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| *May 12, 2006* |

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**1. Court Ruling Could Cut Prices For Beer, Wine**

**By Joseph T. Hallinan - *Wall Street Journal***

**May 11, 2006; Page B1**

America's beer and wine tab may be about to shrink.

In a little-noticed ruling last month, a federal court in Seattle struck down key parts of the state's beer and wine distribution laws that the state acknowledged resulted in higher prices to consumers. The laws, which ban volume discounts and the purchase of beer and wine on credit, were challenged by bargain-basement chain Costco Wholesale Corp.

The ruling, which is being appealed, could spill over into the rest of the country because most states have provisions similar to Washington's.

The Costco case follows a decision last year by the U.S. Supreme Court that paved the way for some consumers to buy wine directly from winemakers. Taken together, the two cases could result in lower retail prices for beer and wine. They also could presage a big shift in the complex three-tiered system that has governed the sale of alcoholic beverages in most states since the 1933 repeal of Prohibition.

In Prohibition's wake, legislators erected a complex and costly regulatory architecture to discourage the overconsumption of alcohol. Makers of alcoholic beverages, such as Anheuser-Busch Cos., sell to a distributor, who marks up the price, puts the product on a truck and hauls it to a retailer, traditionally a grocery store, which may mark it up again before selling it to a customer.

In recent years, growing numbers of consumers have been buying their wine and beer at big-box retailers like Costco and Wal-Mart Stores Inc., putting pressure on the old system. "The shift in power ... is just astonishing, and it can't be ignored," says Craig Purser, president of the National Beer Wholesalers Association. In 2005, according to ACNielsen, shoppers took 33.1 million beer-shopping trips to Wal-Mart and other big-box stores, up 64% from 20.2 million in 2001. Beer trips to grocery stores fell 9.2% in the period, to 264.7 million. Over the past few years, Wal-Mart and its sister store, Sam's Club, have become the leading retailer for the nation's second-biggest brewer, Miller Brewing Co., a unit of SABMiller PLC. These retail giants wield enormous clout over suppliers of clothing, food and other products, partly by buying in bulk and eliminating the middleman. So far, though, their attempts to exert influence over beer and wine prices have been stymied by the three-tier regulatory system.

Some states, like Washington, for instance, prohibit volume discounts. All retailers, from the corner store to the giant discount chain, must pay the same price for their beer and wine. The state also bars the central warehousing of beer and wine by retailers. That means Costco must make 24 separate purchases of beer and wine stocks for its 24 stores in Washington, rather than simply make one big purchase and warehouse it at a central location. And many states don't let retailers like Costco buy their wine and beer on credit. Instead, they must pay cash.

Two years ago, Costco, which is based in Issaquah, Wash., sued that state, contending its regulatory restraints were anticompetitive. Costco's chief legal officer, Joel Benoliel, said the state's restraints raise the price of beer and wine not only to Costco, but also to consumers. Last month, U.S. District Court Judge Marsha J. Pechman agreed, deciding that Washington's rules were pre-empted by federal antitrust law and aren't shielded by the 21st Amendment, which repealed Prohibition.

If the Costco ruling is upheld, Costco and similar big-box retailers will benefit in a number of ways, most likely at the expense of middlemen. Not surprisingly, the ruling set off alarms in the beer and wine industries. "It's threatening to distributors," says Carlos Laboy, an analyst for Bear Stearns who follows the beer industry.

Distributorships, many of them family-owned, have profited for generations under the protections afforded by three-tier systems. During the Costco trial, several beer distributors testified that their typical profit margins on beer were about 26%. If Costco prevails, those margins are almost certain to be squeezed.

Beer companies actually might find it simpler to deal directly with the likes of Wal-Mart. But they still need their legions of distributors to move beer to supermarkets and other outlets. So they're treading lightly, at least for now.

Analysts expect Costco's legal victory to embolden the big-box retailers to put pressure on beer and wine distributors to cut prices. "In the long run this pressure will, most likely, be passed on to the brand owners -- Anheuser-Busch, Miller and Coors -- as well as the beer importers," said Dresdner Kleinwort Wasserstein analyst Matthew Jordan in an April 24 note.

Costco already is the nation's largest retailer of fine wine, selling about $330 million last year. Its annual beer sales amount to less than $500 million but are growing. Wal-Mart says it does not break out these figures.

Although the Costco decision pertained only to the distribution of beer and wine, it also could affect the spirits industry, which is regulated in much the same fashion.

If lower prices are in the offing, it'll be awhile before consumers see them. Judge Pechman has suspended her ruling from taking effect and the state of Washington will seek to have her stay extended during the appeal. Meantime, Costco declines to say whether it plans similar challenges in other states. "We haven't even discussed it," said Costco's Mr. Benoliel. A spokesman for Wal-Mart declined to comment.

 <http://online.wsj.com/article/SB114730569295749632.html?mod=googlenews_wsj>


### 2. Police Say Businesses Sold Alcohol to Minors

*Des Moines Register*

May 12, 2006

West Des Moines police officers cited 15 businesses for allegedly selling alcohol to underage informants during compliance checks on May 4.

The stores are: Casey's General Store, 108 Eighth St.; Chuck E. Cheese's, 1431 22nd St.; Dahl's Foods Mart, 1208 Prospect Ave.; Git-N-Go, 1325 Grand Ave.; Hy-Vee, 1700 35th St. and 1990 Grand Ave.; Hy-Vee Drug Store, 3580 E.P. True Parkway; Vina's Corner Store, 2704 Vine St.; JT's Fine Wine and Spirits, 5010 E.P. True Parkway; The Longest Yard, 122 Fifth St.; Shortstop 1850 22nd St.; The Tavern, 1755 50th St.; Third Base Sports Bar, 1720 25th St.; Tienda La Michoacana, 433 Fifth St.; Tobacco Outlet, 1540 22nd St.

Ten of the businesses checked the identification of the underage buyer and still sold alcohol. Five businesses did not check the underage buyer's identification, police said.

Three employees entered the underage buyer's information into their computer system and still sold. In two of the cases, the employee ignored the message on the computer saying that further inquiry about the sale should be made. The other employee did not know how to work the computer.

There are 141 businesses in West Des Moines that hold a liquor license.

**3. Why Iowa Couldn't OK Limits on Young Drivers**

By John McCormick, staff reporter - *Chicago Tribune*

May 5, 2006

**Bill's fate highlights pitfalls of such efforts**

DES MOINES, IA -- The push for "Nick's Law" started with plenty of emotion and political muscle.

The death of Nick Bisignano offered a textbook example of the tragic mix of underage drinking and speeding. The 17-year-old son of a former state lawmaker--a friend of the governor's--was killed a few miles from Iowa's Statehouse in a crash that generated extensive media coverage.

It was a dramatic story some believed could be used to persuade parents and lawmakers to toughen teen driving restrictions.

But as the Iowa Legislature adjourned Thursday, Nick's Law remained undone, the latest illustration of how proposals to toughen teen driving laws often fail to gather political support, even as experts say the changes could save lives.

In Iowa, the law included more than a half-dozen proposed restrictions--from prohibiting cell phone use to new seat-belt rules--each of which brought out opponents.

Parents expressed concern that an 11 p.m. driving curfew would prevent their children from even having a pizza after a football game. Others worried that restrictions on the number of passengers would prevent carpooling to school.

"All of the arguments boiled down to convenience versus safety," said Kevin Techau, Iowa's public safety commissioner, who lobbied for the bill.

The inaction has left Nick's father angry that others were not moved to press for change following the death of his son, a defensive back and third baseman who was planning to play college football.

"If 100 teen deaths a year in this state is acceptable, then they can ignore the proposals," said Tony Bisignano, seated near a portrait of his son that hangs above his home's fireplace. "But someone else is going to be in that 100 next year."

**Responding to tragedy**

Last year, lawmakers in nine states introduced bills to restrict nighttime teen driving hours, for example, but only one state passed such a law, according to the Advocates for Highway and Auto Safety, a lobbying group.

The effort behind Nick's Law started last fall over lunch between Bisignano and Iowa Gov. Tom Vilsack, a Democrat. "He said he wanted to put a face on this," Bisignano recalled.

In January, Vilsack prominently mentioned Nick during his State of the State address, as he called for added limits on teen drivers.

As proposed, Nick's Law would have prohibited people younger than 18 from driving after 11 p.m. and from talking on cell phones while at the wheel. It also would have boosted requirements for driver training, enhanced seat-belt rules, increased penalties for providing teens alcohol, required beer keg registration and limited teens to one non-family passenger.

In retrospect, the bill's backers say, it tried to do too much too fast, triggering a collapse under its own weight as numerous interests found something they did not like.

"It was just too heavy," said state Sen. Matt McCoy, the Democratic co-chair of the Senate Transportation Committee. "There were too many elements that were controversial."

The beer lobby worked behind the scenes to defeat the keg registration, even distributing a memo to key lawmakers with speaking points for opposition.

Traditional tensions over home schooling proved to be the fatal blow after a lawmaker attached a controversial amendment that would have allowed parents to provide their own driver instruction, just as they do with reading and math.

"I knew that was a poison pill that was not going to work," said state Rep. David Tjepkes, the Republican floor manager for the bill in the House.

Some lawmakers also felt many of the proposals were largely unenforceable and matters best left to parents.

"There wasn't any one thing, but just a bunch of little things," said state Rep. Jim Lykam, the ranking Democrat on the House Transportation Committee.

The governor's office said the issue did not generate much correspondence, but there were some letters in opposition.

"The majority of teens are good drivers who do not drink," wrote one parent. "These tragedy laws end up making life harder for the majority of teens and parents while not preventing the next tragedy."

Even Tjepkes was skeptical that all the provisions were needed, or that they would have saved Nick's life.

"The simple facts were that he tested twice over the legal limit and was traveling about 90 m.p.h. on a city street," Tjepkes said. "Those are very clearly already addressed in existing law."

Nick's crash, two days after Christmas 2004, included most of the top risk factors for teen driving deaths: underage drinking, excessive speed, late-night cruising and potential distraction from a passenger.

Those factors and others contribute to making crashes the leading cause of death for American teens, resulting in 5,000 to 6,000 lost lives a year.

Studies and experience have shown that states can reduce those risk factors by tightening restrictions on teen drivers.

**Night of fun turns deadly**

The statistics were foreign to Tony Bisignano when he agreed to Nick's request to stay overnight at a friend's home. With those parents away, Nick played a drinking game with friends, downing three or four glasses of rum and Coke.

Earlier in the evening, Gino Pane had bought a 1.75-liter bottle of Captain Morgan for the teens, pocketing the change and later telling police he "did it for the money," according to court records. Pane, then 37, would later be sentenced to two years in prison after pleading guilty to providing alcohol to minors.

After about an hour of drinking, Nick got into his Buick with an acquaintance to get some beer. Several partygoers later told police his speech was slurred as he was leaving.

Tony Bisignano believes his son was not yet feeling the full effect of the alcohol when he left. His blood-alcohol level later showed 0.204, more than double the legal limit for an adult.

Just before 1 a.m., Nick and his passenger, Corey Wheeler, came over the top of a hill in a residential side street at roughly 90 m.p.h. After swerving into a small brick retaining wall and knocking down two utility poles, the car flipped over.

Wheeler, also 17, survived, although he had multiple broken bones. Nick, who suffered massive head trauma, died before help arrived. He was buried a few days later in his No. 9 football jersey.

Tony Bisignano knew his son sometimes drank. But he had taken a stern hand, even predicting the future by talking about how terrible it would be to have police show up in the middle of the night to tell him his son was dead.

Before his death, Nick had only recently completed a nearly three-month grounding, after he damaged a wheel on his car following a night of drinking with cousins in a hotel room.

"He talked a good story and said he had learned a lesson," Bisignano said. "But when you let them out of the house, you don't know what they're doing."

**Lawmakers to try again**

Iowa lawmakers and administration officials promise to revive the effort next year. It would be the first major revision to Iowa's graduated driver's license system since it was first enacted in 1999. The system, common in most states, provides added freedom as teen drivers gain experience.

"We felt that having every law-enforcement group in the state solidly behind this and having the governor behind it, we thought it would have better chances," said Techau, the public safety commissioner. "It's not a partisan issue, but it did get caught up in partisan politics."

Bisignano, meanwhile, no longer wants his son's name associated with the failed effort. He suspects some Republicans dragged their feet because they did not want Vilsack, who is considering a 2008 presidential bid, to be able to show victory on a high-profile issue.

After carrying his friend's casket, Nick Cash believes tougher laws are needed.

"It's inconvenient and it's not cool, but it would put drivers in a safer situation," said Cash, a senior at Nick's high school in Des Moines. "If these are the reasons kids are dying, to not to do something about it is irresponsible."

[http://www.chicagotribune.com/news/local/chi-0605050141may05,1,4214722.story?coll=chi-news-hed](http://www.chicagotribune.com/news/local/chi-0605050141may05%2C1%2C4214722.story?coll=chi-news-hed)

**4. Citizenship Not Questioned When Owning Business**

By Jon Ericson, Staff Writer, *Waterloo Cedar Falls Courier*

May 7, 2006

CEDAR FALLS, IA --- While employment in Iowa requires proof of citizenship, opening a business in the state has no such safeguards.

Last week immigration agents served a warrant at Julio's Mexican Restaurant and Cantina and arrested 12 people for illegal immigration issues. Two of them, Juan Lopez and Martha Lopez-Angel, were part owners of the restaurant.

Lopez has been charged with failing to leave the United States following a criminal order. Martha Lopez-Angel was charged with inducing an alien to enter or reside in the United States illegally.

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Opening a restaurant in Iowa requires a number of governmental forms be completed for licenses or permits. None will identify an applicant as an illegal immigrant.

The application for sales tax and corporate income taxes for Iowa businesses requires the applicants to give a Social Security number, but does not ask about residency or immigration status. An Iowa Department of Revenue spokesperson said the state doesn't check the Social Security numbers with the federal government.

"With all of the applications we receive and the number of Social Security numbers we would deal with, there is no way we could verify each one with the Social Security Administration," said Renee Mulvey.

In the Julio's case, immigration agents allegedly found copies of fraudulent Social Security cards and resident alien cards at the restaurant. In some cases the numbers on the cards were issued to different people, and one belonged to a deceased person.

No proof of citizenship is required to obtain a liquor license in Iowa. Business owners do not need to be United States residents to obtain such a license.

Iowa Alcoholic Beverages Division Director Lynn Walding said the state recognizes the global marketplace and allows foreign nationals to hold licenses in the state. However, a noncitizen cannot obtain a liquor license listed solely in their name. Instead, the business must be incorporated. Walding said that provision helps the division if it needs to contact the owner.

While citizenship is not necessary for a liquor license, a clean record is. Any proprietor can be fined or even lose the liquor license if they commit a crime, regardless of whether the crime is directly related to the sale of alcohol.

On the Julio's liquor license, Lopez is listed as well as co-owner Julio Zalapa, who is a U.S. citizen.

Lopez was the lone signee of Julio's articles of incorporation.

Citizenship is also not necessary for forming a corporation in Iowa. There is no requirement for proof of citizenship or submitting a Social Security number in the application for incorporation.

The federal I-9 form, which proves legal work status, is required for employment in the United States. But no such form exists for the business owner.

Tim Counts, a spokesperson for Immigration and Customs Enforcement, said he doesn't know of any federal documents required for business owners that would prove citizenship or legal alien status. If the business owner were considered an employee of the corporation, he would then have to submit identification as any employee would through the I-9 form.

<http://www.wcfcourier.com/articles/2006/05/07/news/metro/doc445dfff6ab27e251429946.txt>

**5. InBev Weighing Options for Future of Rolling Rock**

May 4, 2006

BRUSSELS - Belgian brewery giant InBev SA said it has started examining options "both inside and outside" the company for its beer brand Rolling Rock and its US-based brewer.

The group said it is analysing "how to optimise the full potential of Rolling Rock and the Latrobe Brewing Company".

It added that InBev USA last year made a business decision to focus its sales and marketing resources on "high-profit speciality import brands", including Stella Artois, Bass Pale Ale, Beck's, Brahma and Labatt Blue.

InBev said that while Rolling Rock and Latrobe continue to have "great potential", it has not made a final decision on the brand.

Earlier, daily De Standaard reported that US brewer Anheuser-Busch Cos Inc is close to purchasing Rolling Rock, citing a UBS analyst.

Caroline Levy, analyst at UBS, said Anheuser-Busch sees the brand as a new opportunity for its beer portfolio.

"With renewed marketing efforts, new life would be blown into the brand," she said.

The US brand, brewed in Latrobe, Pennsylvania by Labatt's Latrobe Brewing Co, has not performed well in the US domestic market.

**6. Sake Has Become Sophisticated and Sales Soar**

By Joseph A. Slobodzian – *Knight Ridder Newspapers*

Brothers John DiMartino, left, of New York, and James DiMartino of Philadelphia taste Ozeki Nigori Sake during Philadelphia’s second international sake festival last month.

Ed Markus vividly remembers his introduction to sake back in the 1960s. The bitter Japanese rice "wine," poured steaming hot from a ceramic carafe, was so different, so hip, he thought.

The restaurateur-turned-event-planner recalls it fondly, but with a bit of embarrassment, since he has moved so far from the tastes of the 60s. Especially with sake.

Markus was one of the organizers of Philadelphia’s Second International Sake Festival this month, an event showcasing some of Japan’s finest sakes and celebrating its increased popularity.

Among the dozens of beautiful, colorful bottles on ice, there were sakes sweet and dry, clear and milky, full-bodied and fruity, but nothing resembling the heated "jet fuel" served in a ceramic tokkuri that was the initiation to sake for generations of Americans like Markus.

The U.S. demand for sake began growing dramatically in the late 90s, but only in the last three years has interest spread to more diverse, better-tasting high-end brands that need not be heated now being sold outside of Japanese restaurants.

"Sake is not just for sushi anymore," said sommelier and Philadelphia wine educator Marnie Old. "It can go with anything," she said as she watched sake lovers move from table to table, tasting the ancient Japanese beverage paired with foods ranging from sushi to barbecue at the recent event.

"The pull is from the market, from people," said Beau Timken, author of "Sake: A Modern Guide" (Chronicle Books, 2006).

Three years ago, Timken opened San Francisco’s True Sake, a retail store devoted entirely to sake. "Restaurants are driving demand for it, as are bartenders," and it stretches beyond the popular Sake Bomb cocktail to bottles that fetch $40 and up.

Statistics on sake sales in the United States are difficult to come by, in part because not everyone agrees how to categorize sake. Some states call sake wine while others designate it a spirit, said Old, the Philadelphia sommelier.

In reality, sake is neither. Nor is it "hard liquor," although some low-end brands are infused with additional alcohol. Rather, sake is a fermented beverage made of rice and water.

(In fact, the practice of heating sake began during World War II, when a rice shortage forced Japanese brewers to fortify sake with distilled alcohol, Old said. Vendors and consumers discovered warming this super-sake muted the harshness.)

There is no doubt that sake sales are up, industry experts said.

Old started studying sake three years ago because of increasing queries from restaurateurs and bartenders for whom she is a consultant. Among her current clients, she said, is Star’s New York incarnation of Morimoto, which opened this year in Manhattan.

Gregory Moore, of Moore Bros. Wine Co. in Pennsauken, Pa., said he saw a 14 percent increase in sales of fine sakes from 2004 to 2005. The increase was more noticeable than for any other types of wine in his stock, he said, especially since he doesn’t promote sake.

The Pennsylvania Liquor Control Board reported a 10 percent increase in sake sales from 2004 to 2005. And there are decidedly more varieties of sake on the shelves of liquor stores than there were five or six years ago.

The old-time stalwarts of Gekkeikan and Fu-Ki plum are still available today for about $10 a bottle, along with up to 20 pricier brands at some stores with "premium wine collection" sections.

"There is no question that the demand for high-end sakes is increasing, especially at stores that are near BYOB sushi bars," said wine specialist Corey Rice.

"People are more interested in authenticity, and they seem to be willing to try all kinds as long as it’s quality," Rice added.

For novices ready to explore the world of fine sakes, the good news is affordability. Because most sake is not pasteurized or aged, Timken said, even the finest is meant to be drunk within 12 to 18 months of bottling. Thus, brewers don’t have the costs of storage and aging.

Timken, whose San Francisco store stocks 180 sake brands, said a customer can get a quality junmai for $18 to $30 for a 720-mL bottle, a quality junmai ginjo for $22 to $32, and a junmai dai ginjo for $26 to $46.

The variations in taste are every bit as great as with wine. An Ozeki Kara-tamba Hon-jozo at the festival, served cold, was as clear and crisp as the finest white wine and carried a hint of herbs similar to some aperitifs.

Yet a partly filtered Yaegaki Nigori, served slightly chilled, was rice white in color, creamy in texture, and had a slightly sweet taste that nicely complemented a pulled-pork appetizer.

Timken said the relative uniformity of price among sakes of different quality lets him spend more time trying to pair a customer’s tastes with the right sake. For this reason, he said, he has created his own "match scale" that compares sakes with a customer’s favorite wine or beer.

"I’m convinced there is a sake for everybody," Timken said. Those who are skeptical, he said, "just haven’t found it yet."

**7. Rival Wholesalers Support "Here's To Beer", Says A-B**

Source*: just-drinks.com*

May 4, 2006|

Anheuser-Busch has fiercely defended its campaign to promote beer in the US and pointed to the support of rival wholesalers as evidence of the programme’s support throughout the industry.

The US beer giant fought back at claims from Miller Brewing and Heineken USA that the "Here’s To Beer" served only its interests and shrugged off the fact that only it was funding the initiative.

Bob Lachky, A-B’s executive vice president for global industry development, told just-drinks today (4 May) that the campaign had won the backing of wholesalers around the country, including those of its rivals.

"There is wide industry support at the wholesaler and retailer level and competitive wholesalers are signing up. What we need to put in perspective, is the perception of the industry not coming on board. This idea is really a Web-based idea, it’s a platform idea to get the materials in the hands of local distributors who then activate those materials."

Lachky said it was vital that the campaign had the support of wholesalers and retailers around the US if the beer category was to be revitalised. "We can’t turn our backs on the interests of retailers and wholesalers. Their eyes can easily be turned by the profitability of other forms of alcohol."

Beer drinkers had already flocked to the campaign’s website after a wave of grass-roots marketing activity in the US had promoted the campaign, Lachky said.

He pointed to a number of moves carried out under the auspices of the "Here’s to Beer" campaign, including celebrating the anniversary of the end of Prohibition and ads encouraging drinkers to discuss with which famous person they would most like to have a beer as examples of successful "guerrilla" marketing activity.

"Web marketing is very exciting - no individual brewer is using it to the degree we are. I’m very excited by this. We’ve now got to go and sell the category."

Lachky said the campaign had had initial support from rival brewers but A-B and US trade body the Beer Institute had decided to part ways after the first TV ad was aired during this year’s Super Bowl.

"It doesn’t need a group of brewers and a committee to decide whether this (marketing activity) is right or not. We agreed to part ways with the Beer Institute after the initial TV ad because we did not want to get bogged down in a committee."

The campaign had managed to get "some momentum" behind the category, Lachky said, with domestic shipments starting to rise again in some US states. He insisted that A-B and rival brewer Coors Brewing had worked to "nurture" the category and had "added variety" to the products on offer to distributors.

A-B has in recent months signed deals to import Grolsch and Tiger Beer into the US, while also asking drinkers in New England and Ohio to vote for a "hometown brew" to be produced by the company.

Lachky also acknowledged that Miller Brewing had a "different" marketing strategy by focusing solely on its own brand stable but added: "They’re not trying to grow the category through innovation - that’s a fact. They’re cannabalising the category."

**8. Brewers Lobbying Feds to Lighten Beer Tax**

By Tracey Drury - *Business First of Buffalo*

May 7, 2006

Tim Herzog will make the long drive to Washington, D.C., May 8 to try to convince lawmakers to give his business a break.

Herzog, president of Flying Bison Brewing Co., is one of hundreds of independent brewers and distributors expected to participate in the annual lobbying effort to repeal the excise tax.

The federal excise tax, according to a beer industry Web site, was created during the Civil War to support the Union Army, with brewers paying a tax for each barrel of beer sold. Lawmakers made changes in 1990, increasing taxes on luxury items and beer. For large brewers, the beer excise tax doubled from $9 to $18 per barrel. In the years since, most of the luxury tax increases have been repealed, but the beer excise tax remains.

"it was taken off for luxury cars, luxury boats and items like fur coats, but was never taken off beer," Herzog said.

How much of an impact does the tax have on brewers? As a small brewer, Herzog pays $7.50 per barrel or $3.75 per keg. That's in addition to the state tax and sales tax.

"Most people don't realize about 40 percent of the cost of a glass or bottle of beer is tax," he said. "Beer is taxed three times before it gets into the hands of the consumer."

In Washington, Herzog and other small brewers and distributors - including Lancaster-based Try-It Distributing - will meet with lawmakers in an effort to show how those taxes hurt his business. Getting involved, he said, is the only way to try to push for a change. Herzog is also pushing the issue as a board member for the New York State Brewers Association and the government affairs committee for the Federal Brewers Association.

"There's an old saying: 'If you're in small business and not involved in government, then the government will be involved in your small business,'" he said.

For all the lobbying, the trip to Washington also gives Herzog a chance to get Flying Bison's beer into the hands of distributors from across the country. Herzog is driving down so he can bring some product with him for the conference receptions.

Flying Bison has been producing beer since 2000, operating from a 7,000-square-foot warehouse site in Riverside. The business has five employees and distributes its product in upstate New York, Boston, Philadelphia and Long Island.

<http://msnbc.msn.com/id/12684207/>


# 9. Alcohol Industry Pitches Alcopops to Teenage Girls

By Ellen Tomson - *St. Paul Pioneer Press*

May 7, 2006

Their names sound innocent or pretty: Skyy Blue, Frozen Paradise, Silver and Ice. And in television ads for the fruity and fizzy drinks, girls who look like teenagers appear to be active and having fun as they gulp the pastel liquids from wet, glistening bottles.

But the malt-based, 8-ounce carbonated drinks sometimes referred to as "alcopops," "malternatives" or "FABs" (flavored alcoholic beverages), contain 4.5 to 6 percent alcohol, about the same as a beer.

The American Medical Association and the International Institute for Alcohol Awareness are among groups expressing concern about the marketing and underage consumption -- especially by girls -- of the drinks.

Many teenage girls mistakenly believe alcopops contain less alcohol than beer, and they are drinking the fruity drinks twice as often as boys are, according to the medical association.

An association study of drinking habits found one-third of girls older than 12 have tried alcopops (and one-fifth either threw up or passed out after drinking them).

"We're alarmed and concerned with these findings," said J. Edward Hill, medical association president. "The percentage of girls who drink is on the rise faster than boys, and the average age of their first drink is now 13."

The popularity of flavored alcoholic drinks has prompted physicians to counsel young patients and parents about the health risks involved and advocate for changes in the labeling, marketing and promotion of the beverages to the underage U.S. population.

The medical association has sought labeling that discloses the alcohol content of drinks by percentage -- not by proof. It opposes the promotion of alcopops during college and high school events and advertising that shows teens enjoying the drinks in social situations but omits warnings about health and other adverse consequences that could result from underage drinking.

"While the alcohol industry claims to target only legal-age drinkers, their ads reach millions of impressionable girls," Hill says.

Alcopops often serve as "gateway" beverages to hard liquors, according to the AMA. And that, apparently, was the idea behind alcopops in the first place.

After the Boston Beer Co. launched its "Hard Core Cider" and "Twisted Tea" alcopops, brand-development manager Trish Rohrer was quoted in the (now-defunct) magazine Restaurants USA as saying, "With younger drinkers, their palates haven't quite matured yet to drinks like bourbon. Malternatives are a sweeter drink, they're easier to drink, and it takes less time to mature to the taste."

More than half of all teens said they have seen alcopops ads, according to the medical association. The group's survey also found that more than 60 percent of teenage girls who said they have seen television, print or in-store ads have tried alcopops.

While some teenagers don't recall where they saw or heard alcopops ads, they usually do remember the social circumstances depicted in them and what made the drinks seem appealing.

"Because of the colors, they sort of look cute," says Ali Oswalt, 17, a high school junior from South St. Paul. "And in the commercials, they always look like they're having so much fun. They're usually on the beach, it's tropical, and all the people in the ads are young and beautiful and skinny and tan."

<http://www.duluthsuperior.com/mld/duluthsuperior/living/people/family/14483304.htm?source=rss&channel=duluthsuperior_family>

**10. The Growing Taste for Wine**

By Bill Reiter, Staff Writer – *Des Moines Register*
May 2, 2006

### 1854 was a very good year. That's when the Mirassou family brought grapes to America.

Winemaker David Mirassou likes to tell a story about his family.

In the mid-1850s, the 35-year-old's great-great-great grandfather left France in search of gold. He headed to California.

"It didn't work," Mirassou said.

The Frenchman didn't find gold. But he did stumble onto an idea: He could use all that California sun and rich soil to grow grapes and make wine.

Pierre Mirassou sailed home, put French grape cuttings in his suitcases, kept them alive using potatoes during the voyage back to America and made his way to California. That was in 1854. His family has been making wine since.

"We're the oldest winemaking family in America," Mirassou said.

The Mirassou label has several varieties of wine. His family first brought Pinot Noir to California, he said.

Mirassou was in Des Moines last week, and he sat down to talk about building a palate, picking out wines and enjoying reds and whites.

**Q: How do you go about building your palate?**

**A:** Find a retailer that can help guide you in selection. Find a place that does tasting regularly. A lot of people have lost the enjoyment of wine as a cultural experience, [but] it's coming back. No matter what, your palate is going to get better as you drink more wine.

**Q: Does a wine habit get more expensive as your palate gets better?**

**A:** Not necessarily. A lot of the time, when people develop a palate, they don't have to spend a lot of money on wine. Some $9 bottles of wine have more subtle tastes than a $20 bottle. A lot of Chardonnays have a vanilla flavor that jumps out to you [if you have a better palate].

**Q: What should people try if they want to get into drinking wine?**

**A:** Most people like starting with white wines because they don't have as many tannins, which are a little bitter and which gives the wine character. In whites, start with Riesling, Chardonnay and Sauvignon Blanc, in that order.

**Q: How about with reds?**

**A:** I'd go with Pinot Noir, because it's soft and silky. Then to Merlot, then Cabernet.

**Q: What's your favorite wine?**

**A:** The wines are like my kids; it's hard to choose. [Long pause]. My favorite white is Chardonnay, and my favorite red is Pinot Noir.

**Q: There's a lot of wine coming out of states like Oregon, and imports from Italy and France and other places. How do they compare to California wine?**

**A:** The international wine business and other states are coming on strong. They're making use of all of the innovations my family and the other California [wineries] have developed and shared.

**Q: Did the movie "Sideways" affect your business?**

**A:** We call it "the Sideways effect." "Sideways" did a lot for the wine industry.

**Q: Was the movie right: Is Merlot as bad a wine as the main character said? Is it the Wal-Mart of wine?**

**A:** It is losing steam, but ... I don't think it's the Wal-Mart of wine. It's soft, it's easy to drink, and it's gotten people into wine and now they're expanding their wines.

**Q: What can a non-wine expert do to pick out the right kinds of wine for them?**

**A:** Try to remember what you like. Let someone at the store help, and if you can say, "I like this Chardonnay, this is what it tastes like," they can help you pick something out.

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=/20060502/ENT02/605020365&SearchID=73244036761183>


# 11. Grapes Join Soybeans, Corn on Family Farm

By Jose De Jesus, Staff Writer – *Des Moines Register*
May 9, 2006

### California son asks for 2 acres to grow new crop

A year ago, Larry Pilmaier flew to Iowa from California to visit his parents in Delaware Township, just outside of northeast Des Moines.

The visit turned into a request: Larry asked his mom and dad, John and Pat Pilmaier, for two acres of their 80-acre corn and soybean farm to grow grapes.

"They just thought it was a great idea," Larry said.

So for the last several weeks, Larry and four other relatives have spent 10-hour days at the farm, 4100 N.E. 46th St., planting 850 grapevines.

"We have been working in the rain, trying to get established," said Larry, who works at a winery in California.

His efforts come at a time when grapes are scarce in central Iowa. Yet the number of wineries in central Iowa has increased from about five to nearly 60 in the past five years, Larry said.

"There's a lot of demand and not enough supply, and that's what we are trying to work on," he said.

Pat joked that she could've easily sold the farm and landed on a coast, "sitting on the beach at South Padre with my feet in the ocean."

But she yielded the land to her son because it guarantees the farm will stay in the family.

"This is the way to do it," said Pat, whose family has been growing corn and soybeans for 75 years. "They think they are going to keep the farm when Dad and I are gone."

Larry calls the business Lone Pine Vineyard. The Frontenac and Frontenac gris grapes planted there carry red-wine characteristics of berries and spice.

Once crops grow within three years, the vineyard should produce about three to four tons per acre a year. And based on the current market, Larry said, a ton of grapes could sell anywhere from $1,000 to $1,250.

"It should be a good return," he said. "All I know is the return on corn today is not what grapes are."

If the venture is successful, Larry said, he has earmarked another 11/2 acres to expand. Eventually, he said, it could lead to a winery.

In the meantime, he will focus on supplying grapes to wineries such as Summerset in Indianola - one of the biggest in central Iowa.

"I think it's definitely a lucrative endeavor, a viable cash crop, especially because the wine industry in Iowa is growing so quickly," he said. "The wine industry adds a little bit of culture to the state that we haven't had in the past."

Ron Mark, owner of Summerset, predicted it would take 20 years before vineyards can catch up to wineries.

"There's a good market for grapes right now," said Mark, who opened his winery in 1997.

His winery and others, Mark said, have no choice but to import grapes or grape juice from states such as Illinois, Indiana, Michigan and Ohio to meet the demand.

"I can't get enough grapes," said Mark, who has conducted grape growers seminars for six years. "There's not enough grapes in the state of Iowa to meet the demand of the wine."

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=/20060509/NEWS08/605090331&SearchID=73244037090878>

**12. Stepping Up Eyes Zoning Limits**

By Jenny Ely - Special to *The Daily Iowan*

May 9, 2006

A downtown community organization is looking into a zoning plan that would restrict the number of bars in downtown Iowa City.

Stepping Up, a nonprofit group of city and UI officials and civic leaders created in 1996 to stop underage and binge drinking, is researching a number of options that could decrease alcohol availability.

While zoning has been discussed in previous years, it may have new steam this year, organizers say. The research is in its early stages, but the plan could increase the variety of businesses downtown, said coordinator Angela Reams.

The zoning could be handled in two different ways, said Dale Helling, an assistant city administrator and a Stepping Up representative. One option would limit the number of bars per block in a certain zone. The other would restrict the number of liquor licenses within a number of feet of certain establishments. Exact specifics are still being formulated, he said.

Helling said he would support the Iowa City City Council if it chooses to alter the zoning ordinance, because competition among bars is driving down the cost of alcohol.

Still, he said, it alone cannot solve the problem of binge drinking.

"There is no magic bullet," he said. "It may be one effective way, but will not solve the issue."

Stepping Up contends the large number of establishments serving alcohol - 48 of which are located downtown - is having a negative influence on students' health and safety.

Sixty-nine percent of UI students reported binge drinking, according to the 2005 College Alcohol Study. This is 25 percent more than most other colleges.

At the same time, the UI's number of frequent binge drinkers has increased 11.7 percent since 1993, according to the 2005 study by the Harvard School of Public Health. The study defines binge drinking as four or more consecutive drinks for women and five or more drinks for men in one sitting.

This study also reports that problems, including unplanned sexual activity and encounters with police, are also on the rise.

Location is a key factor when looking at alcohol's influence on the city, Reams said. Though Iowa does not have the largest number of bars in the Big Ten, no other school in the conference has so many in such close quarters.

Two of the schools with more bars - University of Minnesota and University of Wisconsin-Madison - spread their alcoholic offerings across a three-mile radius and a three zip-code area, not just downtown, as in Iowa City.

Still, Iowa City police Capt. Tom Widmer said he did not think that the number of bars in the city was a problem.

"We cater to the college student," he said. "People can walk to [bars]." But records show Iowa City's alcohol problems keep getting worse. As the number of downtown bars has increased, police records show steady increases in charges for public intoxication, possession of open liquor containers, OWIs, and PAULAs.

The Iowa City Alcohol Advisory Board, a group assembled in 2004, opposes altering the zoning.

Leah Cohen, a co-chairwoman of the board and the owner of Bo-James, 118 E. Washington St., said the changes would be too restrictive. Even if someone wanted to open a bowling alley or nice restaurant, neither could be successful without serving alcohol, she said.

While she admitted that the proliferation of bars needs attention, she said zoning is not the answer.

The discussion comes as Iowa City businesses find it increasingly difficult to make steep rent payments.

Sam Goody, Bremers, and Lorenz Boot Shop are exiting or have exited the downtown scene, and Tony's Grill, a popular breakfast eatery in Iowa City, will follow suit this fall, said owner Tony Kassouf.

"Students don't want a smoke-free restaurant to socialize in any more," he said.

<http://www.dailyiowan.com/media/storage/paper599/news/2006/05/09/Metro/Stepping.Up.Eyes.Zoning.Limits-1923231.shtml?norewrite200605091328&sourcedomain=www.dailyiowan.com&mkey=433542>

**13. Bar Constraints Merit Thought**

DI Editorial Board – *Daily Iowan*

**May 9, 2006**

Downtown Iowa City has lost businesses, old and new, this semester, from the 87-year old Lorenz Boot Shop to the ill-fated Cereal Cabinet, which lasted for just a few months. But alcohol-serving establishments remain quite plentiful, and the Stepping Up Project is looking to put on the brakes. This summer, the group hopes to discuss a proposal with the Iowa City City Council to limit the number of bars downtown. The idea does have merit - though not in the form and for the reasons the group has described.

Stepping Up has suggested two zoning strategies, one limiting the number of liquor licenses within a set distance from certain businesses and the other restricting the number of bars per block. Neither proposal is likely to thrill the City Council or downtown business owners, as both are far too restrictive. Many restaurants and entertainment venues have liquor licenses but certainly could not be classified as bars.

Iowa City has the highest concentration of near-campus bars of any Big Ten school and a 25 percent greater rate of binge drinking than the average university. In this light, Stepping Up's goal to reduce alcohol consumption at the UI is reasonable enough. But, as with the 21-ordinance, fewer bars downtown would only spread the drinkers over a wider area, doing nothing to limit off-campus parties.

Even so, a diverse downtown is a worthy goal, in itself. The downtown belongs to the entire community and should foster establishments that would appeal to students who want more variety in their night life - and more daytime options, as well. It's safe to say that Iowa City's bar culture will continue to thrive, whether or not still more establishments open.

Establishments that serve alcohol simply do better near campus than others, and it would take a truly dramatic culture change to alter that. The city should not go too far to stifle the business, but there are less-restrictive ways to limit the number of bars. An exemption similar to that in the city's 19-only bar-entry law, which looks at the percentage of an establishment's sales that comes from alcohol, would be one idea worth considering.

If reducing drinking is the goal, there is no reason to assume that fewer liquor licenses would change anything. But if Iowa City is looking for diversity in its downtown, then finding minimally restrictive ways to limit the number of bars is worth exploring. While the city should not be forced to subsidize businesses that are likely to fail, it should attempt to encourage establishments that cater to the entire community, not just college students.

<http://www.dailyiowan.com/media/storage/paper599/news/2006/05/09/Opinions/Bar-Constraints.Merit.Thought-1923092.shtml?norewrite200605091329&sourcedomain=www.dailyiowan.com&mkey=433542>

**14. Beer Makers Borrow Their Sales Pitches From Wine**

By Libby Quaid, AP - *Des Moines Register*

May 9, 2006

Chicago, IL – Beer sales had gone flat, while wine was flying off the shelves.

So beer makers decided to use a page from wine’s marketing manual and create new packaging, flavors and drinks. Now beer is coming back.

“If they didn’t have the brand in some ads – a Budweiser ad, a Miller Lite ad, a Coors ad – if they didn’t have the can in it, it could be any one of the three,” said Nick Lake, beer expert at ACNielsen, the marketing information company.

Now, brewers are pitching their beers as cooler, classier and healthier.

The result is that people are finally buying more beer.

New beer products are on display this week in Chicago at the Food Marketing Institute Show, the supermarket industry’s annual trade show.

Beer is still the drink of choice for at least half the people who drink alcohol in the United States, but wine and spirits have been enticing drinkers in ever-growing numbers.

More Beer for Iowans

Beer consumption in Iowa totaled 25.2 gallons per capita in 2004, up from 24.9 gallons per capita a year earlier, according to the Beer Institute, a Washington, D.C.-based lobbying organization. Statistics show beer consumption in Iowa has been rising steadily, up from 22.5 gallons per capita in 1995, the institute reported.

The wine industry has jockeyed for attention with cute critters on the label, easy-open screwcaps and cans and party-friendly boxes.

Essentially, wine seemed to have gotten more fun.

So beer companies started thinking about how to do more with their brews.

For beer, new packaging includes Heineken’s keg can for the fridge, which gives people draft beer at home. Coors sells a cooler bux with 18-ounce plastic bottles that is ready to be filled with ice and taken to the beach or a barbecue. Budweiser comes in new sturdy aluminum bottles that are like a cross between a can and a glass bottle.

Beyond packaging is flavor. For Anheuser-Busch, maker of Budweiser, that means Bud Select, a light beer with a more robust taste.

Bud Select has been the best-selling new beer brand, Lake said.

**15. Brown-Forman Adjusts Strategy Sales, Marketing Integrated; Jobs Cut**

By David Goetz - *The Courier-Journal*

May 10, 2006

Brown-Forman Corp. wants its ground troops to spend more time promoting and marketing its brands, so the Louisville maker of Jack Daniel's and Southern Comfort is refining its organization.

Effective July 1, Brown-Forman will combine its wine and spirits sales and marketing teams into one and do the same with its wine and liquor production.

By June 15, Brown-Forman plans to have the full organizational structure in place, spokesman Phil Lynch said, and its 1,445 U.S. employees will know which of 35 to 65 positions will be eliminated.

The realignment will reduce the number of salespeople calling on wholesale and retail accounts, Lynch said, and increase the number participating in promotional events such as the Kentucky Derby.

"We're going to have more people available to do what you would call promotions but what we call brand building," he said.

Sales representatives will be handling more brands, Lynch said, reducing the number of sales calls to distributors and large retailers and giving the representatives more clout with buyers since they may be representing Brown-Forman's stronger performers along with developing brands.

Chief Executive Paul Varga said in a statement that the new alignment "will allow Brown-Forman to utilize its full portfolio breadth and strength in partnering with distributors and retail customers."

It will be more efficient and save time for sales personnel and their accounts, Lynch said.

"We're actually doing something our distributors have been asking us to do for a long time."

Combining wine and spirits production under the same leadership will be more efficient and promote an exchange of ideas, Lynch said. "Those guys hardly ever talk to one another now."

The alignment also will affect corporate support personnel, such as accountants and public relations executives, who will have to learn to deal with new combinations of wine and spirits brands.

Although the changes ultimately are aimed at consumer-level operations, the company began laying them out yesterday with a realignment of the duties and reporting patterns of wine and spirits executives and rearranging of global sales territories.

**16. CAMY: Alcohol Ads in Magazines Reach Less Youth**

Youth exposure to alcohol advertising in magazines declined 31 percent from 2001 to 2004, but-largely because of the advertising of a few brands-youth continued to be exposed more per capita than adults of legal age to advertising for beer, distilled spirits and alcopops, according to a new report released today by the Center on Alcohol Marketing and Youth (CAMY) at Georgetown University.

"This decrease in youth exposure to alcohol ads in magazines is an encouraging development and a step in the right direction, but we need to see this kind of improvement across all the alcohol brands," said David Jernigan, CAMY executive director.

Titled Youth Exposure to Alcohol Advertising in Magazines, 2001 to 2004: Good News, Bad News, the report also found that:

Youth saw 15 percent more beer advertising, 10 percent more distilled spirits advertising and 33 percent more advertising for alcopops per capita than adults age 21 and over in 2004. In contrast, in 2001, youth saw 52 percent more beer advertising, 33 percent more distilled spirits advertising, and 63 percent more advertising for alcopops per capita than adults age 21 and over.

Ten percent of the brands advertising in magazines in 2004 were responsible for more than 50 percent of youth exposure. Of the 211 alcohol brands advertising in 2004 in magazines reviewed for this report, 22 brands accounted for more than 50 percent of youth exposure, and about a third of all spending.

In 2004, only 3 percent of ads, and less than 2 percent of spending, were in magazines that exceed the alcohol industry's voluntary threshold of 30 percent youth readerships. Trade associations for the beer and distilled spirits industries set this threshold in 2003, announcing that their members would no longer place advertising in publications with youth audiences greater than 30 percent.

Nearly 42 percent of alcohol ads placed in 2004 were in magazines where the youth audience exceeded 15 percent, roughly the proportion of youth 12-20 in the general population 12 and above. When they examined the issue of underage drinking in 2003, the National Research Council and the Institute of Medicine recommended that alcohol companies immediately adopt a 25 percent maximum for youth audiences for their advertising, and move towards a proportional 15 percent threshold.

Federal Trade Commissioner Pamela Jones Harbour, speaking for herself and not on behalf of the Commission or any other Commissioner, commented, "I am pleased that the overall exposure rate of youths to alcohol ads in magazines has dropped significantly. I am disappointed, however, to learn that 22 brands apparently are responsible for most of the continued exposure of our nation's youth to alcohol ads. I have encouraged those in the business of advertising alcohol to go the extra mile to ensure that the industry's 70 percent standard is met - even if that means aiming for an even higher standard, such as an adult audience of 75 percent or more. Underage drinking causes serious problems for young people and for others affected by their drinking."

The report also concludes that independent monitoring of youth exposure to alcohol advertising is having an effect. Trade associations for beer and for distilled spirits companies have issued more detailed guidelines regarding advertising placement, and the Federal Trade Commission has announced plans to solicit information from alcohol companies to assess compliance with the 30 percent standard.

"Underage drinking is the number one illegal drug problem among our nation's young people," Jernigan said. "Ongoing independent monitoring of youth exposure to alcohol advertising gives policy makers and parents information they need to reduce the odds that kids will drink."

 <http://explore.georgetown.edu/news/?ID=15450>

**17. The King of Beers Rules**

**By Mary Crane – *Forbes***

May 9, 2006

Anheuser-Busch reported price growth in April for the first time in a year, in the midst of an industry where volumes fell flat in April and declined 5.2% in March.

The beer company gained 50 basis points of market share on price growth of 0.3%, said Merrill Lynch analyst Christine Farkas, while competitor SABMiller fell 150 basis points on price growth of 2.4%.

Farkas added that, along with price growth, Anheuser-Busch also saw volume gains, up 1%, along with Molson Coors, which rose 0.6%, and imported beers, whose aggregate volume increased 10.4%.

She maintained a "neutral" rating on Anheuser-Busch, Molson Coors and SABMiller, whose volume levels sank 6.6% in April.

Meanwhile, UBS analyst Caroline S. Levy raised her price target on shares of Anheuser-Busch to $42 from $41 based on higher equity income from the company's majority stake in brewer Grupo Modelo, which has benefited from an improving Mexican beer industry.

Higher volume growth in Mexico and abroad in the first quarter, along with rising gross domestic product expectations for 2006 and 2007 in Mexico, have strengthened Grupo Modelo, in which Anheuser-Busch owns a 51% stake.

Still, Levy maintained a "reduce" rating on Anheuser-Busch shares.

In the U.S., Merrill Lynch's Farkas said imported and craft beers were the best-performing categories in the brewing industry, which grew in volume by 10.4% and 11.1%, respectively. Growth was driven by the Heineken family of beers and the Corona family.

Farkas maintained a "buy" rating on Constellation Brands, which imports Grupo Modelo's brands into the United States.


# 18. Town Hall Meetings Tackle Underage Drinking

By Bob Curley - *JoinTogether.com*

May 9, 2006

A series of more than 1,200 town-hall meetings on underage drinking held in late March and April largely succeeded in their main goal of raising community awareness about the problem of youth alcohol use. But some organizers and participants worried that the meetings were too long on personal anecdotes and too short on specific action steps and follow-up.

The meetings, held in conjunction with Alcohol Awareness Month, were sponsored by the federal Interagency Coordinating Committee for the Prevention of Underage Drinking, which sponsored a pair of regional trainings to help local communities get the meetings off the ground. On the state level, the group Leadership to Keep Children Alcohol Free, led by governor's spouses, was instrumental in organizing the meetings, and many spouses took active roles as moderators.

Typically, meetings were designed to explore the extent of underage drinking in local communities, portraying youth alcohol use as an overlooked problem and using testimony from teens, police, educators, and others to raise awareness. Local data on underage-drinking rates often were used to back up the assertions made in informational panel discussions.

An April 24 town-hall meeting in Maine, for example, included testimony from police chiefs, state Attorney General Steven Rowe, and the Maine Office of Substance Abuse, which reported that while 83 percent of Maine parents don't think their children drink, 65 percent of their children say they have.

Joan Valenstein, co-chair of the Yorktown Coalition for Drug Free Youth in upstate New York, said about 70 people attended her March 30 town-hall meeting, including teens, judges, law-enforcement officials, politicians, school officials, and clergy. "The fact that our panel of experts were teens from our local high school encouraged other youth to come," she told Join Together. "Before the dialogue began, we stated that the purpose of the meeting was to hear and learn from the teens' perspective how they view the drinking/drugging problem in out community, and how we as adults can work with them to minimize risk factors and make Yorktown a safer place for them to flourish."

The alcohol industry also had a presence at some meetings: Diageo North America representatives took part in town halls in Castro Valley, Calif., and Richmond, Va. Organizers of a town-hall meeting in Negaunee, Mich., invited local liquor distributors to attend.

**Common Themes**

A number of common themes emerged from the meetings, according to an analysis by Join Together based on feedback from 92 town-hall participants from 35 states. These included the need for:

    \* parents to be involved and take responsibility for preventing youth drinking

    \* more parents and students to be educated about the legal consequences of drinking

    \* more youth activities as an alternative to drinking

    \* greater awareness about the deadly effects of alcohol

    \* changing social perceptions about youth drinking

    \* providing boundaries for youth

    \* addressing the problem of parents providing alcohol to youth

In Hawaii, for example, Lt. Gov. James Aiona spoke at a March 28 town-hall meeting in Waipahu and urged parents to talk to their young children about alcohol. "By the time parents confront their children about their addiction, it will be too late," he said.

During a meeting in Midland, Texas, Nicole Holt, executive director of Texans Standing Tall, stressed that underage drinking is as much an adult problem as a youth problem, because alcohol is created and marketed by adults. She called for accountability from both adult providers of alcohol and the community at large, including the alcohol industry.

"Parental responsibility ... is the issue the alcohol industry puts out, it's the message we all hear and the one we tend to fall back on," Holt told Join Together. "I think that stuff is good, but parents aren't the only ones providing kids with alcohol."

In Washington, D.C., a meeting organized by the local Safe and Drug-Free Communities Coalition included a youth panel that called for better enforcement of underage-drinking laws -- including license suspensions for repeat offenders -- as well as for schools to treat alcohol like a drug and refer young drinkers to treatment.

A number of the town-hall meetings succeeded in generating broad community interest: two local TV stations covered a March 28 meeting held in Albuquerque, N.M., led by first lady Barbara Richardson, for example, and the event was front-page news in some local papers. Another New Mexico meeting, in Los Alamos, drew about 200 attendees, and 125 people signed in for the Washington, D.C. meeting.

In Oregon, part of the town-hall meeting in Beaverton was slated to air on Fox TV as part of a news special called "Underage Drinking: Oregon's Hidden Crisis," produced with the Oregon Partnership.

**Need for Follow-up**

The town-hall meetings were not without their flaws, however. Some participants said there was too much attention paid to parents and youth and not enough discussion about the responsibility of the alcohol industry or environmental prevention -- such as restricting the number of alcohol sellers in communities and raising alcohol taxes to discourage youth purchases -- that also could help prevent underage drinking.

According to the feedback compiled by Join Together, other common complaints included:

    \* too much emphasis on punishment rather than treatment

    \* low attendance

    \* meetings were too political

    \* lack of a solid action plan

    \* too much personal testimony

"Most of the 'next steps' involved creating task forces, scheduling additional town-hall meetings, and taking the town-hall meetings to smaller communities," Eric Helmuth, Director, Internet Strategy & Communications at Join Together noted. "Only two people mentioned an action plan that involved working with state governments to change laws; both are working to increase the consequences for parents who host parties and for youth caught in possession of alcohol."

Some organizers said that focusing on raising awareness made sense from a local perspective. "People have to know about the problem before they can be motivated to do something about it," said Valenstein. "There were audible gasps when kids said drinking is just part of our life. Parents were awakened from a deep sleep. The kids really told it like it was."

Dennis O. Romero, acting director of the federal Center for Substance Abuse Prevention (CSAP) -- which provided communities with $1,000 grants to underwrite the meetings -- said that of the 335 meeting attendees who submitted feedback forms to the agency, 86.3 percent liked the information they received, and 76.4 percent said the meetings were well planned.

Romero described the meetings as a "first step" toward moving communities to action. "It's money well spent when you bring the major stakeholders together to discuss a single issue," he told Join Together. Romero said CSAP continues to gather feedback on the meetings and would like to see communities use the agency's Strategic Prevention Framework as a guide for followup action, although he stressed, "Communities need to be in the position to decide what the local priorities are."

Reports gathered by Leadership to Keep Children Alcohol Free showed that some communities had a broader focus than others. In Fremont, Calif., for example, state Sen. Liz Figueroa discussed her bill to crack down on the marketing, advertising, and taxation of so-called 'alcopops' -- sweet malt beverages that critics say are marketed to children. At the town hall meeting held in Decatur, Ind., organizers passed around a copy of Join Together's "Get Serious" petition, which calls on lawmakers to take action against alcohol-related problems.

In Oklahoma, a survey of town-hall participants is now being used to support action on issues such as increased use of public-service announcements on underage drinking, youth prevention, and increased penalties for retailers who sell to youth.

Texans Standing Tall actually is holding a series of five regional town-hall meetings; the event in Midland included an introduction to the brain research on addiction, an overview of regional data, and information on prevention strategies like keg registration. Participants were then broken into small groups to brainstorm on possible next steps and to set target dates for achieving goals. "It's a disservice to educate people and then not give them an outlet to do something about it," said Holt.

"Unless people who do these town halls use them as a catalyst to follow up, it's just a waste," agreed Emilio Williams, project manager of the Safe and Drug-Free Communities Coalition of Washington, D.C. Williams said that the D.C. town hall meeting will be followed by outreach to local college communities to address binge drinking, among other efforts.

<http://www.jointogether.org/news/headlines/features/2006/town-hall-meetings-tackle.html>

**19. Jameson Whiskey Sales Double in Ten Years**

**Source: *Unison***

May 11th 2006

SALES of Irish whiskey Jameson are now topping 2m cases a year, making the brand the world's fastest-growing whiskey.

Irish Distillers revealed yesterday at a conference in Cork that sales of Jameson have doubled in the last ten years.

This growth has catapulted the whiskey label into the top 50 of the 100 global premium spirit brands rankings.

In the past year alone, sales in the US increased by over 20pc.

The US is Jameson's biggest market.

Other countries such as South Africa, Russia and Brazil are achieving "exceptional growth rates", chief executive of Irish Distillers Paul Duffy said yesterday.

The global spirits rankings reveal that while overall whiskey case sales grew by just 1.8pc last year, Jameson was up 12.7pc.

Campaign

Jameson's steady growth is set to continue, with the company investing ?40m in a global marketing campaign for the brand.

Irish Distillers-owner Pernod Ricard is working on developing the brand even further and some 100 marketing executives from the group attended a three-day conference in Cork this week.

Meanwhile, Diageo-owned Baileys remains in sixth place on the global spirits brand rankings, according to analysis by leading monitor of sales trends in the drinks industry Impact.

Baileys had a modest 1.5pc growth in case sales, a further slowdown on the equally disappointing 3pc rise seen in 2004.

