the alternative closures to eliminate the risk of TCA tainting from natural corks and its impact on sales.

A peer-reviewed study by the Liquor Control Board of Ontario of 2,400 tested wines in 2002 revealed that 32 per cent of bottles with a low-grade composite cork closure were tainted with TCA. While only six per cent of bottles with high quality natural corks were found to be tainted in the testing, none of the bottles with synthetic closures or screw caps had any problems.

"Although you don't (often) get customer returns, because the majority of the customers don't know what the smell is, they just don't like the wine, (and) they'll never buy it again," said Soleas.

The tainting problem from natural corks has caused a major shift for wine makers over the past few years, according to Stephane Rein, a wine industry consultant in France. While 95 per cent of wine bottles had natural corks in 2001, five years later, he said that more than a quarter of bottles used alternative closures. About 19 per cent of the bottles had synthetic cork closures, while 7.5 per cent had screw caps.

"It's a very dynamic market and there's a lot of controversy," said Rein. "But the WWF campaign is an excellent initiative... It asks people to be conscious of the whole chain of (production). They should know that when they buy cork, it won't have an impact on the forest."

The industry is now starting to address the rapid rise of alternative closures and their impact on the environment, said Chris Thomson, the national sales manager in Canada for Cork Supply USA Inc.

"Of the three, (natural cork) is the most preferential in terms of doing the least amount of harm," said Thomson, whose company produces and distributes a variety of natural and alternative closures. "We're all trying to do better, and in our industry -- in the cork closure or the wine industry -- it hasn't until this year, really become a matter of discussion."

Soleas said the LCBO has launched its own environmental initiatives, such as re-usable bags, because it wants to do its part for the planet, but he defended the use of alternative closures, noting that both synthetic stoppers and aluminum screw caps can be recycled.

Meantime, Menard said her group is hoping to convince the European wine industry to develop a solution that protects the cork oak industry and the forest. But she added that consumers have the power to stop the rise of alternative stoppers, and it's up to them to ask local stores about their products and insist on buying only the bottles with the natural cork closures.

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**II. INTERNATIONAL NEWS

6. Canada: Keg Parties 'Out of Control'**

**West-end streets besieged by hundreds of rowdy students**

Dave Battagello

*Windsor Star*

October 4, 2007

Keg parties at homes rented by University of Windsor students have been spiralling out of control, with hundreds of loud intoxicated youths filling the streets in the early morning hours, neighbours say.

Long-time homeowners on Rankin Avenue, Randolph Avenue and Askin Boulevard -- many of them current or retired university educators -- say they've never seen such rowdy drinking and partying on the streets during the 20 to 45 years some have lived in their west-end homes.

What appear to start out as common Saturday night house parties at times explode into a block party with cabs throughout the night ferrying in more youths to join the rowdiness, the neighbours say.

Keg parties at homes rented by University of Windsor students have been spiralling out of control, with hundreds of loud intoxicated youths filling the streets in the early morning hours, neighbours say.

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We could hear it until 3:30 in the morning," said Ed Crowley, a retired religious studies professor who has lived in the 500 block of Randolph since the early 1980s.

"You could hear people on cellphones saying 'great party here, come and join us.'

"It's the worst it's ever been. I think it's the curse of the cellphones."

The university's former longtime athletic director, Dick Moriarty, and his wife have lived in the 500 block of Randolph for 45 years, but have never witnessed the level of drunken activity on display last Saturday night.

"We like the students and don't mind a party at the beginning or end of the year, but this was out of control completely," he said.

"They were arriving by cab. There were hundreds of them. It was the first time we have ever called the police. They came and did a good job, as much as can be expected.

"We have to make an effort on getting this under control. I don't know what is causing this. It's not all of the students, but I'm afraid (it's) a significant number."

His wife described behaviour included public urination, glass breaking and general rowdyism.

"I don't know what has changed things," she said.

"I just feel they have less respect for everything, so it gets a little discouraging. I wouldn't want to walk around them. These are adults, so it's not like you can do curfews."

Kai Hildebrandt, an Askin resident in the 500 block, teaches communications studies at the university.

He described how students renting a home next door lost control two weeks ago of what started out as a birthday party and quickly mushroomed into a large crowd.

"People who had the party were not in control of it. That was my sense," he said. "It was very loud and people were walking all around the street. There were beer bottles and plastic cups (littering the ground). You had people milling on lawns."

Hildebrandt said he went to the home several times to complain and the students were friendly enough, but the noise and crowds did not subside until he called Windsor police, who remained on the scene until the party was under control.

"In and around the house there had to be at least 100 people. At 4 a.m. you still couldn't sleep. "

Coun. Ron Jones is also among the residents. He described at city council Monday how shocked he was at the numbers of drunken youth around his Rankin home in the early morning hours this past Saturday, and how he was receiving complaints from his neighbours until 2 a.m.

<http://www.canada.com/windsorstar/story.html?id=82ff4fb1-c435-46e5-a3f1-b254fa575d85&k=93553>

**7. Charge Smokers for Right to Buy Cigarettes**

**Smokers should be forced to apply for an annual $200 license in order to purchase cigarettes, a Government advisor has suggested.**

Rebecca Smith

*Medical Editor*

October 24, 2007

The scheme would ensure smokers had to make a conscious decision to continue the habit and require people to become "registered addicts".

The $200 charge would be used to fund the license system

Prof Julian le Grand, a former advisor to Tony Blair, floated the idea during a speech this week. He also proposed banning food manufacturers from adding salt to products, an exercise hour for all employees during the working day and free fruit in offices.

The smoking permits were immediately lambasted as an excessive nanny state measure and "political suicide", given that their introduction would alienate the one quarter of British adults who smoke.

A report from the Department of Health yesterday revealed Britons are more likely to die from smoking related diseases than Europeans. They also drink more alcohol and eat less fruit and vegetables and are the fattest on the Continent.

Prof le Grand, who lecturers in social policy at the London School of Economics and advises ministers through his chairmanship of Health England, said the idea was to make healthy choices the norm and force those who object to make a conscious effort to opt out.

Once the scheme was up and running, it could be extended so smokers had to get a doctor's signature that their health was not at "massive risk" by smoking in order to get a license.

Advertisement. He admitted there could be a problem with an emerging black market where those with permits sold them to those without, and that it could create the impression that as long as one is licensed smoking is not harmful.

Prof le Grand told the Telegraph: "There is nothing evil about smoking as long as you are just hurting yourself. We have to try to help people stop smoking without encroaching on people's liberties."

A simple price rise by increasing tax on tobacco would not have the same effect, he said, because evidence shows this does not stop people from taking up smoking in the first place.

But he said requiring them to fill in forms, have photographs taken in order to apply for a permit would prove a more effective deterrent.

The £200 charge would mostly be spent on administering the system and any surplus would go to the NHS to treat smoking related diseases.

The permits would be renewed every year, giving smokers more opportunities to quit, almost like an official New Year's resolution.

Requiring a doctor's signature could prove problematic because of the liability risk if the smoker was signed off and then developed cancer or heart disease as a result of the habit.

Prof le Grand said: "A doctor's signature adds to the difficulty of getting a permit and makes people think about the health issues but if requiring a doctor's signature made it virtually impossible to get a permit, that would get in the way.

"We'd need to find some sort of cut off point below which doctor's would sign them off an above which they would not."

Dr Chaand Nagpaul, GP representative on the British Medical Association’s public health committee said the idea was a non-starter and completely unworkable.

He said: "I find it extremely worrying that a former Government advisor is making suggestions like this. It doesn’t bode well for the sort of the advice the Government is getting."

Dr Nagpaul said ministers would be better off taking advice from doctors, nurses and patients instead of 'arm-chair policy theorists’.

He also pointed out that for each smoker to see their GP every year to have their permit renewed would take up 25m appointments annually and rob millions of sick people of the chance of seeing their doctor.

He also rubbished the idea that doctors would sign off a smoker as at low risk of health problems related to their habit because it is impossible to tell.

"The biggest problem associated with smoking is heart disease and the damage smoking does in relation to that is invisible until someone has a heart attack," he said. "The idea you could say to one person smoking is unlikely to affect your health and tell someone else it is, is impossible.

"This is a half baked idea that lacks logic and credence."

At a glance

When the state budget is signed by Gov. Doyle, a $1 increase in cigarette taxes would go into effect Jan. 1.

The new $1.77 tax would make Wisconsin’s cigarette tax the 11th highest in the country. It is currently 33rd with 77 cents.

Taxes on other tobacco products would also go up.

The budget would spend $30 million on cessation and prevention programs.

**8.** **Bordeaux Wine Sales Doing Slightly Better**

**Sales of Bordeaux wine internationally rose three percent in volume in 2006-2007 but inched up only 0.4 percent at home, the Bordeaux Wine Council (CIVB) said Monday.**

*AFP*

October 22, 2007

Export volume rose to 5.67 million hectolitres and grew four percent, the CIVB said.

The previous year exports rose four percent but domestic sales remained stable.

In France itself, the biggest consumer of Bordeaux wine representing 68 percent of the market, sales in 2006-2007 rose by 0.4 percent to 5.67 hectolitres, said CIVB president Alain Vironneau.

"The objective now is to increase the level and the amount of wine we export, which is still less than 40 percent," Vironneau said of exports which currently make up the remaining 32 percent of sales.

Vironneau pointed out that to do this money had to be spent, because the wine itself, no matter how good, would not sell itself.

For 2008 the CIVB marketing budget would stay, he said, at 21.5 million euro, and it would focus on 15 countries including Japan, Korea, America, and China.

Most wine in France is now sold via supermarkets, which have 43 percent of the domestic market, while 42 percent is sold via wine shops, restaurants and directly by producers.

The other 15 percent is sold via discount retailers, such as Lidel, which Bordeaux wine merchants consider an increasing threat to supermarket sales.

At the same time as announcing the latest figures, Vironneau called for greater autonomy for the local wine industry and a decentralization of power -- as seen in so called 'New World' wine producing countries such as Australia and America.

He said the future should not be decided by national regulatory groups based in Paris.

"Each one of our major wine regions is in reality an actor in the world market," he said, adding that internal competition was a factor in external competitively.

Vironneau also took the opportunity to launch an attack on local urban planning and short term interests, which he said were contributing to the downgrading of rural and wine growing areas. "The countryside is becoming an area of hazardous experimentation," he said.

<http://afp.google.com/article/ALeqM5hf1_R8P2AR6ps9yDTDxP_buymS-Q>

**III. IOWA NEWS****9. Before Iowa City Bar Vote, a 'Vomit Walk'**

**At issue is whether the college town should allow 19- and 20-year-olds into drinking establishments.**

Erin Jordan

*Des Moines Register*

October 20, 2007

An Iowa City activist has organized what he calls a "vomit walk" for Sunday morning to draw attention to the Nov. 6 public referendum on raising Iowa City's bar entry age to 21.

Organizer Gary Sanders, who supports the higher age requirement, said "there are many people who will not come downtown on Thursday through Saturday nights because everybody knows those are students-getting-drunk nights. We need to take back our downtown."

Sanders said in a news release that his group, Citizens Against Students Ruining Downtown, will meet at 10 a.m. Sunday to "walk through the Ped Mall, pointing out the favorite vomit spots for drunken students on Saturday nights."

Opponents of raising the bar age criticized Sanders' event.

"That really is just tasteless. It doesn't represent the seriousness of this issue," said Atul Nakhasi, a University of Iowa junior leading an anti-21-ordinance student push.

Leah Cohen, owner of Bo-James restaurant and bar, said Sanders and other longtime Iowa City residents are trying to resurrect a downtown that can't exist today because of the nationwide shift of retail stores out of city centers. "Downtown Iowa City will never be what it was before," Cohen said.

Iowa City's plentiful bars and nightclubs now can admit 19- and 20-year-olds, who are not supposed to drink.

Raising Iowa City's bar entry age to 21 is on the ballot for the first time after the Committee for Healthy Choices collected 3,500 signatures on a petition. This group has focused on the public health effects of excessive and underage drinking.

The U of I Faculty Senate at its meeting Tuesday will discuss whether to take a position on the proposed ordinance.

There's a dispute over whether banning underage patrons would spawn more house parties, which opponents of the 21 ordinance say are more dangerous than bars. Anti-ordinance groups have posted yard signs that say "Keep our neighborhoods safe and peaceful."

Sanders said that argument doesn't hold water. The motto of his group is: "If underage drinking in bars prevents dangerous house parties, why isn't every Big Ten city copying us?" U of I athletics are part of the Big Ten Conference.

Six of 11 Big Ten college communities have ordinances or policies limiting where underage patrons can go, according to an informal survey of police departments.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20071020/NEWS/710200340/-1/archive>

**10.** **Iowa City Bars Pour Money into Opposing Proposal**

**Iowa City's bars are bankrolling the University of Iowa student movement opposing a proposal that would raise the bar entry age to 21.**

Erin Jordan

*Des Moines Register*

October 24, 2007

The Bloc21 political action committee, formed by Iowa City bar owners, has raised more than $16,000 to oppose a proposal to change a city ordinance that prohibits 19- and 20-year-olds from bars, according to campaign disclosure records filed Friday.

The group has given more than $11,000 to the Student Health Initiative Task Force, the anti-21 student group, records show.

"The bars are buying this election, they are buying it through the students," said Jim Clayton, an Iowa City businessman and supporter of the plan, which will be considered in a Nov. 6 referendum.

Clayton's group, Committee for Healthy Choices, has raised $6,117 and spent about $3,000 - less than one-fifth the amount spent by the bar group.

Atul Nakhasi, a U of I junior leading the anti-21 student group, said it's not surprising it is working with bar owners.

"We definitely wanted to send out a message that isn't in conflict with other people on our side," he said. "If we didn't have that funding, it would have required us to do more work on our side."

Mike Porter, owner of the Summit and One-Eyed Jake's, said the money Bloc21 has spent is small compared to the money spent over the years by groups like Stepping Up, which sought to control binge and underage drinking with programming and advertising campaigns.

"We are very disappointed to hear that Mr. Clayton is upset in our efforts to get people to vote," Porter said. He added that Bloc21 isn't just bar owners, but includes concerned parents and other Iowa City residents.

Donations to Bloc21 include $5,000 each from three downtown bars - the Sports Column, Summit and One-Eyed Jake's - and $1,000 from the Etc. bar, according to disclosure reports.

The group had spent $15,274 as of Friday, with the largest share of $11,195 going to the student anti-21 group.

The Student Health Initiative Task Force filed records showing that Bloc21 is its parent organization, but did not include expenditure documents.

The Committee for Healthy Choices, which supports the ordinance change, collected its largest donation of $1,000 from the Johnson County Medical Society.

The group had spent $3,042 as of Friday, with the largest expenditure of $1,844 going to a fundraising mailing.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20071024/NEWS05/710240389/1001/NEWS>

**11. Faculty Silent on 21-Only**

**University of Iowa Faculty Senate decided not to endorse either position in the controversial 21-only issue on the ballot in the Nov. 6 Iowa City election.**

Brian Morelli

*Iowa City Press-Citizen*

October 24, 2007

Instead, they made a statement vowing their support to solve the problem of underage drinking.

"People should not take this to mean that faculty do not care about this issue," Faculty Senate President Victoria Sharp said. "This is an important issue."

Faculty voted 27-20 during a senate meeting Tuesday against taking an official position on whether or not to support restricting bars and taverns to those 21 years and older after 10 p.m.

However, they overwhelmingly passed a statement that said they think it is important to curb underage drinking because of the harm it presents to the students, and they said they will work with a task force being commissioned by interim provost Lola Lopes to curb underage drinking.

Based on the discussion leading up to the votes, the faculty appeared to support the 21-only ordinance.

"We have come to accept that walking through vomit on Sunday morning is normal or the stumbling, bumbling crowd on (Saturday) night," UI English professor Teresa Mangum said. "I am deeply ashamed of how different we are from other schools in terms of alcohol abuse."

During the meeting, some called the proposed ordinance a political issue and one that was inappropriate for the faculty body to weigh in on.

"It is a political issue. Many issues affect our students; who is elected president affects our students," said Faculty Senate past president and law professor Sheldon Kurtz, noting that faculty as a whole would not consider endorsing a candidate.

Others said because the university and the city virtually are intertwined and because university students are a key part of the equation, faculty should use its voice.

"If we are all about higher education, we must be about student health and well- being," said Christie Thomas, an internal medicine professor, who said he preferred taking a stand.

Richard Dobyns, a UI family medicine professor and a strong proponent of the ordinance, had requested faculty take a stand on the issue. He said the city was looking to the faculty for guidance on the issue.

"Today was an opportunity for the faculty to say something, and they choose to remain silent," he said.

Proponents argue that prohibiting minors from entering the bar after 10 p.m. will reduce underage and binge drinking by limiting access and will reverse a message that underage drinking is OK. Opponents say the restriction would not solve the problem, rather increase it by forcing drinking into unmonitored house parties in residential areas and harming the downtown culture.

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20071024/NEWS01/710240324/1079>

**12.** **21-Only to Affect Police**

**Most reported offense in downtown is underage possession of alcohol**

Lee Hermiston

*Iowa City Press-Citizen*

October 20, 2007

Iowa City Police Officer Darin Zacharias issues a breathalyzer test to an 18-year-old outside The Summit in downtown Iowa City.

Iowa City Police Chief Sam Hargadine said he thinks downtown Iowa City has two faces. During the day, the downtown offers a variety of businesses, restaurants, places to meet and hang out, listen to music, play with your children or just read before class.

"However, after 10 o'clock at night, it has a different personality," Hargadine said. "And most of it's due to alcohol. Alcohol affects everything we do after 10 p.m."

After the sun goes down, Hargadine said the downtown area becomes more violent, disruptive and unsafe. There's fighting, he said, littering, uprooting trees and "all kinds of mischief-related activities that have alcohol as the common denominator."

In recent years, the downtown area historically has reported the highest number of crimes. According to police data, in 2006 there were 244 incidents of destruction or damage of property or vandalism. Additionally, there were 168 cases of simple assault, 33 cases of aggravated assault, seven reported forcible rapes and 11 reported robberies.

However, the most reported offense in the downtown area is possession of alcohol under the legal age. Of the 638 PAULA citations in Iowa City as of September, the most recent data available, about 538 occurred at downtown bars. The Iowa City police update PAULA totals each month and make them available on the city Web site.

The violence, the mischief, the crime, the PAULAs and the fact that the Iowa City Police Department simply lacks the resources to police the downtown area and the rest of the city effectively has led Hargadine and other law enforcement officials to support the proposed 21-only ordinance, which would remove 19- and 20-year-olds from the bars after 10 p.m. The proposal will be on the Nov. 6 ballot.

Proponents of the measure argue that it will help to curb underage and binge drinking and will help to improve the overall quality of life for students and citizens. However, opponents have said it will be detrimental to downtown business and will force students into neighborhoods for unsafe and unregulated house parties.

Hargadine said he's not so sure that will be the case.

"Will there be more house parties? Maybe," he said. "But you're also talking about a state licensed business that's violating the law."

And that's something that Hargadine said he can't tolerate. Hargadine said there are a small number of bars downtown that survive simply by selling to underage drinkers. He said allowing the bars to self-police hasn't worked and neither has peer pressure from other bar owners to operate in the confines of the law.

"There are still those that exist because they market to students and continually violate the state law," Hargadine said.

Hargadine would not name the bars that he viewed as the worst offenders, but he said a look at the PAULA reports compiled by the department would be indicative of which businesses are not abiding by the law. While most businesses average fewer than one PAULA a police visit; three bars -- The Fieldhouse, the Sports Column and The Summit -- average more than one PAULA a visit. One bar, Old Capitol Brew Works and Publichouse, has had two PAULAs in its one visit by police.

Bars vs. house parties: Which is safer?

Beyond the violence and crime that occur downtown, Hargadine said the bars themselves can be a dangerous place.

"You also have to look at the different drink specials," he said. "Twenty-one shots for $21. That's dangerous."

However, 21-only proponents such as the members of the bloc21 group and co-founder of the Student Health Initiative, Atul Nakhasi, have argued that taking students out of bars and putting them in house parties could be even more dangerous.

On their Web site, www.bloc21.org, bloc21 supporters argue that bars and restaurants have fire and safety regulations that are enforced and regularly checked for compliance; neighborhood homes are not checked as often and may not be up to regulation. Additionally, clubs and bars have employees who check identification to ensure patrons are at least 19 after 10 p.m.; house parties typically do not ID people.

Finally, 21-only opponents argue that an increase in house parties could possibly lead to an increase in sexual assaults in the homes and after leaving them.

Hargadine was reluctant to make any connections between bar entrance and the more than 30 assaults that have occurred against women in the last year.

"Some of those (assaults) were closer to 4 in the morning," he said. "They weren't necessarily walking home from the bar."

Those attacks have caused some to accuse the police department of ignoring neighborhoods in favor of patrolling the downtown area, something Hargadine has vehemently denied. The outcry from the community led Hargadine to tip his hand and reveal that on a number of occasions the department has used decoy operations, in addition to increased bike and foot patrols in neighborhoods in an attempt to catch a would-be attacker.

But the density of people downtown mixed with the volatile atmosphere of heavy drinking, police can't ignore the downtown area. The problem is Iowa City has one of the lowest rates of officers per 1,000 citizens in the state with only 1.1 officers per 1,000.

"There's no question it takes away from other areas," Hargadine said. "There may be calls pending in other neighborhoods, any type of call, and we might be delayed getting there because we have ongoing issues in the downtown area. That doesn't mean we won't get to it. We have to determine the priority of the call and go from there."

Hargadine previously has stated that if 21-only does pass, he doesn't expect the number of PAULAs each year to significantly dip. Rather, they are likely to shift to other areas in the community, and he said he'll shift his officers accordingly.

He said, however, that the proposed measure isn't likely to be a panacea for the binge drinking problem in the city. But in conjunction with the new keg registration law, "it's just one more tool to limit binge drinking," Hargadine said.

Other officials weigh in

Their jurisdiction shares a border with the downtown area, but the University of Iowa Department of Public Safety does not regularly patrol that part of town. However, UI Public Safety Director Chuck Green said that when Iowa City needs the help, he'll kindly loan officers.

Although Green's department is not directly affected by the downtown's binge drinking culture, it may be experiencing some secondary effects. UI Public Safety keeps statistics of alcohol-related incidents on campus; however, it does not discern whether students were drinking downtown or elsewhere.

In 2006, there were 16 reported assaults, 47 reports of people using fake IDs, 98 PAULAs and 432 public intoxications on campus, the highest since 2002. However, Green said he was uncertain whether a 21-only measure -- which he supports -- would curb any of those numbers.

"I simply don't know," Green said.

However, Green said that alcohol consumption does exacerbate the problem of assaults and sexual assaults in the community.

"We know there's a whole host of other issues that accompany intoxication," he said. "Sexual assaults go up, criminal mischief goes up, assaults go up. Anything we can do to reduce those crimes would be beneficial."

In recent weeks, UI Public Safety has made attempts to make being downtown on Friday or Saturday night safer by offering the NITE RIDE van. The free ride service, offered only to women, picks up women downtown and drops them off at their residences so they can avoid the often risky walk home. Green said the program has been successful in its first three weeks, giving free rides to about 250 young women.

Although Hargadine and Green are likely to feel the effects of the proposal's life or death, one local law enforcement officer said he doesn't expect any effect from the ordinance.

"I don't know that it will have an effect on us," Johnson County Sheriff Lonny Pulkrabek said.

Pulkrabek said PAULAs, the most common downtown drinking offense, generally are cite and release, meaning the underage drinker simply gets a ticket rather than spending a night in jail. Other common drinking-related offenses, such as public intoxication or disorderly conduct, do not warrant a night in jail either.

"I can't foresee any way where it would be a significant impact," Pulkrabek said.

'There's only one way to know for sure'

All along, Hargadine has said his support of the 21-only measure has nothing to do with the students. He said he realizes there are issues with not having enough alcohol-free activities and the fact that students enjoy drinking.

"The bottom line for kids is it's a stress reliever and it's fun to do," he said. "There's not other things for them to do. I mean, we have got to look at venues other than drinking for them to do before we take them away."

Hargadine also admits that the measure probably will have an effect on downtown businesses, something downtown business leaders have warned against. In the long run, Hargadine said he thinks the changes will be for the better.

"It may run out a few businesses," he said. "But those are the ones profiting on illegal sales to begin with."

Right now, the long- and short-term effects of the 21-only measure passing or failing Nov. 6 is anyone's guess, but Hargadine said he's ready to roll the dice and see what happens.

"There's only one way to know for sure," he said. "And that's to do it."

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20071020/NEWS01/710200317/1079>



**13.** **Nothing to do but Drink? Not So**

**Before the opening up his successful store in Cedar Rapids, Planet X owner Dave Full premiered the alternative-activities arcade in Iowa City in 2001.**

*The Daily Iowan*

October 23, 2007

Even after giving away free promotional tickets to students, the arcade floundered, and it was forced to close three years later.

"I guess a beer special is just cheaper," Full said.

Iowa City, the home of 99 bars and alcohol-serving restaurants, has a social scene centered on drinking, but that may see a shift if the 21-ordinance is passed Nov. 6.

"The predominant activity is the bars," Iowa City Mayor Ross Wilburn said.

He said that if bars are making a sizable part of their profits from illegal activities, then it is possible they will choose to close or adapt their activities.

Jim Clayton, an Iowa City business owner and a member of the Stepping Up Project, a community and campus coalition effort to reduce the harmful effects of high-risk drinking, said it started up in 1996 and assisted in efforts to provide such alternative activities as Planet X.

Planet X, which came to the Old Capitol Town Center in 2001, offered such activities as laser tag. Clayton said students would come in and ask for beer and leave after none was offered. Despite discount coupons given out promoting its use, it didn't garner enough business.

Clayton said following Planet X, 24/7, a religious group, rented the space, which also provided bar-alternative activities. After the 24/7-operated venue closed at the end of 2004, River Rock Music Cafe rented the space, which hosted alcohol-free concerts, but that business also left. The UI eventually bought the space in 2005.

"As long as underage alcohol was available, it would trump us," Clayton said. "The fact that we don't have a downtown movie theater tells the whole story with what's most important to young people."

He said when he came to Iowa City in 1981, there were four movie theaters.

"The bars are very normalized," said Angela Reams, the director of campus and community relations for UI Student Services. "It's important to change the normalization that there's nothing to do but go downtown."

Reams said students who don't drink commonly ask for alternative activities. She is part of a committee that provides funds for residence-hall activities such as floor movies. She said that in the past, the group has done a movie event in which students were bused to Coralville.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/23/Metro/Nothing.To.Do.But.Drink.Not.So-3050182.shtml>

**14. Nightlife a City Moneymaker**

**A giant pot of gold is at one end of Iowa City's proposed 21-ordinance rainbow. A big pot o' gold called Iowa City's general fund.**

Brian Stewart

*The Daily Iowan*

October 24, 2007

For some UI students, a night out on the town can end up costing more than just a few $1-you-call-its at a Pedestrian Mall bar. In fact, the cost of an alcohol-related offense issued by an Iowa City police officer can tack hundreds of dollars onto a night of partying.

And a hefty chunk of that ticket money makes its way back into the city's hands.

"I don't think [the proponents of the 21-ordinance] have any understanding of the financial consequences," said Leah Cohen, the owner of Bo-James, 118 E. Washington St., and co-head of Bloc21, an organization opposed to the 21-ordinance.

A Daily Iowan analysis of PAULA tickets issued by the Iowa City police from January 2002 to September 2007 showed that 85 percent of violations were at business locations, primarily local bars. As of Sept. 30, only 20 percent of PAULAs in 2007 were issued at non-business locations.

A first-offense PAULA will cost $314, and subsequent violations total $710 after surcharge and court costs, Iowa City police Sgt. Troy Kelsay said. This means that from 2002 to September, at the lowest, police dolled out $2.48 million in PAULA tickets in Iowa City businesses.

Each PAULA offense is broken down into three parts: the basic fine, of which the city receives 90 percent, the criminal surcharge, of which the city retains 5 percent, and the clerk costs, which are pocketed by the state, along with the remains of the first two amounts, said Assistant City Attorney Eric Goers.

The city's PAULA profits are then deposited into the city's general fund, which helps finance a variety of city operations, he said.

But Kelsay said he doesn't think the 21-ordinance would have a significant effect on the number of PAULAs issued by his department.

"I can't look ahead to say it's going to have such an impact that we'll write fewer," he said. "Right now, I'm just as confident that after 11 o'clock on a Thursday, Friday, or Saturday -especially on a home football weekend - I could put every officer on foot patrol and there would be no shortage of them."

Iowa City City Councilor Bob Elliott said the city's finances are not the point of the proposed ordinance.

"This is not a financial question," he said. "This is a question of health. Whether there are financial repercussions or not - that's almost irrelevant to me."

No fine exists if a person between 19 and 21 is in a bar after 10 p.m., but if the ordinance passes, Kelsay said fines could mirror the cost of the current fine for an 18-year-old in a bar after that time - $380.

Kelsay said the potential of spotting underage patrons in bars might be easier if the ordinance passes.

"Roughly half of [the Summit's] crowd are underage persons right now," Kelsay said, choosing one of the more "popular" and "large capacity" bars as an example. "If that is the pond and 50 percent of the fish in there are keepers, it's pretty easy for officers to go down there and catch those fish."

If the ordinance passes, Cohen said she expects to see an increase in "far more serious charges" than PAULAs, including drunk driving, bootlegging, house party-related, and fake-ID offenses.

A fake-ID charge amounts to $182 for misuse of a state-issued ID or driver's license in an alcohol-related incident, Kelsay said. And use of a "completely fictitious ID," he added, can be a serious misdemeanor, punishable by jail time.

"I don't think we've had a real serious problem with fake IDs," said Cohen, noting that could change if the ordinance passes. "I've heard all sorts of horror stories already."

She also maintained the city will see financial strains if the ordinance passes.

"There's no question that within a three-year period of time there will be a drastic reduction in rent, which in turn causes a reduction in the net worth of the buildings and taxes on the buildings," she said. "I think that will all snowball. [The ordinance] will not go without financial effects."

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/24/Metro/Nightlife.A.City.Moneymaker-3053248.shtml>

**15. Party Specter Looms**

**The boom of house parties that some say may spread across Iowa City causes concern among citizens and city councilors alike.**

Amanda McClure

*The Daily Iowan*

October 24, 2007

The boom of house parties that some say may spread across Iowa City causes concern among citizens and city councilors alike.

Supporters of the vote to ban underage people in bars on Nov. 6 say it may bring consequences to Iowa City's neighborhoods.

Those who oppose the ordinance say that relocating drinkers to unsafe neighborhoods will have a detrimental effect on the number of assaults and drinking-related incidents in the community.

"A goal of this ordinance may be to stop underage drinking, but it will mainly move the party to a more dangerous location," said City Councilor Bob Elliott.

There are two sides to the ordinance argument, he said. The first is that limiting access leads to limited consumption, and the second concerns the moral debate surrounding underage drinking.

"It's not just about people under 21," he said. "It's also about the people who aren't mature enough to handle themselves."

Police Chief Sam Hargadine said it's not the responsibility of the bar or the city to watch drinkers.

"Drinking is a personal responsibility regardless of the location," he said. "Bars don't police themselves."

Terry Maslowski, a UI senior and an employee of Liquor Downtown, 315 S. Gilbert St., believes the ordinance will bring about safety concerns. While he acknowledges that the 21-ordinance will help boost liquor sales at local stores, he feels it will also increase binge drinking at uncontrolled house parties.

In a 2006 Statemaster report, Johnson County ranked fourth in the state for binge drinking, consuming 2.8 gallons of alcohol per person 12 and over in that year.

"From an economic standpoint, I'm sure it would help business, but looking at the issues, I don't believe that it's best for our community," Maslowski said.

Many of the local bars order hundreds of bottles of alcohol at a time from his store, he said, and that if the ordinance passes, that number would probably be reduced.

With the prospect of students shifting their focus to house parties as the new outlet for underage activities, city landlords have started measuring their options. Steve Baker, an Iowa City resident and landlord, opposes the ordinance from both a safety and economic standpoint.

"Vandalism is my main concern if the ordinance passes," he said. "Kids are going to be kids, and with no social outlet like bars, house parties are going to become more dominant."

Baker said that if the ordinance passes, his job will get much tougher.

"I will definitely become a more present landlord," he said. "But with taxes and maintenance fees as high as they are, it makes it very hard for the little operations to survive."

Another concern that stems from the ordinance is the potential increase in neighborhood disruption and riots. Iowa State University reported escalated numbers of riots and neighborhood complaints after Ames turned 21-only.

"Riots could definitely happen, but we cannot solve the problem," Elliott said. "We can only hope to lessen it."

While those who condemn the ordinance say that it will put more young women in jeopardy in Iowa City's neighborhoods, Hargadine disagrees, remaining firm that the 21-ordinance and sexual assaults are not related.

"The more people concentrate in one area, the less likely an attack will happen," he said, noting that there has not been a sexual attack in more than a month.

Although he's eager to vote on the ordinance, Elliott said he is not sure which way he will vote because he said he sees both positive and negative sides to the issue.

An underage drinking ordinance would limit the amount of young people coming from surrounding areas to drink at the bars, he said.

"All I know is that it's a limited prohibition," he said. "I'm old enough to know that not only did national Prohibition not work, but it created enormous difficulties."

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/24/Metro/Party.Specter.Looms-3053255-page2.shtml>



**16. Different Town after 21-Only**

**From the biggest bars downtown, to the grilled cheese stand on the Pedestrian Mall and the live music venue: Local bar owners insist that if the 21-ordinance passes on Nov. 6, the entire economy and culture of Iowa City will change.**

Clara Hogan

*The Daily Iowan*

October 22, 2007

But others aren't buying it.

Supporters of the ordinance argue it will provide new, nonalcoholic businesses a chance to survive downtown, something that they say isn't easy now.

However, Leah Cohen, the owner of Bo-James, 118 E. Washington St., and co-head of the Alcohol Advisory Board, said she estimates 33 percent of the bars downtown will go out of business if they are required to go 21-only.

"It will kind of have a trickle-down effect to all aspects of the economy," she said. "So many things we love about Iowa City could change."

Richard Dobyns, a UI clinical professor of family medicine and a proponent of the 21-ordinance, said the bars that close would probably be the ones that rely heavily on money from those under 21.

"That's exactly the point of the measure," he said. "If they are catering to underage patrons, those are the kind of bars we want to see go."

John Solow, a UI associate professor of economics, said if the measure passes, the loss of bars could be hard on Iowa City in the short run, but he speculates that after some time, the empty buildings may be filled with specialty shops.

"There are obviously other cities with 21-ordinances that have lively downtowns with lots of shops," he said. "But it may take a while for that to sort out."

Solow noted that vacant lots will be available when bars go out of business and owners are looking for someone to rent. He said because of this, business owners may have an easier time opening a store for a reasonable price.

The 21-only measure would also affect the music culture, said Chris Wiersema, the general manager of the Picador, 330 E. Washington St. This aspect is often overlooked.

"No one has contacted us in any way," he said. "It's something that hasn't been discussed and needs to be. I think we tend to look at the negative effects of the bars and not the cultural impact it would have on the downtown scene."

He said the money made by the 19- and 20-year-olds goes straight to bringing national music to town.

"If you cut the market in half, the quality of acts you see now in Iowa City will suffer," Wiersema said. "There will also be practically nothing for kids under 21 to do if they can't see music."

He said the higher age requirement would also hurt local bands because some of their friends wouldn't be allowed to see them play.

Because the almost 11,000 underage UI students will no longer be able to see bands or go into bars after 10 p.m., they will be forced to move elsewhere, Cohen said. She noted that it wouldn't just be the bars suffering, but also the food stands on the Pedestrian Mall, cab companies, hair dressers, and retail stores.

Gary Sanders, an Iowa City resident who is in favor of the ordinance, said the city will adapt if bars leave, just as the economy did when the influx of bars came to Iowa City. In 1981, there were 10 bars in or near downtown Iowa City.

Today there are 34 in or near downtown.

"Where were the tears shed for the businesses forced to leave because the bars jacked up the rental rates so high?" he said. "If you're asking me to feel bad for these people, you're crazy."

Cohen and Sanders said that when the fraternity and sorority houses went dry and the Coral Ridge Mall opened in the mid-1990s, downtown changed drastically.

Cohen said retail stores closed because they were in competition with the mall, and restaurants turned into bars at night to cater to the rush of students moving from fraternity houses downtown. She said there were too many restaurants downtown, and in order to keep up, many establishments felt pressured to stay open late.

"It's bringing people in," Dobyns said. "But at some point society has to say, is a person's health and life more important or the tax base of Iowa City? We may lose a lot, but my God, I think it's worth it."

**Timeline**

- 1996 - The Stepping Up Project is formed to help reduce high-risk drinking at the UI.

- Aug. 1, 1998 - UI fraternities institute a dry policy banning the hosting of social events with alcohol. Members 21 or older are allowed to possess or consume alcohol in their rooms if minors are not present.

- Prior to 2003 - Iowa City bars have no uniform requirements for patron entry. The establishments' policies ranged from 17 and over, to 18 and older, with some requiring a college ID, to 21-only bars.

- 2002-2003 - UI housing becomes substance-free.

- April 19, 2003 - City Council introduces the 19-ordinance as an amendment and compromise to the 21-ordinance it pushed for three years.

- April 23, 2003 - A failed attempt to change the current 18-year-old age requirement to 21 resulted in a compromise: the 19-ordinance. Patrons must be 19 or older to be in a business that serves more than 50 percent alcohol after 10 p.m.

- March 6, 2003 - Stepping Up Project polls 400 random residents, revealing 62 percent favor a 21-ordinance.

- Spring 2003 - Former UI President David Skorton writes letter to city supporting a 21-ordinance.

- Aug. 1, 2003 - 19-ordinance goes into effect.

- August 2003 - National Highway Traffic Safety Administration offers free Training for Intervention Procedures (TIPS) program to bar and restaurant employees in Johnson County to ensure ordinance effectiveness.

- October 2003 - Iowa City Alcohol Advisory Board formed to curb excessive drinking at UI.

- Oct. 18, 2004 - City Council rejects 21-ordinance after Iowa City Alcohol Advisory Board promises to increase police enforcement and educate the public about underage drinking.

- May 2, 2005 - The Iowa City Alcohol Advisory Board petitions City Council against the 21-ordinance suggesting a decrease in bar size, capacity, and liquor licenses to reduce underage and excessive drinking.

- August 2006 - UI requires mandatory alcohol-education classes to incoming freshmen.

- July 1 - Iowa becomes 24th state to enact keg-registration law, in hopes to curb underage drinking.

- Nov. 6 - Citywide vote on the 21-ordinance

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/22/Metro/Different.Town.After.21Only-3047217.shtml>



**17.** **21-Only Voting Might Spur Increased Student Engagement**

#### DI Editorial Board*The Daily Iowan*

October 19, 2007

Beginning Monday, UI students will have the opportunity to register and vote simultaneously in advance of the Nov. 6 city election. As most people are well-aware, this election will also decide the fate of a proposed ordinance banning anyone under the age of 21 from the Iowa City bars. In preparation for the vote, anti-ordinance organizations have formed at the UI and have collected enough signatures to establish satellite voting locations at several campus sites, including the Main Library and a handful of dorms. Students are notorious for their lack of turnout in any given election, but the satellite locations will, the organizers say, boost the student vote.

Atul Nakhasi of the Student Health Initiative Task Force, an organization on campus opposed to the ordinance, hopes that more than 2,000 students will vote in the election. By having satellite locations available at dorms typically occupied by students either unregistered in Iowa City or not registered at all, Nakhasi thinks easily accessible voting stations will lead to greater student turnout. "My goal is to have the 21-ordinance defeated by Oct. 26," Nakhasi said, referring to the last day of satellite voting on campus.

The same-day registration advantage at the satellite locations should certainly increase the odds of preventing the passage of the ordinance. Instead of having to register almost two weeks in advance, then find the correct polling station on Election Day, students can accomplish both in just minutes throughout next week. Though the satellite voting can be accessed by any Iowa City resident, its clear intent is to corral unregistered UI students who are opposed to the ordinance but not likely to vote otherwise. The idea of early voting will, hopefully, inspire students to continue exercising their civic duty in the future. While this particular vote has clear consequences if students do not vote, perhaps the outcome of this issue - however it turns out - will instill in all UI students the potential importance of their individual vote in every election.

In securing the satellite voting stations, students have demonstrated their ability to energize their peers. Hopefully, those organizations will continue their efforts next year in the Iowa caucuses and general election. If all students placed the same value in choosing our elected leaders as UI students do in choosing their right to $1 you-call-its, our opinions might be better represented in Des Moines and Washington, D.C. With any luck, the voter drive for the Nov. 6 election is just the beginning.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/19/Opinions/21Only.Voting.Might.Spur.Increased.Student.Engagement-3043188.shtml>

**18. Officials Split on 21-OWI Link**

**As the Iowa City 21-ordinance vote nears, local officials are unsure of its effect on drunk driving in Johnson County.**

Carla Keppler

*The Daily Iowan*

October 24, 2007

Those in opposition to the ordinance worry that the strict downtown regulations would encourage residents to travel to other areas, thereby increasing the number of drunk drivers in surrounding areas.

Currently, Coralville and North Liberty use state requirements for bar entry, which is 18 and over.

Greg Baker, the president of UI College Republicans and supporter of the anti-21-ordinance movement, said he believes the number of intoxicated drivers will increase if those younger than 21 are banned from bars.

"There's a very good possibility students will want to drive back home," Baker said.

UI sophomore Jackie Herrerias agrees, saying implementation of the 21-only measure would definitely lead people to drive to house parties or surrounding towns.

"If they're not letting us go to the bars, then we have to find other places to go," she said. "Apartments aren't always on bus routes."

Johnson County Sheriff Lonny Pulkrabek, however, said no evidence exists to back that argument.

Iowa City police Sgt. Troy Kelsay agreed, saying that at this point, the matter is based primarily on speculation.

"I'm not sure that it will have any observable impact on [OWI tickets]," he said.

Kelsay said that if the ordinance is passed, police officers assigned to downtown would see an increase in the number of hours spent proactively patrolling in squad cars.

"I think that there probably will be an increase in all officer-initiated activity, including OWIs, if the 21 is passed," he said. "Not only because of underage travel but because there will be more officers able to be out in patrol cars picking up drunk drivers."

While Kelsay said surrounding cities have become more of a destination for people to go to drink in recent years, Coralville Police Chief Berry Bedford said he didn't anticipate a significant increase in the number of people traveling to Coralville venues because they generally aren't attractive to the student clientele.

Iowa State University is the only state Board of Regents' university in a city with a 21-only policy in place.

Ames Police Chief Chuck Cychosz said he saw no causal relationship between OWI incidents and the age regulation there.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/24/Metro/Officials.Split.On.21Owi.Link-3053193.shtml>

**19. Anti-21 pulls in $
Bloc21, which opposes the 21-ordinance, has raised almost four times more than the pro-21-only group, the Committee for Healthy Choices.**

George Sweeney

*The Daily Iowan*

October 24, 2007

As of Oct. 19, Bloc21 had raked in $16,000 compared with the committee's $4,160, according to a quarterly disclosure report.

Leah Cohen, a co-chairwoman of Bloc21, said she does not think money is a very important factor in the issue, because UI students would vote against the ordinance even if her group did not spend much on a publicity effort. She thinks most of Iowa City opposes the measure, she said, but the same group of people pushes for the ordinance annually.

But one 21-ordinance supporter thinks money is a factor.

"They're trying to buy this election, and unfortunately, they probably have enough," said Jim Clayton of Stepping Up and the Committee for Healthy Choices, a staunch 21-ordinance supporter.

Cohen said it makes sense to use her group for an issue important to bar owners.

Bloc21 received $10,000 in contributions from two bars owned by Mike Porter, the Summit, 10 S. Clinton St., and One-Eyed Jakes, 18-20 S. Clinton St. The Sports Column, 12 S. Dubuque St., gave the group $5,000, and Et Cetera, 118 S. Dubuque St., gave the group $1,000.

Cohen said her group made a conscious decision to fund the effort, turning down offers of contributions from parties not associated with the downtown bars. She also said other bars might still contribute to the anti-21 group, because there are still two weeks until the vote.

Matt Pfaltzgraf, the chairman of Student Health Initiative Task Force, said the money has been spent on the group's website, ads on Facebook, fliers, and T-shirts.

"It all costs a lot," he said.

Clayton said donors to the Committee for Healthy Choices have no economic interest in the issue, unlike contributors to Bloc21.

But Cohen said self-interest isn't the only issue.

"I think it's important that we as business people get involved" with issues that affect Iowa City, she said.

Fighting for the 21-ordinance, the Committee for Healthy Choices' largest donation was $1,000 from the Johnson County Medical Society. Richard Dobyns, a UI clinical professor of family medicine who founded the group, also gave a $1,000 loan.

Other than that, the largest single contribution was $200, with no other donation exceeding $100.

"We definitely could have used more contributions; they're still trickling in," Clayton said. "We'll spend every penny we get."

The 21-ordinance vote will likely affect the Iowa City City Council elections, which are on the same ballot.

A flier passed out near the IMU Monday read "Vote NO on 21," listing the two council candidates who say they oppose the measure.

"The other two at-large candidates are yes voters," the flier reported.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/10/24/Metro/Anti21.Pulls.In-3053198.shtml>

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**20. Ames Alcohol Culture**

**Patrols Help Ames Enforce 21-and-Older Ordinance, but Problems Still Exist**

Jennifer Hemmingsen

*The Cedar Rapids Gazette*

October 20, 2007

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| --- |
| Photo |
| Ames police officer Andy Metcalfe speaks with Cyclone Plaza tenant Justin Bjerke after a party in his apartment was broken up Oct. 6. Officers look for parties early in the evening and talk to hosts to prevent parties from getting out of control. |

Ames police officer Andy Metcalfe speaks with Cyclone Plaza tenant Justin Bjerke after a party in his apartment was broken up Oct. 6. Officers look for parties early in the evening and talk to hosts to prevent parties from getting out of control.

**Worth A Look**

21-AND-OLDER BAR VOTE: Iowa City voters on Nov. 6 will decide whether to enact an ordinance that makes it illegal for people younger than 21 to be in Iowa City bars after 10 p.m. The current age limit is 19.

At 10:30 on a recent Saturday night, Iowa State University student Zeb Adams just had been kicked out of his night's first party and he was looking for the next one.

Adams, 20, a pre-business major from Omaha, Neb., said ISU students try to keep parties small to avoid attracting the attention of police, but the gatherings have a way of growing.

"It starts that you know most of the people there, but then as the night progresses, people call their friends and they call their friends," he said.

Ames Police Officer Andy Metcalfe found this one, at a six-story apartment building just off Welch Avenue, by following the sound of the booming bass down the hall. Standing to the side so he couldn't be seen through the door's peep-hole, he delivered a series of syncopated knocks until someone opened the

door -- her eyes growing wide at the sight of his uniform.

<http://www.gazetteonline.com/apps/pbcs.dll/article?AID=/20071020/NEWS/71020007/1006/NEWS>

**21.** **Plaza Pantry Loses Liquor License**

**The Des Moines City Council declines renewal after residents complain about the store and its customers.**

Melissa Walker

*Des Moines Register*

October 23, 2007

The owner of the Plaza Pantry convenience store in the Plaza Condominiums downtown on Walnut Street will have to plead his case to the state alcoholic beverage division after the Des Moines City Council decided Monday he had run out of chances.

Council members voted 4-3 to deny renewal of the liquor license for Snehi Yavanam's business, Plaza Pantry. Des Moines City Manager Rick Clark had suggested Yavanam receive another 60 days to correct the findings of a state audit that found bookkeeping oversights and showed he improperly rang up cigarettes and alcohol as the same type of purchase.

Yavanam's license was up for renewal in January, but city officials waited until a state audit was completed before they took action.

"You've had your time. You're on borrowed time right now," said Councilwoman Christine Hensley, whose ward covers most of downtown. "Based upon your history and what you have or have not done, I don't know that I have any choice" but to deny the liquor application.

The license was denied based on lack of good moral character.

Plaza Pantry's liquor license was targeted after residents of the Plaza condos, 300 Walnut St., complained that Yavanam's lobby business caters to homeless alcoholics who leave litter, vomit and human waste in the lobby. Plaza Pantry, open since 2004, sells individual cans of beer and half-pints of liquor.

Yavanam said he will appeal the council's decision to the state agency. He can continue to sell liquor and beer until the appeal process is exhausted.

"I think it can be turned around," Yavanam said after the meeting. "I think I should be given a second chance."

Mayor Frank Cownie and councilmen Tom Vlassis and Robert Mahaffey voted against denial of the license.

A state audit earlier this year stated that "Plaza Pantry did not exceed the alcohol sales limitation posed by its agreement," but because the records provided were in disarray, "we are unable to use the sales recorded on Plaza Pantry's cash register to determine the amount of alcohol sold."

Francis Fogarty, a Plaza condo resident, said he objected "in the strongest possible manner" to giving Yavanam another 60 days. He said the business is an inconvenience to those who live in the condos.

Yavanam said if he loses his liquor license, he will go out of business because there is a connection between alcohol and other purchases. "Nobody wants to come to my store to buy a sandwich and then go to someone else for beer," he said


<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20071023/NEWS05/710230391/1007>

**22.** **Appeal Will Let Store Continue Alcohol Sales**

**Plaza Pantry owner Snehi Yavanam will probably be able to sell alcohol in his convenience store in Plaza Condominiums in downtown Des Moines for at least another 60 days.**

*Des Moines Register*

October 24, 2007

City Council members on Monday denied renewal of Yavanam's liquor license, but he said he will appeal the decision to the state alcoholic beverages division.

His business is located in the lobby of the condo building at 300 Walnut St.

Lynn Walding, administrator of the division, said Tuesday that his office will send Yavanam a letter to notify him he has 30 days within receipt of the letter to appeal the council's decision.

If no appeal is received, Yavanam must stop selling alcohol. If there is an appeal, an administrative law judge from the department of inspection and appeals will hear it and issue a decision within 10 days of the hearing. Either Yavanam or the city could appeal the judge's decision within 30 days, and Walding would review the matter and issue a final agency action. Walding's decision could be appealed to Polk County District Court.

Yavanam can continue to sell alcohol until the appeal process is exhausted.

Walding, who has headed the agency for eight years, said it is rare for an establishment to be denied a license renewal. His office handles about a dozen appeals each year.


<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20071024/NEWS/710240392/1001/NEWS>

**23. Many Alcohol Battles in Past**

**From the Prohibition-era '20s to the '70s and '80s, when the legal drinking age was 18 and 19, to the current debate over the proper age for bar admittance, one thing remains constant - not everyone is ever happy.**

Abby Harvey

*The Daily Iowan*

October 23, 2007

Prohibition spanned 14 years in which the manufacture, sale, or transportation of intoxicating liquor was forbidden. Although the 21st Amendment stomped out that ban, the 1984 National Minimum Drinking Age Act, which encouraged (some say forced) states to raise drinking age requirements to 21, generated the most recent problems of underage drinking.

Jim Baxter, the president of the National Motorists Association, said the 21-drinking age is walking in the same footsteps as did Prohibition, creating more problems than it actually addresses.

"Our position has been that the drinking age has been more reflective of what the mores of society are," he said. "In other words, typically people have some exposure to alcoholic beverages by the time they're 18, 19 years of age."

That 18-year-olds were able to access alcohol during the '70s and '80s did present problems in some states, however, said Lynn Walding, the administrator of the Iowa Alcoholic Beverages Division.

"It was determined here in Iowa that 18 was just too young, because a lot of people turn 18 when they're still in high school," he said. "The consequence of that tends to filter down to the younger ages, so we moved it to 19."

The Vietnam War contributed greatly in reducing the legal drinking age. In the years after the end of Prohibition, the national legal drinking age fell from 21 to 18, 19, or 20, depending on state specifications.

"The legal drinking age dropped to 18 during the Vietnam era, under the argument that 'if you're old enough to fight for your country, you're old enough to have a beer,' " Walding said.

Later on, the National Minimum Drinking Age Act of 1984 came into play, requiring "all states to raise their minimum drinking age to 21 within two years." Federal officials used highway funds as a way of "blackmailing" states into raising the drinking age, Baxter said.

Most states eventually complied with federal demands and raised the legal drinking age - but some states dragged their feet. Neighboring states with different drinking ages caused what Baxter calls "blood borders," in other words, young people from one state would cross to next where they could drink legally.

"The implication was that the states with the lower drinking ages had created this bad situation by having a lower drinking age than the state next door," he said. "When, in fact, it was the state that raised the drinking age had actually caused this 'blood border' because it was their residents crossing the border going to the other state."

The federal pressure worked. Every state now has a legal drinking age of 21.

But as South Dakota discovered in 1987, the 21-law is not all-encompassing. In South Dakota v. Dole, the Supreme Court ruled that the states are able set the drinking age as they saw fit, but at the same time, the federal government has the right to withhold federal highway funds.

"For Iowa to abandon the 21 drinking age at this point, the potential loss would be approximately $25.9 million in federal DOT money that we would receive as a state," Walding said. "Based on the Iowa population, that's about $8.63 per capita."



**24.** **Alcohol Attitudes in Keokuk County**

*Sigourney News*

10/19/2007

The University of Iowa Prevention Research Center, a partner of the Community Health Action Partnership (CHAP) conducted a community survey last fall to assess the health, exercise, and nutrition behaviors of Keokuk County residents. Results from this survey will be featured in a series of articles in the Sigourney News-Review.

The goal of the Youth Substance Abuse Prevention Working Group (YSAP) is to decrease the prevalence of underage alcohol consumption by limiting youth access to alcohol and increasing adult accountability for the alcohol they buy. In the fall of 2003, group members and local legislators worked to pass a county-wide keg registration ordinance in Keokuk County. Over the next several years, 32 more counties in Iowa passed similar legislation and on April 5, 2007, Governor Chet Culver signed a statewide keg registration bill into law.

Keg registration is intended to reduce the social availability of alcohol to underage consumers by holding adults accountable for the keg beer they buy. Under this law, kegs are tagged with an identification number, and at the time of purchase, retailers are required to record this number along with the purchaser's contact information. In the event of any problems associated with the keg, police can trace the keg purchase and purchaser.

In the fall of 2006, the University of Iowa Prevention Research Center (PRC) conducted a community survey to better understand the health status and related behaviors of rural Iowans. Participants included Keokuk County 416 residents, 180 of whom were from Sigourney. The survey included a series of questions about teen drinking, drunk driving, and support for specific policies to address these issues. Results to the questions: 1) "Are you concerned about teen drinking in your community?" Sigourney residents 89% said "Yes" and 11% said "No"; Keokuk County residents 85% said "Yes" and 15% said "No". 2) "Are you concerned about teen drunk driving in your community?" 92% of Sigourney residents said "Yes" and only 8% said "No"; 89% of Keokuk County residents said "Yes" and 11% said "No."

Participants in Keokuk County were also asked if they would support other community initiatives to reduce underage alcohol consumption. Results (option; % Supportive; % Not supportive): 1) Scannable driver's licenses; 97%; 3% 2) Penalties for using a fake ID; 95%; 5% 3) Breaking up parties/holding adults accountable; 93%; 7% 4) Fake ID confiscation by retailers; 92%; 8% 5) Retailer training for licensure; 92%; 8% 6) Increased enforcement; 91%; 9%.

YSAP members hope that group activities and public support for these types of policies will help send a message to Keokuk County residents that adults need to be responsible by making sure that their actions do not contribute to the underage drinking problem. For more information about CHAP or the YSAP Working Group, contact Shellie Striegel at 108 E. Washington Street in Sigourney or phone at 622-2519.

<http://www.zwire.com/site/news.cfm?newsid=18936906&BRD=1871&PAG=461&dept_id=226727&rfi=6>

**25.** **Company Agrees to Tighter Controls over Tobacco in Kwik Shops**

**A major national grocery store chain that operates 19 convenience stores in Iowa has agreed to a series of tighter controls on the sale of tobacco. Bob Brammer, a spokesman for the Iowa Attorney General's office, says Kroger has agreed to the plan for its Kwik Shops in Iowa.**

Darwin Danielson

*Radio Iowa.Com*

October 25, 2007

Brammer says the company is going to take some "vigorous" action to keep company employees from selling tobacco to minors. The steps include training employees, internal and external checks to see if employees sell tobacco to minors.

Brammer says this is the 11th agreement with a company to do more to keep tobacco from kids. He says they have a ball rolling, with Wal-Mart, Walgreens, Phillipps 66 and Exon have all agreed to the procedures and policies to prevent selling tobacco to kids. Brammer says cutting kids off from their sources of tobacco makes a big impact.

Brammer says most adult smokers started when they were kids, eight-out-of-ten adults started smoking when they were kids. Brammer says kids can become addicted after smoking just once, and he says the convenience stores are often the source of their cigarettes. Most of the Kwik Shops are in eastern Iowa with nine in Davenport, one in Eldridge, four in Cedar Rapids, one in Hiawatha, one in Council Bluffs, one in Carter Lake, one in Ames, and one in Glenwood.

<http://www.radioiowa.com/gestalt/go.cfm?objectid=D3B87E89-DC14-4CA4-CFB5D08BBDE28D0C>

**IV. OTHER STATE NEWS****26. Alabama Governor Wants Stiffer Penalties for Hard-Core DWI (Alabama)**

*Beverage News Daily*

October 24, 2007

Alabama Gov. Bob Riley will ask the Legislature to increase the penalties for drunken drivers with high levels of intoxication and to straighten out legal problems with the way Alabama handles repeat offenders.

Riley's proposal would increase the minimum punishment when a motorist measures .15 percent blood alcohol level or higher. That is nearly twice the legal level of intoxication, .08 percent.

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**27. Jury Verdict Gives California Wineries Right to Terminate Distributors (California)**

**At Any Time, For Any Reason, Without Paying any Termination Fee**

*Beverage News Daily*October 23, 2007

A California jury took less than two hours to reject Frank-Lin Distillers’s claim that it was entitled to share in the value of the growth of Michael-David wines simply because Frank-Lin had represented the winery in California.

John Hinman, of the Hinman & Carmichael law firm said the effect of the ruling was to assure California wineries of the right to terminate open-ended agreements with distributors at any time upon reasonable notice, for any reason, without paying a “termination fee.”

According to Hinman, when Frank-Lin was told its distribution agreement was being terminated upon reasonable notice in 2006, Frank-Lin withheld payments in excess of $250,000 for wine purchased.

Frank-Lin later sued Michael-David Winery for $8.9 million in damages, asserting that under California practice, an oral distribution agreement with goals could be terminated only for cause, and then only after written warnings and an opportunity to “cure.”

“Without this decision, California vintners would have found themselves at the mercy of distributors who would, in effect, become entitled to a significant part of a winery’s brand value and the winery owner’s equity simply because the distributor had delivered the product,” Hinman said. “This case was a backdoor attempt to create a wine ‘franchise’ law in California – a legal system in place in 14 states that makes it nearly impossible for wineries in those states to ever change distributors.”

**28. California Wildfires Appear to Spare Vineyards, Wineries (California)**

*Beverage News Daily*

October 24, 2007

More than 500,000 persons have had to flee their homes as wind-whipped fires roared through Southern California yesterday, but reports last night suggested California wineries appeared to have escaped serious damage.

The Wine Institute told us that “damage assessment is spotty right now because vintners and growers are prevented from getting to their properties.” But, it added, the fire in Santa Ynez was contained with no damage to vineyards or property.

Jim Fiolek at Santa Barbara said no vineyard or winery damage was reported in Santa Barbara.

And Tomi Arbogast, executive director, Temecula Valley Winegrowers Association, said: “So far, so good. The next 24 hours will tell a better story. It’s all in the winds dying down.”

But the fires did force the California Department of Alcoholic Beverage Control to close two offices, one in San Diego and on in San Marcos. The department also postponed its annual drawing for new liquor licenses, which had been scheduled for yesterday in San Diego.



**29.** **Tougher On Tobacco (Illinois)**

**Wheaton set to beef up its smoking ordinance**

James Fuller

*Daily Herald*

October 22, 2007

Wheaton's smoking ban hasn't generated much heat for those with a propensity to puff, but it's about to get a little warmer.

City officials reported Monday night that the city's smoking ban hasn't resulted in many citations, if any, since it came on the books at the start of the year.

City Manager Don Rose told city council members it's mostly been a self-policed law, with few negatives. Rose said he's heard only anecdotal outcries of a drop in business from a couple restaurants in town since the ban went in place.

That impact will be nullified when the statewide smoking ban takes effect at the start of 2008. The law allows cities like Wheaton to maintain their own smoking ban provisions as long as they are more strict than the state law.

That means Wheaton must beef up its ban in a couple of places where it's less restrictive.

The changes would include the increase of fines for both individuals and businesses violating the smoking ban.

Wheaton's fine for individuals would increase from $75 to a range of $100 to $250 depending on the offense. Business owners would also see a fine increase. Wheaton currently charges $150 per day of the violation. That will increase to $250 for the first offense, $500 for the second offense and $2,500 for each additional offense.

Councilman Phil Suess asked staff to investigate adding an entirely new provision. He suggested a modified version of the ban recently discussed for the Chicago Park District.

That ban would eliminate smoking from playgrounds, play lots and beaches in the Chicago Park District. Suess said, at a minimum, he'd like to see smoking banned for a 15-foot radius around seats at all ball fields in Wheaton.

Most of those fields are under the control of the Wheaton Park District. However, the city council has already shown a willingness to write laws impacting the park district. The city's current smoking ban includes the park district's Memorial Park.

Rose said he'll have the city attorney investigate the change.

Smoke: City making plans to increase fines

http://www.dailyherald.com/story/?id=62372&src=2

**30. Tobacco Ban Opposed (Maine)**

**GSS considers other options on campus**

Alex Leonard
*The Maine Campus*

October 22, 2007

In the last session of the General Student Senate, a resolution to oppose the tobacco-free campus initiative passed unanimously. The resolution outlined other potential options for reducing the public use of tobacco.

The resolution, sponsored by President William Pomerleau, a smoker, stated that the Student Senate as a whole would oppose the idea of the tobacco-free campus initiative, but would instead encourage the university to undertake informational campaigns regarding tobacco smoking. This could include free over-the-counter medicine to assist the students who choose to quit.

"I understand we have to protect other students," Gimbala Sankare said. "I don't understand why it should be illegal on campus." Sankare announced his candidacy for President at the meeting.

"It shouldn't be a tobacco- free campus," Pomerleau said. "Lend a helping hand to the students instead of smacking them in the face."

Pomerleau made it clear that he, along with co-sponsors Vice President Steve Moran and Vice President of Student Entertainment Derek Mitchell, would look for other ways to cut down tobacco use instead of banning it.

"They could find a corporation to sponsor or co-sponsor [the initiative]," Pomerleau said. "If they did that, along with an informational campaign, it'd be a hell of a lot more effective than it would be to just ban smoking altogether."

Although the resolution passed unanimously, there were some questions about the stance of student government. Sen. Christina Soyden was one of the few who spoke up in opposition of the Student Senate's stance on the issue.

"My opposition to the resolution is not because I don't believe that we shouldn't protect the civil liberties of students," Soyden said. "I believe that it's too soon to decide to oppose or to agree with the resolution."

Soyden went on to add that the decision was not one she necessarily opposed but felt that the rights of the non-smoker should not be infringed by the decision. She shares the opinion that there are other ways to cut down on tobacco use that affects non-tobacco users on campus.

****<http://media.www.mainecampus.com/media/storage/paper322/news/2007/10/22/News/Tobacco.Ban.Opposed-3046158.shtml>

**31. SWRA Hails Michigan Judges Ruling on Retailers and Wine Shipping (Michigan)**

**Ruling affirms that 2005 Supreme Court wine decision applies to wine retailers as well as wineries.**

*PR Web*

October 25, 2007

In a preliminary ruling in an important case concerning consumer access to wine a Michigan District Court Judge mirrored Specialty Wine Retailer Association's (SWRA) long held claim that out-of-state retailers must be treated on an equal footing with in-state retailers concerning the issue of direct-to-consumer shipping of wine. The ruling affirms, contrary to many wine distributors' and states' claims, that equality in wine shipping must apply to retailers as well as to wineries.

Arguing wine retailers can be discriminated against with regard to shipping, while wineries may not, is like saying after Brown v. Board of Education the state could still discriminate against Hispanics, but not African-Americans, because there was no Hispanic party to the Brown case

Since the 2005 Granholm v. Heald Supreme Court decision concerning wine shipping, many wine wholesalers and states have argued that the decision applied only to out-of-state wineries because wineries brought the cases. They further argued, most recently in Illinois, that this meant out-of-state retailers could be prohibited from shipping into a state while in-state wine retailers could ship in the state freely. Specialty Wine Retailers Association has vehemently opposed this type of protectionist and anti-consumer reasoning in states across the country.

"Arguing wine retailers can be discriminated against with regard to shipping, while wineries may not, is like saying after Brown v. Board of Education the state could still discriminate against Hispanics, but not African-Americans, because there was no Hispanic party to the Brown case," said Tom Wark, Executive Director of Specialty Wine Retailers Association. "Just as in Brown, we are dealing with a simple constitutional principle that cannot be compromised for the purpose of fattening wine distributors' wallets."

**Tide Turning In Favor of Consumers and Free Trade in Wine**

Judge Denise Page Hood, in her ruling on the State of Michigan's motion to dismiss a lawsuit challenging just such discrimination against wine retailers, came down on the side of the SWRA and consumer rights when she wrote:

"The Court will not construe Granholm to explicitly exclude out-of-state retailers from the Supreme Court's holding solely because the Supreme Court makes no mention of them in its opinion.. In Granholm, the Supreme Court focused more on discrimination against out-of-state economic interest and access to out-of-state markets, rather than, specifically, on out-of-state wine producers."

The case in question, Siesta Market v. Granholm (the second wine case in which Michigan Governor Jennifer Granholm is a named defendant), was brought by the legal team of Alex Tanford and Robert Epstein, who are also involved along with SWRA in a similar case in Texas challenging a near identical case of discrimination against out-of-state retailers. Judge Hood's view of Granholm v. Heald applying to retailers as well as to wineries is in contrast to a recent decision in a New York District Court that appeared to ignore the Granholm decision altogether.

We are seeing the tide turn when it comes to consumer rights and wine shipping," said Wark. "We expect to see further legal victories for consumer and retailers rights as well as more legislatures ignoring the wine distributors' calls for prohibitions on consumers' ability to purchase wine from out-of-state retailers just to protect the wholesalers' special interest."



**32. Woman Charged in Highway Beer Stunt (Nebraska)**

**A woman let her teenage daughter lean out of a moving van to take beer from a vehicle that was driving alongside on a southeastern Nebraska highway, authorities said Wednesday.**

Oskar Garcia

*Associated Press*

October 25, 2007

Terry Kisling, 47, of Hickman, was driving the van of high school cheerleaders to a football game in Nebraska City earlier this month when a group of boys pulled up next to them in a sport-utility vehicle, Norris High School principal John Skretta said.

One of the girls apparently signaled to the boys and asked for a beer, and Kisling inched the van closer to the SUV, letting her daughter lean out to grab the can, he said.

"To say that we were shocked and taken aback would be an understatement," said Skretta, who said he learned of the incident last week. "It's almost unfathomable."

The vehicles didn't touch and nobody was hurt. The beer was passed around the van for several girls to drink, Skretta said.

Kisling was charged with procuring alcohol for minors, contributing to the delinquency of minors and reckless driving, said Chief Deputy Mike Holland of the Otoe County sheriff's department. Kisling is due in court Nov. 26.

A woman responding to a message left by The Associated Press at a telephone number listed for Kisling said Wednesday that the listing was wrong.

Authorities said they did not know how fast the van was traveling. Nebraska Highway 2 is a divided four-lane highway with a speed limit of 65 mph, Holland said.

Kisling, one of many parents who volunteer to drive students to school activities in district-owned vans, will not be allowed to drive students for the school again, Skretta said.

The girls were disciplined by the school and would likely not face additional charges, Skretta said. He would not say how the school punished the students

**33. State Tells Margate, other Towns 'Keg Reg' Laws are Improper** **(New Jersey)
Citing orders from the state, the city has scheduled a vote today on rescinding a law that Margate passed last month - and that many other New Jersey municipalities also adopted this year.**

Martin DeAngelis

*Press of Atlantic City*

October 18, 2007

The ordinance required liquor stores to put registration tags on all kegs of beer they sell, and to take detailed identity information on all keg buyers. The "keg-reg" bill was designed to keep bulk beer from kegs out of the hands of minors, but the state Alcoholic Beverage Control division recently told municipalities that state government, not local ones, has jurisdiction in the matter.

Jerry Fischer, the ABC's director, said in an advisory opinion sent to municipalities that "it does not matter how precisely a keg registration ordinance is drafted. No ordinance will be proper and effective, because the ordinance will lack uniform enforcement."

But Fischer recommended that the state Legislature take up the issue, and Dan Meara, a spokesman for the National Council on Alcohol and Drug Dependence-New Jersey, said Wednesday that keg-registration bills have since been introduced in both the state Assembly and Senate.

Meara, whose organization lobbied local governments to pass the keg-reg laws, estimated that about 100 towns around the state had adopted ones similar to Margate's. He said they're all "kind of in limbo about it" since the ABC's ruling went out earlier this month in response to a request from Theodore E. Baker, Bridgeton's city solicitor.

 Baker wasn't available for comment Wednesday, but Margate Mayor Mike Becker said he and his City Commission colleagues are scheduled to vote on rescinding it as part of their meeting today.

"We got a letter from the state saying it was illegal," Becker said. "And I think all the municipalities in the state" got the same order.

Opponents, including some liquor store owners, have complained that the keg-registration bill won't work, because minors will just get cases of beer instead of kegs. Because of that, the law also has the unintended consequence of making litter worse, those opponents say.

But the NCADD-NJ "strongly supports" the proposed law and says it will be effective in keeping beer away from underage drinkers. That organization and other supporters say that the strict registration and identification rules give police someone to prosecute if they break up a keg party full of teen drinkers, and the teens all scatter and leave the keg behind - as they say often happens now.

Meara argued that a statewide law would be more effective than local ones because it will prevent beer buyers from simply crossing a town line to go to a store where keg registration isn't required.

His group lobbied municipalities to pass their own laws because state legislators weren't acting on keg-registration, Meara said, adding that officials are happy that the ABC's ruling finally got some statewide movement on the matter.


<http://www.pressofatlanticcity.com/news/local/atlantic/story/7510111p-7408358c.html>

**34.** **Will 'Dry' Status Drive 4 Towns to Drink? (New Jersey)**

**Moorestown wants liquor to go upscale, Stratford wants it to keep from slipping further down, Pitman wants to get with the times and West Cape May wants autonomy.**

*Star Ledger*

October 24, 2007

These four South Jersey municipalities -- 10 percent of the state's 39 dry towns -- are among a growing number of towns and counties across the nation falling off the wagon.

Even Bible Belt communities from Texas to North Carolina are revisiting the alcohol issue, according to industry reports. Between 2003 and 2007 in Texas, state officials said, 214 municipalities voted on alcohol questions and 81 percent of those measures passed.

"Abstinence may be historically interesting, but it makes no sense in New Jersey where every dry town is surrounded by bars paying taxes to (their) towns," Stratford Mayor Thomas Angelucci said. "Finance beats morals every time."

Not exactly every time. Three of the four municipalities that planned to put the question of selling liquor licenses on the November ballot have tried in the past and failed.

Actually, only Moorestown, Stratford and Pitman residents will decide the issue this time. West Cape May intended to put the matter to voters, but was forced to postpone because of a filing error, Mayor Pamela Kaithern said.

"We think alcohol sales may make the difference in West Cape May's independence," Kaithern said, referring to Gov. Jon Corzine's push for municipal consolidation. "We're so little, barely 1,000 people, that if we can't grow, we'll end up as part of (neighboring) Lower Township."

Moorestown Mayor Kevin Aberant said he was surprised by the attention the wet vote in his town has received from the media.

"We are looking for an upscale 'name' restaurant serving cocktails in our mall to attract a major retailer like Bloomindale's or Saks," he said. "No big deal.

"Stephen Starr had an interest and we'd love to have him," Aberant said, referring to the famed Philadelphia restaurateur who has branched out in Manhattan and Atlantic City.

Outsiders are often surprised to find New Jersey has any dry towns, but religion and autonomy were strong historical forces in this state.

Pitman, in Gloucester County, started in the late 1800s as a Methodist camp ground and Quakers still have pull in Moorestown even though the Burlington County town was named after 18th century tavern owner Thomas Moore.

Prospect Park, population 6,500, one of the few dry towns in North Jersey, was settled by abstinent Dutch. Their descendants still live in the Passaic County community and were joined in recent years by about 600 Muslims attracted by the liquor ban, Mayor Mohamed Khairullah said.

"It's not like we are telling people how to act," Khairullah said. "But we like our town the way it is, so instead of a liquor license to raise money, we built a cell phone tower. Liquor licenses are a one-shot deal, but we hope to get cell tower rent of up to $170,000 a year for many years to come."

No one is sure how many New Jersey towns stayed dry after Prohibition was repealed in 1933, but there were as many as 45 only four years ago. Then Audubon, Willingboro and Gibbsboro repealed their laws in 2002, followed by Linwood and Tabernacle in 2003.

New Jersey has 9,500 liquor licenses, said David Bregenzer, counsel for the state Division of Alcoholic Beverage Control, who called the number of towns interested in going wet "unusually high."

One reason is the soaring cost of liquor licenses in New Jersey, coupled with the budget crunch faced by most local municipalities.

About a year ago, Cherry Hill broke the New Jersey -- and, some say, national --record when a liquor license there resold for $1.5 million. Two more have gone for the same amount since.

State law dictates that a municipality is entitled to one package store license per 7,500 population and a restaurant or bar consumption license for every 3,000 residents. Towns can auction them out but can sell each license only once, unless it is revoked. Municipalities can use the profits any way they want.

The license holder has the right to resell the license and pocket any profits and the local government only gets the right to collect annual renewal fees, Bregenzer said. Restrictions set on the license -- such as requiring that drinks represent, say, only 25 percent of the license holder's restaurant business -- pass on to the new license holder.

That means Moorestown, with a population of nearly 20,000, could sell six consumption and two package licenses. Aberant, the mayor, said package stores are not on the ballot.

Moorestown alcohol boosters say they are looking for cachet, and hopefully, $1 million per license. In Stratford, a Camden suburb of 7,100 people, it's about solvency.

"Nearly half of our ratables are nonprofit UMDNJ and Kennedy Hospital. Our only hope is along the White Horse Pike and businesses are failing there," said Angelucci, referring to a half-mile stretch of Route 30 occupied by a car dealership, a diner, tattoo parlor and discount shops.

"Our mall is dead and to attract a developer, we need a national chain like Applebees and they want a liquor license. It's fiscal crunch time."

One of the few remaining businesses on the pike in Stratford is La Martinique, a bowling alley opened by the Strippoli family in 1948. Joe Strippoli Jr. said it is the only bowling alley in South Jersey without a liquor license.

"We're up against the wall financially, and if we can't serve drinks, we'll close down," Strippoli said. "A liquor license is a magic wand."

Success at the polls is not a sure thing. Liquor referendums in Stratford lost by a 4-1 margin in 1980 and 2-1 in 2002. The anti-liquor lobby in Moorestown claims alcohol will open the door to Hooters and destroy the town's historic identity.

A 2004 survey by the National Alcoholic Beverage Control Association found that the number of dry municipalities nationwide is declining. Some researchers speculate that the religious right -- a former bastion of teetotalism -- is distracted by issues such as abortion and homosexuality.

Others say it is the siren call of national chains like Wal-Mart, which prefers to sell wine and beer in its stores.

In Pitman, outside Glassboro, "we just want a nice sit-down restaurant where you could get a cocktail," Mayor Alice Polocz said. "But it's up to the people and if they vote no, we'll continue to bring our own bottles."



**35.** **Cost of Liquor Licenses could Strain Small Businesses (New Mexico)**

Wendy Brown

*The New Mexican*

October 18, 2007

Anyone looking to learn how much it costs to buy a license to sell booze in New Mexico can find out by visiting the state Regulation & Licensing Department's Web site.

Edward Lopez, superintendent of the department, said he posted the list of prices Wednesday.

According to the list, the most expensive liquor license in the state was sold in Las Cruces for $600,000 while the most expensive sold in Santa Fe, so far, cost $450,000. The average price for a license so far this year is $258,022, according to information from the list.

There are two types of liquor licenses in New Mexico — transferable liquor licenses that allow business owners to sell hard liquor, and beer-and-wine licenses for restaurants, which are not transferable and have an upfront cost of $1,000.

The Legislature capped the number of transferable liquor licenses about 40 years ago. Today there are 1,410.

The department's posted list of liquor-license prices starts in March 2005. Most entries are from this year.

Lopez said he wanted to make the prices public because it was the one piece of information liquor-license brokers redacted when buyers submitted applications for license transfers.

With prices as high as $600,000, $1 million liquor licenses are not far off, Lopez said, and prices that high could make it difficult, if not impossible, for the owners of many small- or medium-sized businesses to buy a license.

Maurice Bonal, a Santa Fe liquor license broker who owns two transferable liquor licenses in Santa Fe, said he has no problem with the department posting license prices.

Bonal said he does not think liquor licenses have become too expensive.

The price of liquor licenses has increased along with other prices, such as those for real-estate, Bonal said. In the early 1960s, houses on Canyon Road went for $30,000, he said, and now they usually sell for more than $1 million.

As a license broker, Bonal said most of the transactions he has handled recently have been with small-business owners and not big chains.

Last week, Lopez posted a list of public-information requests made to the department, most of which came from liquor-license brokers.

Lopez said the lists are part of his plan — which he calls Project Transparency — to make the liquor-license process more open to the public.

<http://www.santafenewmexican.com/SantaFeNorthernNM/Cost_of_liquor_licenses_could_strain_small_businesses>

**36.** **AG Joins National Effort to Curb Youth Tobacco Sales (New Mexico)**

**New Mexico Attorney General Gary King has joined a national effort aimed at curbing underage smoking.**

*Associated Press*

October 23, 2007

He and attorneys general from 41 states and Guam have reached an agreement with grocery store chain Kroger.

The company will implement tougher measures to prevent tobacco sales to minors, including reporting violations to corporate headquarters and modifying franchise agreements so Kroger can terminate the franchise for violations.

Kroger operates more than 2,400 stores in 31 states, including 25 Smith's Food and Drug stores in New Mexico.

The Kroger settlement was the 11th such agreement produced by a multistate tobacco enforcement effort.

Combined, the agreements cover more than 80,000 retail outlets across the nation.

<http://kob.com/article/stories/S235101.shtml?cat=504>

**37. NY Liquor Authority Blamed for License Decline (New York)
The Nightlife Association said the agency has made it very difficult to get a license, prompting many owners to not even try.**

[*Crain's*](http://www.newyorkbusiness.com/apps/pbcs.dll/article?AID=/20071019/FREE/71019005)

October 19. 2007

The number of liquor licenses for bars, nightclubs and restaurants has dropped in the past two years, and business owners are laying the blame at the door of the New York State Liquor Authority.

There should be some growth during a period of time when the city s economy has done well, says Robert Bookman, a lawyer who represents the New York Nightlife Association, which represents bars and clubs. I can only conclude that the negative climate for securing new licenses is having an impact on our industry.

Last year, the SLA put a moratorium on granting new licenses for several months while it reviewed its procedures in the aftermath of a series of violent incidents including two homicides involving bar patrons. At the same time, community groups ramped up their efforts to oppose liquor licenses in their neighborhoods and the SLA in many instances sided with them.

The result, according to the Nightlife Association is that it has become very difficult to obtain a license for new nightclubs and bars. There are always a number of places that go out of business each year, but what s happening here is that fewer newer people are coming in to replace them, says Mr. Bookman.

As of mid-October, there were 10,132 licenses in the city, down 0.45% from the end of 2005. An analysis by the Nightlife Association puts the decline at 3.2%.

The license total had increased by an average of 3.1% annually between 2001 and 2005.

They are probably right that it is harder to get a license, says a spokesman for the agency. We are trying to make sure that the right people are getting licenses now.

<http://www.crainsnewyork.com/apps/pbcs.dll/article?AID=/20071019/FREE/71019005/1050>



**38.** **Fox Pushing for New Alcohol Legislation (North Dakota)**

**Breckenridge City-Wilkin County Attorney Tim Fox is part of a legislative push to bring about a statutory change regarding illegal alcohol consumption.**

*Wahpeton Daily News*

October 19, 2007

Known as a "social host" law, the area of focus is the problem that arises when a group of people who are under the legal age to consume alcohol are doing so, and identifying who contributed the alcohol becomes difficult for law enforcement to determine. Fox presented facts on the legislation to the Wilkin County Alcohol Tobacco and Other Drugs Coalition Wednesday during his report.

"The problem really focuses on 18-, 19-, 20-year-olds," Fox said. "They are adults but not old enough to drink."

He explained when a group of young adults are caught drinking by law enforcement, there may be no person over 21 to focus on as the contributor of the alcohol. In addition to that, a 21-year-old may say they didn't provide the alcohol to the others, and defer to the other person's adult status for placement of responsibility.Under the proposed law, the complicated age dynamic will be eliminated, Fox said. The law would create a new legal dynamic that would insure in most cases there will be a responsible party.

Fox gave an example of an apartment full of young adults drinking alcohol where no one is old enough to legally be doing so. "Whoever rents the apartment is responsible," he said. "They can be charged."

Fox gave another example, this one of a fraternity house full of people. If there are 20 fraternity members who live there, he explained, and 80 others who do not, the fraternity members are responsible for what is occurring in the house.

The purpose of pursuing legislation of this nature is driven by the sanctity of life. "Excessive drinking leads to death," Fox said. Headlines often speak of people who consumed way too much alcohol, wandered off, fell into a river and drown, he said.

The legislation should be able to move along without a whole lot of resistance. "I can't envision who would be opposing this legislation," he said.

The legislation is expected to be pursued during the next session and Fox said he is optimistic about its success.

"It's another tool for law enforcement," he said.

<http://www.wahpetondailynews.com/articles/2007/10/19/news/news01.txt>

**39.** **Comparing Booze Prices: Is an Out-of-State Liquor Run worth It? (Ohio)**

Jeff McCallister
*The Other Paper, Columbus / Atehsn News*

October 22, 2007

Drinkers of Ohio lost another bit of control of their habit two weeks ago, when it became illegal for large winemakers to ship their product directly to consumers or even to individual retailers in the state.

The state government, through the Department of Commerce's Division of Liquor Control, has always put strict regulations on the beverage industry with permit limits and price controls.

But setting aside the new wine restrictions, passed quietly at the urging of Ohio wineries, how does Ohio treat its alcohol consumers? About average, compared to surrounding states.

We're neither the cheapest nor most expensive, nor the most strictly or most loosely regulated.

And at least we're not Pennsylvania, where the laws (which currently are undergoing a serious legal challenge) have been called the most archaic in the nation.

"Every state does things very differently, so it's hard to compare, but I think we have a pretty good system," said Matt Mullins, spokesman for Ohio's DLC.

Pretty good but -- at least if you like a good, cheap stiff drink -- not nearly as good as West Virginia.

Joe Bollinger, manager of Smoker Friendly's Liquor Plus in Wheeling, W.Va., said he gets more than half of his business from Ohio and Pennsylvania residents. West Virginia's narrow Northern Panhandle is wedged between Ohio and Pennsylvania.

"I get people who come here from as far away as Lake Erie because the prices make it worth the trip," Bollinger said.

Most states include a specific spirits tax in the shelf price of each bottle, then add sales tax at the register. West Virginia adds only a 6 percent sales tax and a 5 percent municipal tax, so its liquor prices are by far the lowest of Ohio's surrounding states.

Kim, a clerk at Party Source in Bellevue, Ky. (just across the border from Cincinnati), said her state probably does well in terms of border flow for alcohol. "I'd say at least 90 percent of our customers come over from Ohio," she said. "Our beer prices are about the same, but I think we do a lot better on liquor because the tax isn't as high."

Apparently, those residents who cross the border to get their booze are undaunted by Ohio law, which does limit what you can bring into the state -- no more than 1 liter of spirits per month, and no beer or wine that's available for purchase here.

Another problem with trying to get a drink in Kentucky is that 54 of its 120 counties have voted themselves dry, banning all alcohol sales. In the remaining "wet" areas, package-store retailers are not allowed to sell groceries of any kind. Grocery stores and gas stations may sell only malt-based beverages. And no sales are allowed on Sunday except by site-specific referendum.

West Virginia and Michigan place few restrictions on the type of business that can obtain a retail sales permit for sales by the bottle or case, and Ohio has relaxed its restrictions in the last 10 years, allowing more private businesses to contract with the state to be sales agents, Mullins said. Sunday sales are permitted in all three states.

To hear a Michigan retailer tell it, that state has lost its price advantage over Ohio.

"In years gone by, I'd have lots of people coming up from Ohio," said John Zeiler of Zeiler's Market in Temperance, Mich., just north of Toledo. "But now they've made it too expensive here and too complicated. It's just not worth it anymore."

Indiana's law is a bit more detailed in its limits -- banning, for example, the sale of milk or cold soft drinks at liquor stores. Those stores can, however, sell unrefrigerated soft drinks, as long as they don't sell ice. Sunday sales are allowed only at restaurants where the alcohol will be consumed on-site, and the state minimum prices are on the high side of the ledger.

Then there's Pennsylvania, where all wine and liquor must come from state-owned stores. You can get beer only from a distributor -- by the case or keg -- or by the six-pack from a bar (with an 18-beer limit, and usually at a premium price).

Pennsylvania grocery stores have been fighting for years for the right to sell beer, and the case is currently being considered in the courts there.

A representative of the Kentucky Office of Alcoholic Beverage Control, who declined to give her name because she's "not authorized," seemed to have the subject distilled nicely.

"If you look around at all the rules everywhere and try to make any sense of it, you're wasting your time," she said. "Once you realize there's no rhyme or reason, it's a lot easier to think about."

**Some examples of price differentials (for 750-ml bottles):**

\* Jack Daniels Tennessee whiskey: West Virginia, $17.75; Kentucky, $17.99; Ohio, $21.15; Indiana, $20.99; Michigan, $21.97; Pennsylvania, $20.49.

\* Bacardi 151 rum: West Virginia, $16.41; Kentucky, $17.99; Ohio, $19.80; Indiana, $23.99; Michigan, $20.96; Pennsylvania, $19.99.

\* Absolut vodka: West Virginia, $15.99; Kentucky, $18.99; Ohio, $20.50; Indiana, $20.99; Michigan, $19.97; Pennsylvania, $19.99.

\* Jose Cuervo tequila: West Virginia, $15.11; Kentucky, $21.99; Ohio, $17.90; Indiana, $18.99; Michigan, $19.97; Pennsylvania, $19.99.

<http://www.theotherpaper.com/top10-11/substory1.htm>

**40.** **Bill Eases Okla. Wine Shipment Rules (Oklahoma)**

**Lawmaker Proposes Easing Restrictions on Oklahoma Wine Shipments**

Tim Talley

*Associated Press*

October 25, 2007

Wine lovers could have bottles of their favorite Oklahoma-produced Merlots and Rieslings shipped directly to their homes under legislation proposed Wednesday by a state lawmaker who said the measure would give a much-needed boost to the state's fledgling wineries.

"I'm not really a wine guy, but I'm an agriculture guy," said Rep. Don Armes, R-Faxon. With 11 vineyards and more than 30 wineries in the state, successful vineyards and wineries would have a positive effect on the state's economy and agriculture industry, Armes said.

"Some of them could probably prosper. The mom-and-pop deals have got to have a chance to grow," Armes said.

Wineries are a major source of tourism in states like California, where tourists sample flavors, stay overnight and work in vineyards.

Currently, Oklahoma law prohibits wineries from shipping wine either within the state or out of the state without going through a wholesaler.

State wines can still be marketed in Oklahoma at special events like state and county fairs. But last year, a federal judge invalidated a law allowing them to sell directly to liquor stores and restaurants.

The law was challenged by liquor wholesalers who said it discriminated against out-of-state wineries who were not allowed to sell directly to liquor stores or restaurants in Oklahoma.

Armes said his proposal would amend state law to allow wineries to ship up to 10,000 gallons of wine either in or out-of-state per year without going through a wholesale distributor.

"We're talking about a lot of wineries that are way under 10,000 gallons a year," Armes said. He said most of the state's wineries produce around 1,000 to 2,000 gallons each year.

"Our smaller wineries basically need help to get off the ground and need an avenue to get their products to the consumers," he said. "We've got to get them where they can move."

The president of the Retail Liquor Association of Oklahoma said he is not opposed to the idea.

"That's a legitimate way for some people to pick up those wines," said J.P. Richard, owner of Cache Road Discount Liquor & Wine in Lawton.

"People want to support the wine industry in this state," Richard said. "Most consumers are not going to pay the additional freight. But some of them have to."

Richard said the amount of wine shipped to Oklahomans' homes would be insignificant compared to the volume that goes through the wholesale distribution system.

Armes is leading a legislative study on the state's winemaking industry to expose lawmakers to issues producers face in getting their products into the marketplace.

Members of the Oklahoma Grape Growers and Wine Makers Association have said restrictions on shipping are the biggest issue preventing the state's wine industry back becoming a viable producer and supplier of quality wines.

The state has the perfect combination of soil and climate to cultivate the superior vineyards that a good wine requires," Armes said. "Unfortunately, these wineries can't get their products to the marketplace and develop their brand, so it doesn't matter how good the product is because nobody has access to it."



**41.** **Tobacco Taxation Reforms Pushed (Oklahoma)**

**All vendors should pay the same tax, and then tribes can receive a rebate, some retailers say.**

*AP Wire Services*

October 20, 2007

Convenience store owners don't have a problem with tobacco compacts reached between the state and American Indian tribes, but they would like to see everyone abide by the rules.

Store owners and lobbyists told a legislative interim study group this week that Oklahoma should return to a single tobacco tax stamp system in which all retailers pay the same amount and the state rebates money to the tribes.

The Oklahoma Tax Commission now issues seven different cigarette stamps, and where a smoke shop is located determines how much in taxes the shop pays the state.

Nontribal stores have a $1.03 stamp, while the $0.86 stamp is for stores owned by tribes that have compacts with the state.

Some border tribal stores can also qualify for a $0.06 stamp, which many say is being used in more stores than are eligible for the reduced tax rate.

Don Williams, a lobbyist with the Oklahoma Wholesale Marketers Association, said 219 tribal retailers and 4,800 nontribal stores in the state sell cigarettes. Only 39 tribal retailers qualify for the lesser stamp, he said.

Yet Oklahoma Tax Commission records show that $344.5 million in total taxes was collected from January 2005 to August 2007, and $227.4 mil lion of that, or 66 percent, came from sales of $0.06 stamps.

"We have no quarrels with the provisions of the compacts," Williams said. "We just want to see them enforced."

Members of the House Revenue and Taxation Committee have been reviewing all aspects of the state's tax code in search of possible reforms.

Jim Griffith, who owns On Cue Marketing, which includes 35 convenience stores across the state, said some stores are abusing the $0.06 tax stamp at an unfair disadvantage to nontribal and tribal stores that are following the law.

Other stores are selling contraband cigarettes from other states without paying a tax at all, he said.

A better system would be for every store to buy one tax stamp, and legitimate tribal stores now buying stamps at a lower rate would be able to apply to the Tax Commission for a rebate for the difference. That way, each store is paying the proper taxes, he said.

Tony Mastin, director of the Tax Commission's tax policy and research division, said his agency performs audits and inspections but needs some help from the Legislature to enforce the law.

Right now, the commission can confiscate cigarettes being sold illegally with the wrong tax stamp, but the law does not allow them to destroy the cigarettes. Instead, the commission must warehouse them until the local sheriff can sell them at auction.

Mastin said he will ask the Legislature to change the law next year to allow the commission to destroy contraband cigarettes.

<http://www.tulsaworld.com/news/article.aspx?articleID=071020_1_A15_Tobac30735>

**42.** **Store Owners Seek Changes in Tobacco Tax Stamp Rules (Oklahoma)**

**Some convenience store owners in Oklahoma want the state to go back to a single tobacco tax stamp system.**

*Associated Press*

October 19, 2007

Under the current system the state Tax Commission issues seven different cigarette tax stamps. The prices range from $1.03 for nontribal stores and 86 cents for tribal stores that have compacts with the state to a 6 cent stamp for tribal smoke shops near the state's border with other states that have lower tobacco taxes.

The convenience store owners say some stores that are not legally eligible for the 6 cent tobacco stamp are using them anyway.

Those store owners say a better system would be to have just one tobacco tax stamp and for the state to pay rebates to the tribal stores.

<http://www.kswo.com/Global/story.asp?S=7236684>



**43.** **OLCC Approves First Major Change in Wine Labeling Rules in 30 Years (Oregon)**

**The Oregon Liquor Control Commission has approved new rules on wine labeling that were sought by the industry and represent the first major overhaul of wine rules in three decades.**

*OLCC*

October 19, 2007

The Oregon Winegrowers Association (OWA) petitioned the OLCC this spring to update the agency’s Division 10 labeling rules to “reflect the needs of today’s wine industry.” When Oregon’s wine rules were initially adopted in the 1970s, there were fewer than three dozen wineries, mostly in the Willamette Valley; now there are 340 located throughout the state. The OWA said the rule changes would address issues that place some producers at a “disadvantage in the marketplace.”

One key amendment to OAR 845-010-0915 expands a list of seven Bordelaise grape varieties to 18 warm-climate varieties with a requirement that 75 percent of the wine’s volume must come from a single grape variety to use its name on the label. This change is aimed at wine producers mostly outside the Willamette Valley.

However, the majority of Oregon wines will maintain the requirement that at least 90 percent of a wine’s volume be derived from a single grape variety to use its name on the label. For example, to use “Pinot noir” on a wine label, 90 percent of the wine’s grapes must be Pinot noir.

Also, the OLCC listing of approved grape varietal names was eliminated; instead growers will go by the federal Alcohol & Tobacco Tax & Trade Bureau’s (TTB) list of approved grape varieties. The TTB is the approval agency for all wine labeling.

Under OAR 845-010-0920, the percentage of grapes that must be grown in a particular appellation of origin to use that appellation on the label is reduced from 100 to 95 percent. An amendment to OAR 845-010-0920 adds language to allow American Viticultural Areas (AVAs) in both Oregon and an adjoining state to use whichever state’s minimum percentage requirement is least restrictive.

Representatives of the wine industry and growers from every area of the state participated in the formulation of this rule.

**44. Seven Firms Vying for Liquor Store Deal (Pennsylvania)**

*Pittsburgh Post-Gazette*October 18, 2007

Four Pennsylvania marketing firms and three from out of state have submitted proposals to remake the Pennsylvania Liquor Control Board's image and create an "enduring, iconic brand," as the post-Prohibition agency enters its 75th year.

The contract will give the winner carte blanche to overhaul the stores themselves, coming up with new signage and logos, even rearranging the interior traffic flow and merchandise layouts, according to the "request for proposals" (RFP) issued by the board.

**The agencies are:**

LevLane Advertising, Philadelphia; Gyro Worldwide, Philadelphia; Pavone, Harrisburg; Neiman Group, Harrisburg; Redscout LLC, New York City; G2, New York City, and Landor Associates, of San Francisco. (Pavone already handles some public relations duties for the liquor stores and the Pennsylvania Winery Association.)

The PLCB, which had $1.69 billion in sales in the 2006-07 fiscal year, has seen increased sales during the past decade, but believes it could perform better if its image were streamlined.

<http://www.post-gazette.com/pg/07291/826308-28.stm>

**45.** **AG Reports Agreement with Kroger Co. to Curb Tobacco Sales to Minors (Pennsylvania)**

**The Kroger Co. grocery chain has agreed with the attorneys general of 41 states to help reduce the sale of tobacco to minors.**

*Patriot-News*

October 23, 2007

Kroger has agreed to change the way it sells, promotes and advertises cigarettes in more than 2,400 retail stores in 32 states and more than 750 convenience stores in 15 states, Attorney General Tom Corbett announced in a news release today.

The new practices will affect 240 Pennsylvania stores operating under the name Turkey Hill Minit Market. “Turkey Hill is a highly recognizable name in Pennsylvania and now joins other large retailers who have pleadged to do their part to ensure that we reduce underage smoking,” Corbett said.

The multi-state enforcement effort also has agreements that cover all 7-Eleven, CVS, Walgreens and Rite Aid stores and gas stations and convenience stores operated under the Conoco, Phillips 66, 76, Exxon, Mobile and Chevron brand names, he said.

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<http://www.pennlive.com/politics/statehouse/article253125.ece>

**46.** **Tobacco Taxes Nearly on Track (South Dakota)**

**Cigarette tax revenues in the first three months of the budget year were below projections, but tobacco tax receipts should come close to estimates by the end of the year, state officials said Tuesday.**

*Sioux City Journal*

October 24, 2007

The state budget for the year that ends next June 30 assumes that tobacco taxes will produce nearly $68.8 million for the state treasury, and Deputy Revenue Secretary David Wiest said he expects the taxes on cigarettes and other tobacco products will come close to that estimate.

"No one will know for dead certain until the end of the fiscal year. It appears that we're on the right track," Wiest told a legislative study committee.

South Dakota voters last November raised the cigarette tax by $1 a pack to $1.53, effective on Jan. 1.

Budget officials expected the tax increase would reduce sales by causing some people to quit smoking. The sale of state stamps, which are placed on cigarette packs, dropped more than expected for the first three months of the budget year, Wiest said.

The state sold nearly 12 million stamps in July, August and September last year, but stamp sales fell to slightly more than 10.1 million in the same three months this year, Wiest said.

Revenue Secretary Paul Kinsman said it's difficult to make projections based on a few months because the sales of cigarette stamps vary significantly from month to month. A wholesaler might buy a lot of stamps in a month and then not have to buy any the next month, he said.

Tobacco taxes amounted to $28 million a year before those taxes increased in January.

In addition to the increase in the $1-a-pack increase in the cigarette tax, the 10 percent tax on other tobacco products rose to 35 percent.

Sen. Ed Olson, R-Mitchell, noted that a failed congressional proposal to provide health care to more children would have been funded by raising the federal tax on cigarettes by 61 cents a pack.

Kinsman said state officials had been monitoring the federal legislation. A higher federal tax likely would lead to a further reduction in cigarette sales in South Dakota, he said.


<http://www.siouxcityjournal.com/articles/2007/10/24/news/south_dakota/ec4babaf319e547c8625737e000cdfd9.txt>

**47. Liquor Commissioner Wants Booze out of View (Utah)**

**Coray says a glass wall isn't enough to ensure diners aren't offended**

Dawn House

*The Salt Lake Tribune*

October 24, 2007

Liquor control commissioner Bobbie Coray asked her colleagues on Wednesday to consider a rule to cover up bottles of booze displayed at restaurants because some diners may be offended at the sight of alcohol.

A glass partition between bartenders and customers required under current regulations may not be enough, Coray told her fellow liquor control commissioners at their monthly meeting.

Coray, a lone holdout opposing liquor licenses for strip bars, now wants the commission to place more restrictions on glass partitions in restaurants. She called the partitions "a Zion curtain," imposed to satisfy Mormons whose faith eschews alcohol.

Although the four other commissioners have not supported Coray in her quest to take away liquor licenses from sexually oriented establishments, they did not indicate whether they would back Corey's bid to keep alcohol out of view.

Glass walls don't obscure the alcohol, said Coray, a nondrinker, turning the "atmosphere in a restaurant to more of a bar." She singled out the Cheesecake Factory, which opens its first Utah outlet at Fashion Place in Murray on Nov. 1, because alcohol bottles are in plain view.

"We have a dual responsibility," she said. "We are to make alcohol available for those who want to consume it and at the same time not make anyone uncomfortable."

At Squatters Pub Brewery in Salt Lake City, servers constantly must explain Utah liquor laws to befuddled customers - both visitors and locals - said general manager Scott Evans.

Patrons can buy a glass of beer downstairs at one bar, which has a tavern license. But in the loft upstairs, which has a full-service liquor license, diners may not order a drink at the counter. Instead, servers instruct customers to take a seat because alcohol may only be served at dining tables.

"It's a constant challenge to explain Utah liquor laws," said Evans. "And this is true for most every restaurant in downtown Salt Lake City."

Compliance director Earl Dorius said the courts allow restaurants to show or advertise liquor stocks.

Six years ago, the 10th U.S. Circuit Court of Appeals forced Utah to lift a state-imposed ban against liquor advertising. That ban prevented restaurants from showing wine and spirits lists when advertising that they sold alcohol.

For her part, Coray defended Utah's liquor laws, saying she's challenged the public to come up with one "quirky" liquor statute, and so far, no one has.

"Maybe it's just a perception of a problem," said Coray. "People haven't been able to point out any silly laws to me."



**48.** **State Budget Would Allow Free Samples of Hard Liquor (Wisconsin)**

**Maybe it's their way of apologizing for a budget that's more than 110 days late.**

*Channel 3000*

October 23, 2007

State lawmakers quietly slipped a provision into the overdue state budget that allows liquor and grocery stores to hand out free samples of hard liquor.

Each customer could have up to three samples of half an ounce or less, or about a shot and a half.

Stores could offer the samples between 11 a.m. and 7 p.m.

One lawmaker said that a lobbying group representing liquor companies such as Jack Daniels pushed for the change.

Lawmakers in April passed a law allowing stores to hand out up to 6 ounces of beer. Wineries could already offer samples.

**49.** **Wisconsin Budget Changes Rules for Wine Sales, Breweries (Wisconsin)
Some small breweries would be able to expand but Wisconsin wineries might lose business under new alcohol regulations added to the state budget.**

Ryan Foley

*Associated Press*

October 25, 2007

Some small breweries would be able to expand but Wisconsin wineries might lose business under new alcohol regulations added to the state budget.

The wine rules bring Wisconsin into compliance with a 2005 U.S. Supreme Court ruling that requires states to treat wine shipments the same whether they are from in-state or out-of-state. Separate rules are designed to help small breweries such as the Great Dane Pub in Madison add more retail locations.

Both were included in the budget approved by the Legislature on Tuesday and are favored by politically connected beverage distributors. Gov. Jim Doyle is expected to sign the budget and issue vetoes within days; his spokesman said he was still reviewing the alcohol rules.

The wine rules would give customers the option of ordering products from more wineries by phone or the Internet but potentially make it harder to find Wisconsin-made wines at the grocery store.

All U.S. wineries will be able to apply for a permit to ship to Wisconsin consumers, who could buy directly up to 108 liters, or about 144 bottles, per year. Previously, only wineries in California and Oregon were supposed to have that ability under agreements with Wisconsin, although the rules weren't always enforced.

The rules also require wineries to go through distributors when selling their products to retail stores. Representatives of Wisconsin's growing wine industry say the mandate backed by Democratic Sen. Russ Decker, D-Weston, will hurt their business because wholesalers won't pick up products from small wineries.

"The fight for shelf space in grocery and liquor stores is so fierce right now that a wholesaler isn't going to shove one of its bigger brands out of the way to make room for a small one," said Sarah Botham of Botham Vineyards and Winery in Barneveld.

Julie Coquard of Wollersheim Winery in Prairie du Sac also predicted the rules would reduce consumers' access to local wines.

"It looks like this will be pretty destructive to the industry," she said.

But Decker's spokeswoman Carrie Lynch said the plan reduces permit fees and the number of filings required with the state to respond to concerns raised by wineries after the Senate adopted a similar provision this summer. She said the law was needed after the Supreme Court ruling.

"There's plenty of room in there for wineries to be able to market their product and do it all legally," she said.

Meanwhile, other rules pushed by Senate President Fred Risser, D-Madison, allow brewpubs that make less than 10,000 barrels of beer per year to have up to six retail locations. Previously, brewers that made more than 4,000 barrels were limited to two retail locations under a Depression-era law designed to prevent monopolies.

The rules were written to benefit the Great Dane Pub, which opened a third location on Madison's west side but has been unable to serve its own beer there because of the old law. Now, that location should be selling its Crop Circle Wheat and other beers within weeks and the company is considering adding other outlets in Wisconsin.

"It's great for The Great Dane and it's going to help other pub brewers grow their businesses way beyond what they could currently," said Eliot Butler, president of the Great Dane.

Many brewpubs opposed the idea when Risser proposed it this summer. But Risser aide Terry Tuschen said the Wisconsin Brewers Guild supported the legislation after several changes were made, including dropping a requirement that brewpubs serve a certain amount of food to qualify.

"The laws in place were capping the growth of small brewers and brew pubs and the state has responded by lifting the ceiling of production," said Carl Nolen, vice president of the Wisconsin Brewers Guild. "That's important for the overall growth of our craft category."

**50. Steep Increase in Cigarette Tax can be Beneficial (Wisconsin)**

**A tax that saves lives and pumps money into health programs is about as benign as taxes get.**

*Marshfield News Herald*

October 24, 2007

That's what's promised as Wisconsin's cigarette tax increases by $1, up to $1.77 a pack, as a result of a state budget compromise approved by the Wisconsin Legislature on Tuesday.

Higher taxes reduce the number of people who get sick or die of smoking-related diseases when cigarettes become to too pricey, especially to teenagers who can't legally buy smokes but get them anyway, according to Campaign for Tobacco-Free Kids.

Cigarette companies acknowledge a connection.

"If prices were 10 percent higher, (age) 12-17 incidence would be 11.9 percent lower," RJ Reynolds' internal documents released in tobacco lawsuits said.

The $1 tax add-on, a compromise between Gov. Jim Doyle who wanted $1.25 and Assembly Speaker Mike Huebsch who offered 75 cents, is up 130 percent.

Name brand cigarettes will cost about $4.50 a pack, unless manufacturers and distributors cut their prices.

Wisconsin won't have the nation's highest state cigarette tax, though. That's New Jersey at $2.57, followed by Rhode Island at $2.46 and Washington at $2.02. Five other states -- Alaska, Arizona, Hawaii, Maine, Michigan -- are clustered at $2 a pack.

It'd be wrong to take money out of the pockets of people who are, in many cases, addicted to cigarettes without providing a lifeline, so the budget includes $30 million for smoking prevention and cessation programs.

Thousands of children and low-income adults will become eligible for state-subsidized health insurance, too.

In addition, if fewer of workers and their family members smoke, increases in employers' insurance costs should be curtailed and there'll be fewer sick days related to smoking.

The cumulative result -- fewer new smokers, quit-smoking help and lower-cost public and private health insurance -- make the $1 increase in cigarette taxes good public policy.

Of course, if you're one of the roughly one-fifth of the adults in Wisconsin who smoke, the tax increase forces you to make a decision that you've probably been putting off.

With scientific evidence so strong that it's no longer in doubt whether even secondhand smoke presents a significant health risk and with a $365-a-year cost increase for pack-a-day smokers, the new tax can be the motivation you've needed to adopt a more healthy lifestyle.

No one's saying that you can't smoke.

But at the high cost to your budget and your health, do you really want to anymore?

**On the subject**

A state budget compromise could've -- and should've -- been reached months ago.

The Republicans who control the Wisconsin Assembly and the Democrats who control the Wisconsin Senate just couldn't agree on things.

It was partisan politics at its worst.

As frustration grew, one legislator even called for a law to force the budget committee to meet under penalty of arrest if they didn't.

Rep. Scott Suder, R-Abbotsford, who isn't on the committee that would face the sanctions, said that there's renewed interest in a proposed law to shut down non-essential state services if deadlines aren't met.

It's time to do something to hold legislators accountable because self-policing doesn't work.

<http://www.marshfieldnewsherald.com/apps/pbcs.dll/article?AID=/20071024/MNH06/710240365/1785>



**51. Reaction Mixed on Budget's Cigarette Tax Increase (Wisconsin)**

**'If you need to tax someone, it might as well be the smokers'**

*Gannett Wisconsin Newspapers*

October 24, 2007

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| http://cmsimg.fdlreporter.com/apps/pbcsi.dll/bilde?Site=U0&Date=20071024&Category=FON0101&ArtNo=310240062&Ref=AR&Profile=1985&MaxW=300 |
| Sherenia Cornelius restocks shelves with cartons of cigarettes Monday at the Oneida One-Stop Convenience Store, 2730 W. Mason St., Green Bay.  |

Some smokers in Northeastern Wisconsin say the $1 tax increase on a pack of cigarettes could be enough to snuff out their habit, although many feel lawmakers are unfairly targeting them in an effort to raise revenue.

In the two-year $57.2 billion budget approved by the state Legislature Tuesday, the state tax on each pack of cigarettes would jump to $1.77 on Jan. 1, 2008 — making Wisconsin's tobacco tax the 11th highest in the country.

Among Midwestern states, Wisconsin is second only to Michigan where the state taxes $2 for each pack of cigarettes. Minnesota is a close third at $1.50 and Illinois charges $1. That doesn't include the federal excise tax and various local taxes that comprise the price of cigarettes.

Dale Depeau has been smoking since he was 16, and this latest increase might just make him quit. Still, the 41-year-old Luxemburg resident questions whether it's fair to target smokers with a tax that's only what he characterizes as a "short-term fix."

"What are they going to do when people aren't buying cigarettes anymore?" Depeau said. "A gas tax might have been more than fair."

Proponents argue that raising the cigarette tax — aside from providing a much-needed revenue stream — promotes healthier behavior by getting smokers to quit. In January, Smoke Free Wisconsin predicted that about 42,500 current adult smokers would quit if Gov. Jim Doyle passed his initially proposed $1.25 tax increase on a pack of cigarettes. The budget also includes $30 million for smoking cessation and prevention programs.

Long-term smoker Sheree Duffeck said she would probably quit even before the new prices went into effect just based on some calculations she did with her husband. The 53-year-old Green Bay resident estimates they spend about $380 on cigarettes a month. With the new price hike the amount would be closer to $600.

"We were debating it before because we both smoke," Duffeck said. "We're raising our kids not to smoke. It's just not worth that kind of money even though it's going to be hard."

Most smokers will agree that smoking is bad, but Duffeck said the new tax increase essentially forces the decision to quit for many instead of making it a personal choice.

"The diehards that smoke two packs a day probably won't stop," said Maria Dart of Pulaski, who has been smoking for 13 years and is considering stopping now. "I'm not saying smoking should be cheap. It shouldn't. But we pay enough in taxes already. Why go after us?"

Paul Barber of Oneida agrees with the proponents of the tax increase, even though he's been a smoker for more than 35 years and doesn't plan to quit anytime soon.

"I can see the health angle — we shouldn't be smoking," Barber said. "If you need to tax someone, it might as well be the smokers."

<http://www.fdlreporter.com/apps/pbcs.dll/article?AID=/20071024/FON0101/310240062/1985>



**52.** **Man Drinks Seven Bottles of Alcohol in 15 minutes at Mukwonago Wal-Mart (Wisconsin)**

**Town of Eagle man said he had quit drinking for 16 months**

Brian Huber

*GM Today Staff*

October 24, 2007

WAUKESHA - A town of Eagle man who said he had quit drinking for more than a year was cited for retail theft at a Mukwonago Wal-Mart after he reportedly took seven bottles of alcohol off the store shelves and downed them in the liquor aisle in 15 minutes.

The man, 43, was cited for retail theft after the incident at the Wal-Mart Supercenter, 250 E. Wolf Run, at about 5:30 p.m. Oct. 14, Mukwonago police records show.

Mukwonago Police Chief Fred Winchowky said the man was seen on store security video drinking seven 12-ounce bottles of Jack Daniels Lynchburg Lemonade in a 15-minute period. When confronted by a store official, the man initially denied it, but he smelled of intoxicants, Winchowky said.

Reviewing a police report on the matter, Winchowky added the man said he was a recovering alcoholic who'd been dry for 16 months until that date, when he went to the store with his wife, who was unaware of what he was doing.

"He went down that aisle and he said 'I just couldn't control myself,'" Winchowky said. "He stated he was upset he broke his 16-month streak and he didn't know how he was going to tell his wife."

**53. Decoys Aid in Alcohol Compliance (Wyoming)**

**Bartenders are always looking for minors trying to sneak into their establishments.**

*Cody Enterprise*

October 22, 2007

And the police department is helping keep them on their toes with regular alcohol compliance checks. According to Chief Perry Rockvam, bars in Cody do a better job than the statewide average.

About 89 percent of liquor establishments in Cody, including restaurants, bars and liquor stores, pass compliance checks conducted by the CPD. The state average is 81 percent.

This is a big improvement from when the city started the compliance checks four years ago, he adds. At that time only half of the establishments passed the checks.

“It has gotten better,” Rockvam says. “Is it because of the compliance checks alone? No, but it's a piece of the pie.”

He credits the diligence of bar owners and their staffs for the increase and also the city's zero tolerance policy for alcohol and minors.

“Everyone who sells alcohol is part of it, and every establishment is checked at least twice,” Rockvam says. “We can't do more than four or any less than two.”

He added that every establishment is checked the same number of times and no one is singled out for a check.

When the department starts the checks several 18-20-year-old “decoys,” typically college students, are recruited and sent into a business to attempt to buy alcohol.

But there are rules. The decoy can't lie about their age, must use their real identification and cannot alter their appearance.

“We're not trying to trick anyone,” Rockvam said. “We're trying to curb alcohol consumption by our youth.”

If a bartender or clerk passes the check they receive a $10 gift certificate, but if they fail they are cited and fined - up to $750.

Local liquor establishments are supportive of the compliance checks.

“It's part of the process we have to go through,” Maxwell's co-owner Jacque Richard said. “It helps make us aware. I'm constantly saying, ‘Always check IDs.'”

I think it's wonderful they do it,” Whisky River owner Heidi Pursley says. “It reflects badly on all (bar owners) when one of us fails. We don't want underage drinkers.”

In a recent compliance check, one of Pursley's employees failed.

The employee checked the decoy's ID, but miscalculated the age as 22 instead of 19.

The employee had to pay the fine and was instructed to be more careful in the future.

Pursley added that depending on the nature of the offense, employees could either be reprimanded or if she felt necessary terminated.

“We're extremely aware of underage drinking,” Silver Dollar owner Gail Nace said. “We are diligent about checking IDs, and I have been known to call the police to verify a suspect ID.”

She added that since she took over the Silver Dollar, the bar had passed every compliance check.

“We don't see many minors,” Irma Hotel owner John Darby says. “We seldom sell any package liquor, and that's the main source kids are getting it from.”

The lack of package alcohol and the fact that the Irma caters to an older crowd limits the number of youth in the Silver Saddle Saloon.

“Where we do see it is with summer tourist families,” he said. “But there isn't so much of that.”

Until the police started their compliance checks, Darby says they didn't see any minors attempt to buy alcohol with their real ID.

“We didn't see that until they started these checks,” he said. “The only ones we saw were false IDs.”

Darby would like the police to focus on that aspect, and on places youth are more likely to buy alcohol.

“I agree with what they're trying to accomplish,” he added. “No one wants underage drinkers.”

<http://www.codyenterprise.com/articles/2007/10/22/news/news3.txt>