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| *September 2, 2005* |

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**1. Unhappy Hour**

**By Shannon O’Connell, Contributing Writer - *The Daily O’Collegian***

**August 31, 2005**

State ban on beer specials has little effect on Stillwater bars

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| *Click the image to blow it up !* |
| Matthew Gaalswyk/O’CollegianPatrons at the Dirty Dog Tavern play “beer pong” Monday night. Drown nights, where unlimited beer is sold at a fixed price, will be illegal at certain establishments under a new state law that takes effect Nov. 1. Restaurants such as Eskimo Joe’s and Applebee’s will be affected by the law, but traditional bars on The Strip are not. |

The patrons in line outside Willie’s Saloon shifted impatiently. It was the first penny beer night of the semester, and students flocked to the cheap drinks. “One in, one out,” the bouncer said. Everyone chatted excitedly as they waited, not knowing that some drown nights, happy hours, ladies nights and other such beer specials will be illegal starting Nov. 1.Take a deep breath. The law only applies to the locations that permit underage patrons to enter the establishments. None of the bars located on the Strip will be affected. However, restaurants that host happy hours while underage patrons are present may fall under the few locations subject to this new law.Senate Bill 518, co-authored by State Rep. Thad Balkman, R-Norman, and State Sen. Kathleen Wilcoxson, R-Moore, was approved by the State Senate in May. The bill makes it illegal to sell beer at a rate lower than “the price regularly charged” during the same calendar week or to sell “an unlimited number of drinks of low-point beer” for a fixed price. The bill also forbids the sale of low-point beer to any person or groups of persons at prices lower than charged to the general public on that day, according to a summary of House activity on the State House Web site.Exceptions will be made for private parties not open to the public, and violations will result in misdemeanor charges with the possibility of a $500 fine for each offense, according to the site.Balkman said in a press release that “the legislation will eliminate the lure of cheap, unlimited beer for underage persons and individuals struggling with substance abuse problems.” The bill has also received support from restaurant owners. “Drown nights and penny beer nights are an embarrassment to this state’s reputation,” Scott Woolum, owner and operator of Tapwerks Ale House and Café in a written endorsement of the legislation, said.Woolum also referred to the death of Mary Robinson, a preschool teacher who was hit by a drunken driver after leaving a bar that was holding a drown night beer special.Students who frequent the bars think the law does little to improve the situation.“People are still going to go out and (binge drink) anyway. You can still go out and spend $30, get smashed, try to drive home and run over someone,” Chris Ketcher, business senior, said. He said state lawmakers would be better advised to focus on laws increasing penalties for drunken driving offenses or programs that provide alternatives to drinking and driving. Representatives from local bars on the Strip assured that drown nights and other such specials will continue as planned long after the law is enforced. However, local restaurants may not be so lucky. “We will have to see what happens in November, but I don’t think it will have a large impact on our sales,” Jaria Gilmore, assistant manager at Applebee’s Neighborhood Grill and Bar, said. “People are still going to come in and buy drinks. We will just have to see.”The Stillwater Police Department has a special projects unit that deals with community issues regarding underage drinking, parties and other related problems. The unit will be in charge of enforcing the bill when it goes into effect this November. As of press time, all attempts to reach the unit had failed.“I think it is wrong to try and eliminate beer specials because I like getting drunk for cheap, but wherever my friends are is where I am going to be,” marketing junior Joseph Selby said. “No matter what they try to do, people will still either drink and be responsible or drink and be irresponsible.”Cheers, Joe. |  |

**2. Diageo Profit Steady, $2.5B Buyback**

By Kabir Chibber - *MarketWatch*

September 1, 2005

**Captain Morgan rum sales offset Guinness decline**

LONDON (MarketWatch) -- Diageo, the maker of alcoholic beverages including Guinness and Johnnie Walker, said Thursday that profit for the year to June 30 remained steady, and proposed buying back a further 1.4 billion pounds ($2.5 billion) of shares in the next fiscal year.

Net income came in 1.38 billion pounds as compared to 1.39 billion pounds.

The company said pretax profit for the year before exceptional items fell 3.4% to 2 billion pounds from 2.07 billion pounds, better than market expectations of a drop to 1.97 billion pounds.

"The range of Diageo's premium drink brands together with our geographic reach gives us the ability to consistently deliver top and bottom line growth and strong cash flow," Chief Executive Paul Walsh said.

Shares in Diageo (DEO: news, chart, profile) (UK:DGE: news, chart, profile) jumped 2.2% in early London trade.

The company said 710 million pounds has been returned to shareholders via its share repurchase program, as it announced a further buyback of 1.4 billion pounds in fiscal 2006.

"We believe operating profit growth can be similar to that achieved in '05 even after allowing for higher growth in marketing spend and higher pension costs," Walsh said.

The group said in a recent trading update that it expects volume growth will be 3% and net sales after deducting excise duties will be 4% in 2006.

**Revenue, dividend higher**

Revenue rose 2% to 9.04 billion pounds and volume increased to 125.6 million units from 122.1 million units.

Diageo recommended a dividend of 29.55 pence per share for the year, up from 27.6 pence last year.

Of its global priority brands, which consist of some of the world's most recognized sprits, volumes rose 3% to 74.4 million units and net sales rose 4%.

Guinness volumes fell 2% to 11.4 million units. "The beer market has been tough in all three of Guinness' major markets," Diageo said.

Smirnoff vodka volumes rose 3% to 25.2 million units. The largest gainer was its Captain Morgan rum brand, with volumes surging 10% to 6.5 million units and net sales rising 11%.

In North America, "strong top line growth together with overhead reduction" led to organic operating profit growth of 11% and volume growth of 4%. Its overall share of the U.S. spirits market rose 0.5 percentage points to 25.4%.

Volume fell 1% in Europe, while net sales dipped 2%. "Europe remains a difficult business environment with increased regulation on ready-to-drink products, health related legislation, a continued shift from the on trade to the off trade and weak economic conditions," Diageo said.

Outside of Europe and the U.S., volume growth was up 4%. "Volume growth was achieved through high growth in Latin America and parts of Asia Pacific," it said.

In April, Diageo said it would sell 49.9 million shares of General Mills Inc. (GIS: news, chart, profile) , mostly through an underwritten public offering, with 16.5 million of the shares being sold back to General Mills.

In Thursday's release, it said the sale had "provided certainty as to the value we will receive from our remaining shares when they are sold as we expect they will be in a couple of months."

**3. Wisconsin: Madison, UW Chooses First-ever Alcohol Policy Coordinator**

By Darryl Schnell - *Badger Herald*

September 1, 2005

Just in time for the start of the fall semester, the City of Madison initiated its first alcohol-policy coordinator to deal with general alcohol issues throughout the city.

Joel Plant will work closely with the Alcohol License Review Committee, the Madison Police Department and licensed establishments to assist in developing a comprehensive alcohol policy for Madison. Plant’s relationship with each entity is not yet concretely determined, since he started the new position Aug. 29.

"It’s difficult to know exactly how Plant will work with the ALRC," Maribeth Witzel-Behl, city clerk and member of the ALRC, said. "We will be discussing his role with us at the next meeting."

The next ALRC meeting is scheduled for Sept. 21.

Dawn B. Crim, assistant to the director for University of Wisconsin-Madison Community Relations and a member of the selection committee, denied that a drinking problem on campus was the reason for hiring an alcohol-policy coordinator. However, the selection committee had students in mind.

"This is a unique opportunity to have someone assist the city concerning certain issues," Crim said. "Certainly the Mifflin Street Block Party and Halloween are two events that [Plant] will address."

Some students believe their drinking habits are at the core of Plant’s hiring.

"There’s no doubt that a major activity for many [UW] students is going out and getting drunk," UW senior Danny Michuda said. "If they cite Mifflin Street Block Party and Halloween as two big activities [Plant] will be addressing, then it seems like student drinking is going to be his main focus."

Though Plant is a city employee, the City of Madison and UW-Madison will evenly split funding for his position.

"If the university is paying him, they must really be trying to crack down on student drinking," Michuda said. "I guess a little help keeping students under control couldn’t hurt because drinking puts students in vulnerable spots or causes them to act like delinquents."

Madison Police Capt. Mary Schauf said there is a correlation between drinking and crime, especially in Madison’s central district, which includes the UW campus. Sector 403 of the central district, which includes State Street and much of the southeastern campus, is particularly worrisome for the MPD. According to Schauf, crime in that area spikes at midnight and about 2 a.m. on Thursday, Friday and Saturday nights. "Sector 403 is the black hole of the central district when it comes to crime. The vast majority of the crime in sector 403 is related to alcohol," said Schauf.

Alcohol-related crimes in general, along with Mifflin Street Block Party and Halloween, will be issues Plant will consider in his quest to develop a comprehensive alcohol policy.

Michuda said he believes Plant will have "one hell of a time" dealing with alcohol issues in Madison, but the selection committee believes Plant can handle the position.

"I was really impressed with Joel’s background working with diverse populations," Crim said. She added the committee considered Madison’s diversity during the selection process.

Plant will draw on his experience as a crime analyst for the Tempe, Ariz., police department and his work with the Center for Problem-Oriented Policing to aid in improving the quality of life for Madison residents.

**4. Beverage Industry Giants to Keynote 'The Show' March 5-8, 2006, in Las Vegas**

*PR/Newswire*

August 30, 2005

OXFORD, MS – The CEOs of three of the world’s leading beer, wine and spirits companies will offer the nation’s bar and nightclub owners and operators some of the wisdom and insight behind their combined billions of dollars in sales and universal brand success at the annual Nightclub & Bar Convention & Trade Show in Las Vegas next March 5 – 8.

“The Show,” as the largest trade gathering dedicated to the beverage and food retail market in North America is affectionately known, will feature keynote addresses by Miller Brewing Co. President and CEO Norman Adami, Bacardi North America President and CEO Eduardo M. Sardina, and John Brock, the CEO of InBev, the international beer giant recently formed from the merger of Interbrew, the number three brewer globally by volume, and AmBev, the leading brewer in Latin America. Dennis Overstreet, founder and owner of the Wine Merchant in Beverly Hills, CA, also will deliver a keynote speech geared to attendees from the off-premise segment.

“In its 20-year-plus history, ‘The Show’ has attracted the top movers and shakers in beverage and food globally, and our keynoters for 2006 are certainly no exception,” said Jennifer Robinson, C.O.O. of Oxford Publishing Inc., which produces “The Show” and publishes Nightclub & Bar and Beer, Wine and Spirits Beverage Retailer magazines.

**5. US: Anheuser-Busch in Hurricane *Relief Move***

*Source: just-drinks.com editorial team*

August 30, 2005

At the request of the Red Cross and Mississippi Governor Haley Barbour, Anheuser-Busch is supplying emergency drinking water as part of the relief effort in the wake of Hurricane Katrina.

The brewer was planning to ship some 12, 500 cases of drinking water to Montgomery, Alabama, where it would wait to be shipped to relief agencies on the Gulf Coast of Louisiana and Mississippi after the hurricane had passed.

“Anheuser-Busch and its wholesalers are always willing to step up and lend a hand to our neighbors following natural disasters such as Hurricane Katrina,” said Mike Harding, vice president of operations at Anheuser-Busch. “Safe drinking water is a critical need following many hurricanes, and Anheuser-Busch is proud to have donated more than 46m cans of water to victims of natural disasters in the last five years.”

**6. UI Student Smoking Drops**

By Krystal Loewe – *The Daily Iowan*

September 1, 2005

UI students who detest secondhand smoke can take smoke-free sighs of relief - the number of UI students who light up has been decreasing for more than 10 years, officials say.

In a study by Health Iowa, 7.4 percent of UI students said in the fall of 2004 that they smoke a half a pack of cigarettes or more daily; in 1999, the figure was 20.6 percent.

Additionally, the percent of occasional smokers has lowered almost by half from 41.1 percent in 1997 to 24.4 percent in fall 2004.

Increased antismoking campaigns and a slew of university smoking-cessation programs may be behind the drop, said Sarah Hansen, the coordinator of Health Iowa who conducted the study.

"There does seem to be a downward trend," she said. "This generation has been exposed to more nonsmoking campaigns than any other generation before."

Starting in July, the Tobacco Cessation Program, which is sponsored by Student Health Service, began offering students discount coupons for nicotine patches and gum.

The program, at least 20 years old, offers free individual consultations for smokers wanting to quit. Approximately 38 percent of program participants from July 2004 to June no longer smoke, said health educator Tanya Villhauer.

"Research supports that having a physical aid and counseling doubles a person's chance of being able to quit," Hansen said.

The rate of Iowa high-school youth smoking has also dropped, from 27 percent in 2002 to 20 percent in 2004, compared with 22.9 percent nationwide, according to the Iowa Department of Public Health.

"The high-school rate is dropping more quickly than the national level," said Bonnie Mapes, the director of the department's division of tobacco-use prevention and control.

Mapes said the Just Eliminate Lies program, which educates youth about the tobacco industry's marketing efforts, is a key factor in the decline.

Overall, Iowans sit near the middle of the national smoking rate, with 20 states having lower smoking rates, said Mapes.

"The best way to get kids to not start is to get adults to stop," she said.

Iowa City had enacted a smoking ban in local restaurants, but the ordinance was overturned in 2003 after the state Supreme Court ruled that municipalities could not enforce laws that were more strict than what the state imposed.

**7. UI to Crack Down on Booze, T-Shirts**

By the *Press-Citizen*

August 30, 2005

**From the University of Iowa:**

University of Iowa officials will be on the lookout for illegal Hawkeye merchandise, such as T-shirts, being sold by non-licensed vendors at football games this fall.

In addition, UI Police and other law enforcement personnel will enforce laws prohibiting underage consumption of alcoholic beverages and possession of open containers of liquor, beer and wine on public sidewalks and streets.

"We love seeing Hawkeye fans decked out in black and gold, but we do want to make sure that we protect our Hawkeye apparel licensees who abide by the rules regarding the production and sale of clothing and other items with our trademarks, such as the Tiger Hawk and Herky," said Dale Arens, director of UI Licensing.

State law prohibits the consumption of hard liquor and the possession of an open bottle of hard liquor on public property, which includes UI parking lots. People caught violating the law will be required to empty the bottle(s) and will be issued a citation.

Anyone in possession of an open container of alcohol (including beer, wine or hard liquor) on the sidewalks or streets on the way to Kinnick Stadium will be issued a citation and the beverage will be confiscated.

Fans should also remember that Iowa's minimum legal drinking age is 21.

Within Kinnick stadium, unruly and disruptive fans may be ejected.

Fans are also encouraged to remember Iowa's law, under which a blood alcohol content of .08 percent is considered presumptive of guilt in cases of driving while intoxicated.

UI officials urge fans to use alcohol responsibly. They suggest having plenty of non-alcoholic beverages available, and serve adequate food to reduce the effects of alcohol. Select a designated driver or stop serving and consuming alcohol several hours before attempting to drive.

**8. Police Ticket 37 Underage Drinkers**

*Iowa City Press Citizen*

August 29, 2005

At least 37 underage drinkers were issued possession of alcohol tickets Saturday night in Iowa City.

Iowa City Police worked in conjunction with the University of Iowa Public Safety Office to issue the citations, Lt. Jim Steffen said.

The extra patrol was funded by a grant from the governor's traffic safety bureau, he said. All citations were issued at downtown bars or on nearby residential streets.

Eight people were cited with possession of alcohol under the legal age on both Thursday and Friday nights.

Police cited nearly 40 underage drinkers for possession last weekend when University of Iowa students returned.

