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| *September 8, 2006* |

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**I. NATIONAL NEWS.**

**1. Beer, With a Demographic Chaser**

By Suzanne Vranica – *Wall Street Journal*

September 6, 2006; Page B3

**Anheuser Web Site to Mix Entertainment, Ads Aimed At Male Crowd Ages 21-34**

Can the king of beers become the king of entertainment?

In one of the most ambitious forays onto the Internet yet by a marketer, Anheuser-Busch plans to start an online entertainment network as a way to get the attention of beer-drinking young men who are spending more and more of their time on the Web.

Bud.TV, which is expected to go live in February the day after the Super Bowl, will include at least seven types of programming, including sports, stand-up comedy acts and programs that will aim to be TV-quality, ranging in length from several minutes to a half hour. Most of the shows will have an interactive component.

The venture is the latest move by a marketer to create entertainment designed to subtly promote their products. While Anheuser-Busch says it will not litter Bud.TV with ads for its beer, it will make sure consumers understand who is responsible for the entertainment. Aside from the name of the site, Anheuser-Busch's brands are likely to make cameo appearances in some of the shows. Moreover, a few of the channels will be very product-centric. One section dubbed "Bud Tube" lets consumers create their own beer ads.

Other marketers have created TV programs and films, but Anheuser-Busch's decision to provide a whole online network reflects its recognition that its target audience of young men -- often difficult to reach on television and in other media -- now looks to the Web for much of their entertainment.

"We are trying to follow consumers," says Jim Schumacker, an Anheuser-Busch creative executive heading the Bud.TV project. The brewer says it plans to spend "double-digit" millions of dollars on the online push, with some of the money coming from its network and cable-TV broadcast ad budgets.

"Traditional broadcast TV doesn't target to the male 21- to 34-year-olds; it tends to be a broader demographic and a more female draw," says Tony Ponturo, Anheuser-Busch's vice president of global media and sports marketing. "So we are taking it upon ourselves to provide programming that hits that target base."

In 2007, Anheuser-Busch will dedicate about 10% if its U.S. ad budget to online, about double the percentage it is spending this year, including online ads on third-party Web sites as well as Bud.TV and other company Web efforts. The St. Louis company spent $606.7 million on U.S. advertising last year, according to TNS Media Intelligence.

Given the young-male demographic, the content is likely going to be in the same comic vein as the many TV ads for Bud and Bud Light. For example, one series in the works, dubbed "Replaced by a Chimp," shows what happens when a chimp replaces a human in the workplace. A large part of the content will be created and produced by the brewer's outside ad firms such as Omnicom Group's DDB and production firms such as @radical.media.

Anheuser-Busch says it is also working with major Hollywood studios. One studio is currently crafting "The Dating Game," an online reality show that will begin casting calls in bars in November. Anheuser-Busch also will tap into several Hollywood entertainment partnerships already in place, such as an alliance with Triggerstreet.com, the amateur-filmmakers site founded by actor Kevin Spacey.

A major component of the programming is dedicated to sports. Anheuser, a huge advertiser in sporting events, will use its promotional relationships with sporting leagues and teams to get content for Bud.TV. An example of the type of programming it could air is a video the company recently ran on its Bud Light Web site highlighting Major League Lacrosse matches.

Sports leagues, of course, have their own Web sites and deals with major media outlets, which could make it difficult for Anheuser to secure programming. "Everything comes with a price," Mr. Ponturo says.

Over the past year, Anheuser-Busch has been testing the online waters with marketing that goes beyond traditional ads. For example, the company built a site around Ted Ferguson, a wannabe daredevil ad character from the Bud Light TV campaign who performs stunts in return for the beers. The site features three- to five-minute films that follow Ted in his daily life. From November to August, the site had more than 600,000 unique visitors.

Anheuser-Busch's major online ad push is likely to raise eyebrows from advocacy groups that keep a watch of the alcohol industries' ad practices. The brewer says it will try to limit the complaints by continuing to ask consumers to enter their birth dates, as a way to verify their ages. Still, the company does expect some backlash. "You can never please everyone," Mr. Ponturo says.

Putting your age into a Web site is "totally bogus and provides an invitation to youngsters rather than a barrier," says George Hacker, director of the alcohol policies project at the Center for Science in the Public Interest, a nonprofit advocacy organization. With this effort, "Anheuser-Busch is getting into the playground of young people, which is where they want to be."

**2. Will Diageo Sell Off the Guinness Brand?**

*Sunday Independent*

SALES of Guinness in Ireland have plunged by over a quarter in the last eight years. Last week it emerged that in the year to June, the number of pints sold here tumbled another 8 per cent.

At this rate of attrition, there probably won't be any pint drinkers left here in about 12 years' time.

The headlong dash away from Guinness has led to widespread speculation that its parent company, giant multinational drinks firm Diageo, would jettison the brand.

Diageo's ?3.5m-per-year boss Paul Walsh certainly faces a big decision. Does he keep pumping millions into marketing and advertising budgets to boost the sluggish brand, or does he sell it while it still commands a decent price?

Clearly private equity funds would be an obvious purchaser, especially given their propensity for gobbling up brands. Close to ?200bn is burning a hole in the coffers of major private equity firms, with suitable deals thin on the ground. Guinness has Irish sales of about ?500m, according to market sources, which, added to international revenues, would probably conservatively value the brand at somewhere north of ?2bn plus.

"For a big brand like Guinness, it's certainly doable," says Walter Hobbs, partner at ACT, one of Ireland's main venture capital firms. "If Diageo is interested in selling, they'll be able to get private equity funds to look at it seriously.

"I think a strong brand will always attract private equity, and arguably private equity firms are better at getting the knife out. There's a ruthlessness in private equity companies that you wouldn't normally get in the corporate ownership."

Certainly Diageo's St James's Gate operation is now a very definite property play, either in a straight sale or in some form of structured sale and leaseback transaction. The company's 56 riverside acres, less than a mile from Dublin's O'Connell Bridge, must be worth somewhere close to ?600m or ?700m at the very very least.

Competition and regulatory issues would queer the pitch for trade buyers, with rival brewers needing to clock up serious legal bills before even considering a play for the black stuff. But it's by no means impossible, as Pernod Ricard's deal for rival Allied Domecq showed last year.

The beer sector has been busy in recent months, with Aussie firm Fosters selling over $1bn worth of overseas assets, and last week's report that it is being stalked by Inbev, SAB Miller or several private equity groups.

"Beer is a clear play. Consolidation in the spirits market is far ahead of the beer market. Guinness is one of the few global brands, so why would Diageo want to sell it?" says an industry source.

By volume, Guinness is in the top 15 global beer brands. On the flip side, this also means that Guinness could be a logical target for acquisitive beer companies seeking growth.

Guinness is one of Diageo's eight "global priority brands", which also include Baileys, Smirnoff, Johnnie Walker, J&B, Cuervo, Tanqueray and Captain Morgan. The stout stands out like a sore thumb. It's probably the only "global priority brand" that you could drink 10 pints of . . . and not die.

This has led to increased investor pressure on Diageo to keep it simple and concentrate attention on its spirits and wine brands. However, Diageo has consistently said that it is "committed" to Guinness. Speaking following last Thursday's results, Walsh told reporters: "We have no plans to sell Guinness. In the UK it is doing very well."

But Ireland is the elephant in Diageo's livingroom. Last year, the number of pints sold sank 8 per cent, although a price hike negated this somewhat, so revenues only fell 3 per cent. Walsh says a 3 per cent volume slip with flat sales would be a "reasonable" target. The UK, Diageo's other big Guinness market, also saw sales down 3 per cent. Smaller overseas markets did fine, with increases in Russia, the US and Japan.

But if Ireland is switching off Guinness, that's gotta send out a bad message to the rest of Diageo's global markets. Diageo is going to need one heck of a bright marketing wheeze to counter that. It'll need more than Joe McKinney pulling faces and doing a funny dance to bring drinkers back. The company has shelled out ?1.7bn on marketing the more "mature" brands around the world, with Guinness alone accounting for a spend of about ?230m.

The problems with the Irish market are multiplying. The switch to home drinking - exacerbated by the smoking ban - has rocked Guinness, especially as 90 per cent of sales are in pubs rather than six-packs.

This is the big issue. Sales have held up in pubs but the drink-at-home market is more dominated by wine, spirits and cheapo lager. There's also been a demographic switch, as more and more new drinkers start to get wellied on ciders, alcopops and fancy lagers.

For generation eff-you, Guinness is just a smelly old man drink, although the company is ramping up its marketing activities and ploughing millions into the relaunch of its home drinking products.

Having failed to address the slide in Ireland over the last decade, Diageo must be worried. It has not been able to change consumer habits. Boozing on beer is down 15 per cent per head since 2001, with wine the major gainer.

Clearly, others will think that they can run Guinness better than Diageo. Last year, it was rumoured that a well-known Dublin businessman - with links to the drinks trade - was seeking financing for what would have been an audacious approach to buy Guinness's Irish operations.

Diageo has just spent ?24m as part of a capital expenditure program to ramp up brewing activities. With UK production moved back to Ireland last year, St James's Gate is now scheduled to roll out some 12m kegs per year, or 40 per cent of global production.

Now that much of the production is centralised, buying Guinness or even just its Irish operations is a cracker of an opportunity for a highly focused private equity firm.

But will Diageo sell? If it plans to take part in the beer gold rush by snagging other global brands - a Fosters, a Carling or a Corona - then it clearly won't sell. But if a deal doesn't materialise in the next year or two and it can't stem Irish declines, one would expect Diageo to start making eyes at prospective buyers.

**3. Alcohol-Marketing Watchdog Slams Industry**

By Mike Beirne

August 31, 2006

CHICAGO -- The Center on Alcohol Marketing and Youth again takes issue with the beer and spirits industries' voluntary guidelines for advertising buys by claiming today that 14% of alcohol-related radio spots aired on programming where minors represented more than 30% of the listening audience.

The Georgetown University-affiliated group and researchers from the Centers for Disease Control and Prevention scrutinized 67,404 ads that aired on 104 U.S. radio stations during the summer of 2004. It found that 9,158 ads ran in programming where the listening audience of youths 12 to 20 years old exceeded the beer industry's self-imposed listening audience threshold of 30%.

The figure is an improvement from CAMY's 2003 study, which found that 28% of alcohol ads had youth audiences greater than 30%. However, the ads exceeding the threshold during 2004 accounted for nearly one-third of total youth exposure to alcohol advertising. The study, which is published today in the CDC's Morbidity and Mortality Weekly Report, contends that for 11 of the top 25 most advertised brands, almost half of the messages that reached minors resulted from radio buys that exceeded the 30% standard.

"Young people spend more time listening to the radio than they do reading magazines or surfing the Net, so reducing youth exposure to alcohol ads on radio is critical," Dr. David Jernigan, CAMY's executive director, said in a statement released Thursday. "In September 2003, the alcohol industry made modest revisions to its voluntary code in order to reduce youth exposure to alcohol advertising. While progress is being made, the industry still has a long way to go."

However, the Beer Institute, a Washington trade group representing brewers, noted that the Federal Trade Commission questioned Camy's research methodology in the 2003 report and rejected a call for an 85% adult audience placement guideline.

"It is disingenuous for Camy in 2006 to retread data about radio ads that ran in the summer of 2004 when the organization was made well aware that some advertising for 2004 had already been purchased in 2003 before the 70% placement standard became effective, January 1, 2004," Beer Institute president Jeff Becker said in a statement.

"When briefed immediately after brewers raised the advertising placement standard, it was explained to Camy that advertising is often purchased as much as a year in advance and some ads purchased before the Code took effect may have run as late as December 2004. Overall compliance with our voluntary code was still very strong, as Camy noted in its own report, indicating that 86% of the radio placements in the markets studied already met the 70% standard in our Code. This underscores the effectiveness of self-regulation and our members' ongoing commitment to responsible advertising."

**4. Heineken Profit Rises 26% on Emerging Markets, U.S.**

By Meera Bhatia – *Bloomberg*

September 6, 2006

Heineken NV, Europe's third-largest brewer, said first-half profit climbed 26 percent, helped by expansion in Russia and sales of a low-calorie beer in the U.S.

Net income rose to 433 million euros ($554.9 million), or 88 cents a share, from 345 million euros, or 70 cents, a year earlier, the Amsterdam-based company said today in a statement. Sales climbed 12 percent to 5.74 billion euros. Analysts expected net of 409.5 million euros, the median estimate of 12 analysts polled by Bloomberg News shows.

Heineken, like larger rival InBev NV, is cutting costs, introducing new products and expanding eastward to make up for a lack of growth in western Europe. Heineken, whose namesake beer is sold in more than 170 countries, benefited from the World Cup soccer tournament, some analysts said before the results.

``I see that the changes at Heineken are taking root and that the company is becoming more focused and competitive,'' Chief Executive Officer Jean-Francois van Boxmeer in the statement. The steps the company is taking will help Heineken ``deliver future growth.''

Van Boxmeer aims to cut spending by 200 million euros annually through 2008. The company expects to have as much as 15 percent of the gross savings in fixed costs this year. Heineken said today that it expects one-off pretax costs of 60 million to 75 million euros this year.

**Premium Light**

The introduction of Heineken Premium Light in the U.S. exceeded expectations with sales of more than 300,000 hectoliters by the end of June, Heineken said today. The company expects to sell more than 600,000 hectoliters in 2006. That is 50 percent above the original forecast, it said in the statement. The introduction also had a positive effect on the main Heineken brand, the brewer said.

Heineken singled out the 99-calorie Premium Light brew when it raised its forecast for this year's profit in July, along with ``strong'' gains in the amount of beer sold in places including Africa and southeast Asia.

``The trading statement back in July took away almost all the news flow,'' said analyst Sebastiaan Schreijen at Fortis Bank Investment Banking in Amsterdam, before the results were released. ``It showed good growth in Africa, a pick up of Premium Light and renewed success of import beer in the U.S. There was also good news about Russia.'' He recommends investors buy Heineken shares.

**Russia**

Beer sales are ``developing well'' in Russia, where Heineken is expanding to take advantage of the country's eighth straight year of economic growth, Heineken has said. The company plans to increase its share of the Russian beer market to 20 percent from 16 percent in five to six years.

In the first half, the amount of beer sold rose to 62.8 million hectoliters (52.7 million barrels), boosted by demand in central and eastern Europe. Excluding acquisitions, the gain was 6.6 percent. Western European volume growth on that basis was less than 1 percent.


# 5. Physicians See Smoking Far More Harmful Than Drinking

*Beverage News Daily*

September 6, 2006

Most physicians believe smoking is the most harmful activity their patients can engage in – far more dangerous that lack of exercise, unhealthy diet, drinking alcohol and over-eating.

That’s the conclusion of a survey presented yesterday at the World Congress of Cardiology/European Society of Cardiology meeting in Barcelona, Spain.  In fact, 81% believe smoking is a chronic, relapsing medical condition.

Despite this, over half the physicians said they don’t have time to help smokers quit, and 38% feel inappropriately trained.

**6. Diageo Silent on "Vodka Water" Launch**

***Just-drinks***

September 5, 2006

Diageo has refused to comment on reports that it is testing a Smirnoff-branded alcoholic sparkling water in the US.

The UK drinks giant is trialling Smirnoff Source, a carbonated mix of spring water, natural flavours and malt alcohol in Texas, according to a report in UK-based publication Marketing Week.

However, a spokesperson for Diageo North America refused to be drawn on the report. "I cannot comment on that," she told just-drinks today (5 September).

Diageo's RTD sales rose 3% in the year to 30 June but the company is believed to be looking to introduce new products in the category to further boost sales.

**7. Anheuser-Busch Sees Moderate Volume Growth**

**By Jessica Wohl – *Reuters***

**September 6, 2006**

CHICAGO, Sept 6 (Reuters) - Anheuser-Busch Cos. Inc. <BUD.N> on Wednesday said U.S. sales growth has been modest so far this quarter, driven largely by the addition of brands such as Rolling Rock, and it expects moderate volume growth going forward.

Anheuser-Busch, which controls about 50 percent of the U.S. beer market, hopes that imported and craft beers, as well as spirits-based products and nonalcoholic energy drinks, will spur growth. Such drinks are growing at a faster clip than traditional beers, the company's main products.

"Positive momentum has returned to the U.S. beer industry," President August Busch IV said in a statement ahead of a presentation at a Prudential Equity conference. "Going forward, we expect volume growth to continue, but at a more moderate rate, due to challenging comparisons for the industry and (Anheuser-Busch) in the second half of 2006."

During his presentation, Busch said that while many people expected the summer to be filled with aggressive discounting in the United States, the season was "relatively favorable."

"We are by no means declaring victory" for beer or the company's business in particular, but momentum is returning, he said.

Anheuser-Busch said that sales-to-retailers were up 1.3 percent from the start of the year through Labor Day, and up 0.5 percent so far in the third quarter.

Sales-to-retailers, a key indicator of consumer demand, were up 2 percent in the second quarter, aided by the newly added Rolling Rock, Grolsch and Tiger beer brands.

Without the addition of such products, sales-to-retailers in the third quarter would be about flat, the company said.

"As (Anheuser-Busch's) share performance has lead the group (year-to-date), some may regard apparently slower volume growth as an opportunity to lighten up," Deutsche Bank analyst Marc Greenberg said in a research note. He rates the shares "buy."

The stock, which had been up nearly 15 percent so far this year, fell $1.02, or 2 percent, at $48.28 in afternoon New York Stock Exchange trade.

JP Morgan analyst John Faucher told clients in a note that the shares may be reacting to the third-quarter volume figure. He had anticipated 1 percent to 1.5 percent growth.

"While we don't find the valuation compelling at current levels, a pullback based on volume concerns would make the stock more interesting," Faucher wrote. He has a "neutral" rating on the shares.

Anheuser-Busch, whose Bud Light is the best-selling beer in the United States, still expects to raise prices on most of its products early next year, with some increases coming in the fourth quarter of 2006.

During its presentation, Anheuser-Busch highlighted the success it sees in international ventures, such as its 50 percent stake in Mexico's Modelo <GMODELOC.MX>, which accounts for most of Anheuser-Busch's international profit.

Modelo recently struck a deal that calls for Constellation Brands Inc. <STZ.N> to sell its Corona beer and other drinks across the United States rather than in just one-half of the country. The move should boost Anheuser-Busch's earnings per share starting in 2007, Chief Financial Officer W. Randolph Baker said.

The U.S. company's revenue per barrel rose about 1 percent in the second quarter and should be up 2 percent in the third quarter, the company said.

Anheuser-Busch also said it still expects long-term earnings per share growth of 7 percent to 10 percent.

**8. A-B Warns of Slowing Domestic Volumes**

Editorial Team – *just-drinks.com*

September 7, 2006

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| http://www.just-drinks.com/articleimage.aspx?ID=23878&tp=hp |
| [view image](http://www.just-drinks.com/articleimagelist.aspx?ID=87668) |

Anheuser-Busch has declared that “positive momentum” has returned to the US beer industry but warned that growth will slow during the second half of the year.

The Budweiser brewing giant told US investors yesterday (6 September) that volumes throughout the industry have risen 2.7% up until the end of July. The upturn in the industry comes after wine and spirits had gained ground on beer in recent years.

[A-B](http://www.just-drinks.com/factsheet.aspx?id=3) enjoyed a 3.2% rise in volumes over the same period with Bud Light volumes rising 5%, the company said. However, A-B president August Busch IV warned that growth would slow in the coming months.

“Going forward, we expect volume growth to continue, but at a more moderate rate due to challenging comparisons for the industry and A-B in the second half of 2006,” he said.



**9. Miller Faces Boycott over Immigration**

***Just-drinks.com***

**September 6, 2006**

Miller Brewing is facing a boycott of its products in the US after several lobby groups accused the brewer of backing illegal immigration.

A coalition of over 100 groups has called on US consumers to boycott Miller products amid claims the brewer gave cash to a Chicago organisation that set up marches supporting illegal immigrants.

"It is time for these large corporations that are using their financial influence to open America's borders to be punished," said William Gheen of advocacy group Americans for Legal Immigration PAC (ALIPAC). "It is time for the immigration enforcement movement to show these unscrupulous corporations what we can do when we all work together."

The coalition has called for consumers to shun Miller's stable of brands including Miller Genuine Draft and Miller Lite as well as selling any shares in the company

Miller denied it had backed the Labor Day immigration march held in Chicago on Monday (4 September) and said it had "never supported illegal immigration".

The brewer added: "Miller will closely review all requests for support from community and charitable organisations to ensure that we are not indirectly funding or associating our name with advocacy efforts on the immigration issue. We plan to stick to the business of brewing, marketing and selling great beer."



**10. Senate Wants ‘Light Cigarette Label Ban**

By Donna De La Cruz – *Associated Press*

September 7, 2006

WASHINGTON – Lawmakers must move quickly to keep tobacco companies from continuing to label cigarettes as “low tar” and “light” following a landmark federal court ruling that said several major tobacco companies have conspired to mislead the public about the health hazards of smoking, an anti-tobacco senator said Thursday.

New Jersey Democrat Frank Lautenberg called on his Senate colleagues to back the court ruling that banned the use of cigarette labels such as “low tar” and “light” U.S. District Court Judge Gladys Kessler here said those labels are misleading. Tobaccl companies are appealing.

“A court of law found that Big Tobacco lied to the American people, and ordered them to stop its deceptive marketing,” Lautenberg said. “Now Big Tobacco’s lawyers are trying to drag the case out in court. That is why we need to move quickly on this stop gap measure now.”

Luatenberg introduced the ‘Truth in Cigarette Labeling’ act Thursday that would ban the use of the labels. The bill has no GOP co-sponsors. Other Democratic co-sponsors included Hillary Clinton of New York, Tom Harkin of Iowa and Robert Menendez of New Jersey.

Lautenberg cited an internal memo written in 1975 by Philip Morris that he says shows the company was misleading the public. The memo, which was provided to The Associated Press, said a study conducted by the company showed that people smoking Marlboro Lights actually inhaled more nicotine than if they had been smoking regular Marlboros.

The company did not immediately return a message seeking comment Thursday.

In regard to Kessler's ruling, tobacco companies have said they will lose customers to smaller cigarette manufacturers who weren't part of the civil suit filed by the Justice Department. Thedefendants are: Philip Morris USA Inc. and its parent, Altria Group Inc.; R.J. Reynolds Tobacco Co.; Brown&Williamson Tobacco Corp.; British American Tobacco Ltd.; Lorillard Tobacco Co.; Liggett Group Inc.; Counsel for Tobacco Research-U.S.A.; and the now-defunct Tobacco Institute.

The only cigarette maker excluded from Kessler's ruling was Liggett. Kessler credited Liggett with coming forward in the 1990s to admit smoking causes disease and is addictive, among other things.

Lautenberg is one of the Senate's biggest tobacco opponents. In July, he introduced a bill to ban the sale of all tobacco products at sundry shops in the Senate complex. He also wrote the law banning smoking on commercial airlines.

[http://www.foxnews.com/wires/2006Sep07/0,4670,APFNSenateCigarettes,00.html](http://www.foxnews.com/wires/2006Sep07/0%2C4670%2CAPFNSenateCigarettes%2C00.html)

**II. IOWA NEWS.**

**11. Higher-End Liquor Sales Push State Income Up**

By William Petroski, Staff Writer – *Des Moines Register*

September 3, 2006

**Young adults develop taste for pricier drinks**

Iowans are drinking more liquor, sipping more wine and quaffing a little more beer.

A report from the Iowa Alcoholic Beverages Division shows that 3.7 million gallons of liquor were sold in Iowa during the 12 months ending June 30, up almost 7 percent from the same period a year earlier. Wine sales totaled 3.2 million gallons, also up nearly 7 percent, while beer sales hit 75 million gallons, an increase of about 1 percent.

The state agency, which has a monopoly on the wholesale distribution of liquor in Iowa, generated $83 million for the state and local government programs in the recently concluded budget year. The proceeds, which were up 6.4 percent, included $53.2 million in net profit from the sale of alcohol, plus money from license fees, beer and wine taxes, and civil penalties.

At Central City Liquors in Des Moines, one of Iowa's busiest liquor stores, high-priced vodkas are selling well, said owner Tom Duax. Premium, single-malt scotches are also popular, he added.

"The state has given us a far, far better selection of single-malt scotches than we have ever had in the past," Duax said.

At the Sports Column bar in downtown Iowa City, vodka is also a big draw, and it's often served with energy drinks like Rock Star, said Bill Bryce, one of the head bartenders.

"There is kind of a boost from the energy drink, along with the vodka. It supposedly gives you a different kind of effect," Bryce said. "Beer is also very popular and Bud products seem to be more popular than Miller. Bud Light seems to be the most popular, I would say."

One factor behind the increase in alcohol sales is shifting demographics, said Lynn Walding, administrator of the state's Alcoholic Beverages Division.

As more young people reach the 21-to-29-year-old age category - the so-called "Baby Boom Echo" crowd - they are consuming liquor, beer and wine. Many customers are buying higher-priced, top-brand products instead of cheaper drinks, he added.

The state's top-selling liquor is Black Velvet Canadian whiskey, with Hawkeye Vodka, a discount product, in second place. Captain Morgan Spiced Rum is third.

At A.K. O'Connors in Des Moines' Beaverdale neighborhood, the 24-to-35-year-old crowd is definitely developing more of a taste for liquor, said Jason Buck, an assistant general manager. One brand they prefer is Stolichnaya, a Russian vodka, which offers flavored products often mixed with Sprite or lemonade, he added.

"I don't know if they are trying to get a little more classy or formal, but their taste for liquor is definitely rising. There are a bunch of brand-new liquors that are a lot more appealing to the younger crowd, and I think that is becoming kind of a big thing," Buck said.

He said different types of alcohol sell at different times of day. He calls happy hour "beer thirty" because most people order beer then - at about 5 p.m. Later in the evening, the mixed drink sales go up and he sells a lot of alcohol mixed with an energy drink.

Julie Lyle of Des Moines said she usually starts the evening off with a beer. Later, she switches to something mixed with an energy drink to help keep her awake. "Late at night I go for Red Bull and vodka," Lyle said. "It helps if you've already had a lot to drink."

Dickinson County, home of the Iowa Great Lakes tourist region, still holds the state title for highest per capita consumption of liquor, averaging 5.31 gallons per capita during the past state budget year. Polk County ranked second with 2.87 gallons per capita.

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=2006609030335>

**12. Device's Lights Tell if Buyer of Liquor, Tobacco is Legal**

By William Ryberg, Business Writer – *Des Moines Register*

September 8, 2006

### A driver's license is scanned, using red or green signals while protecting customers' privacy.

Red light. Green light.

LTE Inc., a Grinnell company, has developed a machine that checks information on a customer's driver's license and uses a simple red or green signal to let a retailer know whether the customer is legally permitted to buy alcoholic beverages or tobacco.

"We'll guarantee the read," said Zack Pickard, the company's sales manager.

LTE calls its age-verification scanner EZ-ID and says it is in the process of getting patents on the device.

EZ-ID resembles machines used to scan information from a credit or debit card. A store clerk checks to make sure the customer matches the photograph on his or her driver's license. The clerk then swipes a customer's driver's license through a slot and EZ-ID reads birth date information embedded on the back in a magnetic strip or a bar code.

If the customer is of legal age to buy liquor, for example, a green light flashes above a miniature martini glass symbol on the machine. A red light flashes if the customer isn't 21. Similar signals are given for tobacco purchases, with a light flashing red or green above a miniature cigarette symbol. Both lights flash if the ID is a fake, Pickard said.

Other scanners are on the market, but provide a read-out that shows driver's license information in letters and numerals on a tiny digital screen and reports the person's age.

Pickard said EZ-ID is better because it reads all the numbers internally and just gives the sales clerk a yes or no answer through the light system.

"It's a definitive answer," he said. "It's a red or green light." The system also raises no privacy issues, he added, because no information is displayed.

One EZ-ID model sells for about $400 and reads magnetic stripes used on driver's licenses in about 20 states. A bar-code version reads licenses from all 50 states and sells for about $900, said Layth Tabatabai, the Grinnell entrepreneur who founded LTE and created EZ-ID.

In Iowa, a retailer could use either version because Iowa licenses have magnetic stripes and bar codes, Pickard said.

Wade Round, director of a Short Stop convenience store in West Des Moines, said an EZ-ID is working well at his business.

"It really takes all the guesswork and errors out of physically looking at an ID," Round said.

A quick, simple and accurate method of checking IDs is important in businesses where there's turnover in sales staff, and where sales to underage customers can result in stiff penalties, Round and Pickard pointed out.

Lynn Walding, administrator of the state's Alcoholic Beverages Division, said Iowa driver's licenses already provide a cheap, effective means of verifying age.

Licenses of Iowans under-21 state in bold letters that the person isn't 18 or 21.

In addition, Walding said, driver's licenses of residents younger than 21 are printed so the license has to be held vertically to be read. Licenses of those older than 21 are printed so the license is held horizontally.

Scanners, Walding said, aren't foolproof.

The Iowa Grocery Industry Association took an EZ-ID machine to several association meetings around the state last month and found interest among retailers, said Jerry Fleagle, association president.

Tabatabai, 39, came up with the idea while on vacation. He saw a convenience store sales clerk struggling as she dealt with customers' licenses.

Tabatabai hit upon his red light/green light idea and drew up plans for a scanner. The company began selling the scanners in August, but Tabatabai doesn't want to disclose sales so far. Tabatabai has ambitious sales goals - 30,000 units in the next five years.

LTE buys components from various suppliers. The machine, including the electronic control board, is manufactured and assembled in Grinnell.

LTE is among a group of companies that he runs. Together they have a work force of seven people in Grinnell.

**13. Police: Woman Drives Drunk to Turn Herself In**

*Associated Press*

September 5, 2006

IOWA CITY — A woman turning herself in on a drunken driving charge may have picked the wrong time to drive to the police station.

That's because police say she drove there drunk.

Debbie Hansen, 23, of Cedar Rapids was turning herself in on a July drunken driving charge when she went to the Iowa City police station Friday night, a criminal complaint showed.

Police said they smelled what they believed to be alcohol and asked her to take sobriety tests. Hansen submitted to those tests, and her blood alcohol level was 0.15, records show.

<http://www.dmregister.com/apps/pbcs.dll/article?AID=/20060905/NEWS01/60905001>


# 14. Iowa City Cracks Down on Crowds

By Erika Binegar, Correspondent – *Des Moines Register*
September 2, 2006

### Officials say overcrowding in bars and restaurants is becoming dangerous.

Iowa City, Ia. - Iowa City bars that pack patrons on football weekends are scrambling to deal with stricter fire code enforcement and bigger fines for crowding.

"If you're overcrowding a building, particularly one serving alcohol, you're putting quite a risk on endangering safety," said Iowa City Fire Chief Andy Rocca.

As Hawkeye fans descend on Iowa City for today's football season opener against Montana, fire officials are starting to require bars and restaurants to have emergency evacuation and fire safety plans, as well as trained crowd control managers, Rocca said.

A proposed ordinance would triple overcrowding fines from $250 to $750 for the first offense.

Iowa City's packed pubs put people at risk, Rocca said. This was highlighted when a 2002 flaming bar stunt at a downtown nightclub injured nine people. An April tornado could have caused devastation had it hit harder downtown, added University of Iowa junior Donald Whalen.

"When we had the tornadoes, that could have been bad," Whalen said. "It's dangerous to have that many people in there because you can't get out." The new ordinance, first explained to bar and restaurant owners in March, has generated a rush to re-evaluate current occupancies, officials said. An establishment's occupancy factors in floor area, exits and bathroom fixtures to come up with a comfortable capacity.

"Because the fire department is cracking down on them, a lot of the bars officially applied to get their occupancy recalculated in the hopes it would increase, said Jann Ream, housing and inspection services code enforcement assistant. "But it can go the other way too," she said, referring to one bar whose capacity went from 420 to 260 in the recent re-evaluation. Some bars are even removing tables to increase their occupancy, one bar owner said.

The fire department's new captain of inspections will oversee regular head counts at bars that appear overly full, Rocca said. If bars are over their capacity, they will have to refuse business until the crowd has thinned. If owners don't comply or ignore warnings, fire officials will issue citations - an action they did not take last year, Rocca said.

Bar owners aren't worried about the fines, said Leah Cohen, owner of Bo-James, a downtown bar. Instead, they're concerned about losing business during football season.

As many as 20 downtown bar owners feel their capacities are too low, she said. Bo-James' capacity is listed at 120 but she can seat 145, Cohen said.

"You can't even fill your seats and you're over capacity," she said.

Cohen and others have asked city staff to give them until the end of January to make the necessary changes to increase their capacity. In her case, Cohen needs a toilet and a restroom sink.

Though out-of-towners could be hard-pressed to find a place to watch today's game on TV, Rocca said establishment owners have had ample time to ask questions and plan for the change. "It'd be very disappointing if we were overcrowded," he said. "We've been working on rolling this program out."

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=2006609020333>

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| By the numbers |
|   |   | Below are the largest bars in Iowa's public-university towns and the bars' capacities:IOWA CITYUnion Bar: 854 Summit: 568First Avenue Club: 500 AMESOlde Main Brewing Company: 522Sips: 296Paddy's: 271CEDAR FALLSCoconuts Beach Club: 660Beck's: 560Joker's Night Club & Comedy: 400Source: Iowa City housing and inspections, Ames and Cedar Falls fire departments |

**15. ISU Student Pleads Guilty in Drunken Driving Death**

By Lisa Rossi, Ames Bureau – *Des Moines Register*
September 2, 2006

### Shanda Munn admits she was drunk when her car fatally hit Kelly Laughery.

Nevada, Ia. - A tearful Shanda Munn admitted in court Friday that she was driving while impaired by alcohol when her car struck and killed a fellow Iowa State University student, Kelly Laughery, last December.

Munn's guilty plea is part of an agreement with prosecutors that reduces the maximum sentence she will face. Munn also must cooperate with prosecutors if charges are brought against the people who supplied the alcohol that she consumed.

According to court papers, Munn left a party on the west side of the ISU campus late on Dec. 2, after many partygoers reported seeing her consume alcohol.

Russ Schroeder, the lawyer for the Lawler woman, said she had been at a party with 40 people and had consumed six to eight drinks in five hours before she drove away.

Laughery, 20, a member of the Sigma Kappa sorority, was found lying on Mortensen Road at 4:30 a.m. Dec. 3. The sophomore from Orient was taken to an Ames hospital, where she was pronounced dead.

Police determined she had been struck from behind while walking along the street.

During the court hearing Friday, Munn pleaded guilty of vehicular homicide, a Class C felony that carries a maximum sentence of 10 years in prison, plus fines. She originally was charged with a more serious form of vehicular homicide, which would have carried a maximum sentence of 25 years in prison upon conviction.

Besides reducing the vehicular homicide charge, Story County prosecutors also dropped a charge of leaving the scene of a personal injury accident, an aggravated misdemeanor, which would have added another possible two years in prison.

Iowa State University students said Friday that they hope Munn's admission of guilt and the publicity surrounding the guilty plea would stem what many said was a drinking-and-driving problem on the Ames campus.

"It's a big event; it's emotional," said Ryan Smyrk, 19, an ISU student from Rochester, Minn., as news of the outcome of Munn's court hearing spread across the campus.

Smyrk said that at least once a weekend he sees someone in Ames get in a car after drinking. He said he hopes after this case "people realize it's a serious thing. It needs to stop."

A total of 218 people were charged by ISU police in 2005 with driving under the influence of alcohol. That is an increase of 69 since 2000.

Schroeder, the Charles City lawyer representing Munn, said he will present evidence at her sentencing hearing to help the judge make a decision on her punishment. According to the terms of the plea agreement, Schroeder is prohibited from recommending a sentence to the judge.

Laughery's parents, Douglas and Pamela Laughery, have filed a wrongful-death lawsuit against Munn and four other ISU students they say were responsible for their daughter's death. The Laugherys contend the other students hosted the keg party Munn attended. The four are identified in the lawsuit as Jody George, Nicholas Tonelli, Tony Galante and Kelly Campbell.

Members of Laughery family declined to comment on the plea agreement Friday. Munn would not comment further Friday, Schroeder said.

Laughery's death led to a push in the Iowa Legislature this year to toughen penalties for people who fail to stop at the scene of a personal injury accident that causes a death. Some Laughery family friends had said the old penalties were too lax.

Under a resulting new law, the charge of failing to stop at such an accident was increased to a Class D felony, which carries up to five years in prison, plus fines. The charge had been an aggravated misdemeanor.

Rep. Clel Baudler, R-Greenfield, the chairman of the Iowa House Public Safety Committee, was part of the bipartisan effort to craft tougher penalties in cases like Munn's death. He said he knew Laughery when she was a little girl.

He said he supported the plea agreement if Munn "testifies against the people that supplied her the alcohol."

"If we're going to ... give her a break, she has to perform some type of action that shows good faith, that shows she deserves a break," he said.

Story County prosecutors and ISU Police would not say whether they will pursue charges against those who supplied alcohol to the party where Munn drank. She was under the legal drinking age at the time of the accident.

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=2006609020341>

**16. Offer Alcohol to All or None on Game Day at Kinnick**

Editorial Board – *Daily Iowan*

September 6, 2006

Recent efforts by binge-drinking awareness group Stepping Up have been aimed at stopping the sale of alcoholic beverages in the luxury suites at Kinnick Stadium. These efforts are commendably focused on the inequality the decision to sell alcohol in the sky boxes created between those watching the game from the suites and those in the stands. This institutionalized discrimination based on the income of game-day spectators is shameful, and the university should not allow sale of alcohol at Kinnick Stadium unless it deems it safe to offer alcohol to all patrons over the legal age.

University policy does allow student organizations and university departments to sell beer or wine provided by IMU Food Service at events held in nonacademic buildings. This policy also expressly prohibits the sale or consumption of any hard liquor on university premises under any circumstances. The athletics department's original proposal included a provision allowing the sale of hard liquor through the third quarter in the suites, however, and although this was not approved, its inclusion is indicative of the department's disregard for the spectators and their safety.

The athletics department's defense of this proposal has hinged on the assertion that the availability of alcohol was a key selling point for potential leaseholders. The 46 suites have brought in a lot of money - $57,000 per year for the average skybox - but it is not reasonable to argue that the leaseholders would have been less forthcoming with their donations were alcohol prohibited in the suites. Contrary to this assumption is that several leaseholders, including the university president, have decided that their suites will remain dry, presumably in recognition of the athletics department's irresponsibility.

While binge drinking remains a very important issue to the university community, the availability of beer and wine in the stands is unlikely to greatly contribute to this problem. Stringent carding is to be expected, of course, and the costs of the liquor served at Kinnick, $3.50 domestics and margaritas, $4.25 imports, and $4.25 for a glass of wine, are high enough that students will not be likely to binge drink using alcohol purchased at the stadium.

Tens of thousands of spectators pay substantial amounts of money to buy tickets. The message the athletics department is sending by allowing the sale of alcohol in only the luxury suites is that those who can afford the extra cost for the suites are somehow more responsible and can be trusted to consume alcohol inside the stadium, while the adults in the stands cannot.

This Editorial Board supports Stepping Up's efforts to create equality throughout the stadium.



**17. Supervisors Mull Tobacco Ban**

By Mark Magoon - *The Daily Iowan*

**September 8, 2006**

Tobacco has been a smoking-hot issue in Johnson County.

Following the lead of recent UI policies that limit where people can smoke on campus, the Johnson County Board of Supervisors is discussing eliminating smoking from its grounds. Unlike the university measures, which ban smoking on the UI Hospitals and Clinics grounds and within 25 feet of the entrances of other campus buildings, the supervisors are pondering eliminating smokeless tobacco, in addition to smoking, from county property under its jurisdiction.

"The Board of Health thought something needed to be done," said Supervisor Mike Lehman, the board's chairman.

Supervisor Rod Sullivan said, "The policy will essentially eliminate tobacco use on county grounds," adding that the policy would focus solely on use and would not bar citizens from possessing tobacco products either in or around county buildings.

The supervisors discussed the measure on Thursday during their regular meeting. County Attorney J. Patrick White commented on the severity of the tobacco issue, suggesting that the board pursue the policy further.

"My recommendation is that this take the form of a resolution," he said.

Supervisor Pat Harney echoed White's sentiments, adding, "This needs to be rewritten. We need to take more time on it."

Under the proposed policy, those caught using tobacco on the premises of a county building could be charged with trespassing and, in severe circumstances, even placed under arrest.

"It's a little extreme," said Lehman, who was quick to add that a few issues needed to be cleaned up and that the supervisors were hoping to put together a committee to further discuss the proposed measure.

One of the issues in question is the breadth of Johnson County's jurisdiction; in some cases, it's unclear as to how far it reaches. One gray area is the courthouse, where it's uncertain if state employees would be subject to the same tobacco prohibition as county workers.

Another point of contention comes from the jail: Employees are not allowed to leave the premises while on duty, and it's unclear how they would take their smoke breaks.

The tobacco policy was eventually tabled Thursday, while the supervisors mulled other issues. They are expected to bring up the tobacco policy on Sept. 13 at 9 a.m. in the county administration building.



Bottom of Form



**18. NW Iowa Takes Stand Against Underage Tobacco Use**

*KTIV*

September 8, 2006

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| WECARD |
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During the "We Card" training session today, 50 convenience store owners and clerks in Siouxland, learned steps to curbing tobacco sales to minors. A member of the Responsible Tobacco Sales Coalition taught the group how to spot a fake I-D.Iowa state law prohibits the sale of tobacco products to those under 18... but many teens find ways around it.Jamie Bultman a Fiesta Foods Clerk says, "I've witnessed somebody coming in and buying and then going out and handing it to somebody else. I just didn't realize what was going on until it was too late to do anything about it."One expert says store clerks need to slow down. They're often so busy trying to get customers in and out of their stores quickly... that they forget to check i-d's or just don't give them a good look.Terry McKenna from Coalition for Responsible Tobacco Retail says, "Take about three to five extra seconds and really look at that ID. That's not gonna ruin the consumer's day, if they've got to wait a few extra seconds for you to be responsible."Store owners can eventually lose their license... and even their business... if they're caught selling tobacco to minors.  |


# 19. 4 New TV Ads Promote Ban on Smoking in Restaurants

By Tony Leys, Staff Writer – *Des Moines Register*
September 8, 2006

### Diners munch on butts in one spot that aims to show the danger of secondhand smoke.


New state-sponsored TV ads graphically portray the danger of secondhand smoke, then contend that "everywhere should be a nonsmoking section."

The issue has been controversial in Iowa, where legislators have declined to ban smoking in public places or to allow local governments to pass such bans.

In one ad, airline-style oxygen masks fall from a restaurant ceiling, and diners scramble to put them on to protect against cyanide fumes and other poison gases spewed by cigarettes.

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| Ewww! |
|   |   | **EATING BUTTS:** In the most gut-churning moment of the anti-smoking ads, diners appear to eat cigarette butts mixed in with french fries, drinking water, syrup and ketchup.**DAMAGE:** The ad illustrates the damage people do to themselves when they eat where smoking is allowed. "No matter where you sit in a smoky bar or restaurant, your food and your body are being exposed to the poisons and 63 cancer-causing chemicals found in cigarettes," the narrator says.**NO WORRIES:** Aren't the actors being exposed to poisons by eating cigarette butts? Actually, no. The "butts" are props, made of chocolate. |

In another ad, diners munch on cigarette butts mixed in with their food, illustrating the toxins people ingest when they eat in smoky restaurants.

"Secondhand smoke kills 53,000 Americans a year," one ad says. "It's time we took it seriously."

Mary Mincer Hansen, director of the Iowa Department of Public Health, said the ads are not intended to promote a government ban in restaurants and bars. "I think what it comes out in favor of is having restaurants go smoke-free" voluntarily, she said.

The four ads, which debuted this week, are part of a $900,000 annual media campaign financed with money the state received under a legal settlement with tobacco companies. The ads were produced by a professional company, with help from a state-sponsored youth group called "Just Eliminate Lies."

The group's president, Lyn Peck of Farmington, said she interprets the ads as favoring government restrictions. "It would be absolutely amazing if we could have a statewide ban on smoking in restaurants and other businesses," she said.

Peck said such restrictions could be several years away in Iowa. In the meantime, she said, the group hopes to encourage individual businesses to ban smoking voluntarily.

In June, the U.S. surgeon general released the government's most detailed report ever on the issue. "The scientific evidence is now indisputable: secondhand smoke is not a mere annoyance. It is a serious health hazard that can lead to disease and premature death in children and nonsmoking adults," the report said.

At least 15 states have imposed smoking bans, and 33 states allow cities to impose local bans, smoking opponents say. But such proposals have failed to gain traction in Iowa's Legislature.

One of the main proponents, State Rep. Janet Petersen, praised the group for taking a stand. "The nice thing about young people is that they don't seem to worry about politics the way adults sometimes do," she said.

The Des Moines Democrat said a smoking-ban bill she introduced last year died without being considered by a committee. She blamed opposition from restaurant-industry lobbyists and legislative leaders, including House Speaker Christopher Rants.

Rants, a Sioux City Republican, said he personally prefers smoke-free restaurants. "The question is, are we going to dictate everything restaurants do? People have a choice," he said. Rants said the issue could come up for debate next spring.

The Iowa Restaurant Association has lobbied against bans, but said restaurants increasingly are snuffing out smoking. About 80 percent of Iowa restaurants now are nonsmoking, said association President Doni DeNucci.

"If groups like JEL are successful in reducing the number of people who smoke in the state, then more restaurant owners will make the business decision to accommodate those demographic changes," DeNucci said.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20060908/NEWS08/609080372/1001/NEWS>

**III. OTHER STATE NEWS.**

**20. Liquor Administrator Under Fire For OT (Hawaii)**

*KITV Honolulu*

September 1, 2006

HONOLULU --The city's new liquor administrator took the job promising reform and control of overtime. Now, Dewy Kim is defending himself against complaints he misused overtime to help friends in the charter school system.

The complaints involve a fund-raising concert for Hawaiian Charter Schools held last weekend.

The city helped sponsor the nonalcoholic event, and the mayor was a guest.

The liquor administrator assigned about a dozen liquor inspectors to provide security and pass out educational materials.

The charter school concert required more than 150 hours of overtime and more than $3,000 of overtime pay, sources said.

Councilwoman Ann Kobayashi said that the assignment was a misuse of resources.

Kims’s previous job was director of charter schools for the Department of Education.

Some of the inspectors did not want to work the concert because they considered it improper use of overtime, but they were ordered to work anyway, sources said.

<http://www.thehawaiichannel.com/news/9780648/detail.html>

**21. Wineries Square Off Over 'Sonoma' Label Bill (California)**

By Kevin McCallum – *The Press Democrat*

September 2, 2006

**Measure pitting Kendall-Jackson against Korbel goes to governor**

A proposed law designed to protect the sanctity of the word "Sonoma" on wine labels is dividing California's two most influential winery trade groups and has thrust Gov. Arnold Schwarzenegger into the middle of the Wine Country tiff.

The fight centers on a "truth-in-labeling" law that would prevent vintners from putting "Sonoma" on a wine label unless at least 75 percent of the wine inside was made with grapes grown in Sonoma County.

The measure, modeled on a 2000 law pushed by Napa growers, was approved last week by the Legislature and now sits on Schwarzenegger's desk.

"I believe we have taken care of all the concerns. I'm very confident it will be signed," said state Sen. Wes Chesbro, D-Arcata, who wrote the bill, SB 1380.

The governor's office declined to comment on the pending bill.

The measure has opened fissures within the state wine industry.

Family Winemakers of California, a Sacramento-based association founded in 1991 to give voice to small wineries, supports the bill. It is opposed by the San Francisco-based Wine Institute, which was founded in 1933 and has the support of such massive wineries as E&J Gallo.

Two of Sonoma County's largest wineries also are squaring off over the bill. Jess Jackson, owner of Santa Rosa's Kendall-Jackson Winery, the largest in the county, supports it, while Gary Heck, owner of F. Korbel & Brothers, is against the bill.

Heck's Lake Sonoma wine brand is one of several brands that would be affected by the bill. Lake Sonoma would be barred from producing wines sourced from grapes outside Sonoma County. Other brands potentially affected by the law include Sonoma-Cutrer, Sonoma Creek, Piper-Sonoma, Gallo Family Vineyards' Sonoma Reserve and Sonoma Coast Vineyards.

The fight comes just six months after the conclusion of a fierce battle over the Napa labeling law, which pitted the Napa Valley Vintners against Bronco Wine Co., the fourth-largest wine company in the country.

That law was designed to close what Napa Valley vintners said was a legal loophole that allowed the Ceres-based Bronco to produce such wines as "Napa Ridge" from cheaper Central Valley grapes. They argued the practice deceived consumers and damaged the region's reputation for fine wine.

The case went all the way to the state Supreme Court, which agreed with the Napa vintners. Bronco's appeals ran out in January, when the U.S. Supreme Court declined to hear the case.


# 22. Liquor-Law Violations Down in Tests (Oregon)

By Milchael Rose – *Statesman Journal*

September 5, 2006

The number of Oregon businesses caught breaking liquor laws during compliance tests -- also known as stings -- has dropped slightly this year.

During a compliance test, the Oregon Liquor Control Commission and local police send in a minor volunteer who attempts to buy alcohol from a business.

In the first six months of 2006, the OLCC and police tested 1,025 liquor businesses on their ID-checking practices. Alcohol sellers refused to make the sale in 772 instances, but in 253 compliance checks, the seller failed the test.

That is a 75 percent compliance rate, up from 72 percent for all of 2005.

Alcohol sellers are required to examine the ID of anyone who appears 26 or younger. OLCC officials said they plan to check at least 1,500 liquor businesses this year.

The goal is to achieve an 80 percent or higher compliance rate.

<http://www.statesmanjournal.com/apps/pbcs.dll/article?AID=/20060905/BUSINESS/609050318/1040>


# 23. Online Training Course Helps Business Owners Learn State Liquor Laws (New York)

*The Business Review*

September 6, 2006

Restaurant, club and tavern owners who have been bewildered by the state's Alcohol Beverage Control will be able to take a new online training course.

The Empire State Restaurant & Tavern Association said Tuesday it will roll out the new program in late September, calling it the first comprehensive training in the ABCs of the state's ABC law.

The fact that the five- to six-hour course will be available online makes it more convenient to business owners who find it difficult to attend classroom training because of time constraints, said Scott Wexler, executive director of the trade association.

The online course will cost $75, with a discount available to trade association members. A classroom version of the training will also be offered, though the cost will probably be $100 and take eight hours to complete.

The trade association has long complained that restaurant owners need no prior knowledge of the ABC law before getting a liquor license. That ignorance can lead to violations that result in costly fines, suspensions or revocations of licenses, Wexler said.

"The ABC law is hundreds of pages long," Wexler said.

The training was developed with the help of the state Liquor Authority, which praised the trade association for launching the program.

"This training initiative, coupled with the SLA's educational outreach and training program, will ensure the licensed community we serve understand the responsibilities that come with the privilege of holding a liquor license," Liquor Authority Chairman Daniel B. Boyle said in a press release.

The state provides voluntary training for bartenders and servers, but Wexler said a separate program was needed for owners and managers because of the responsibilities they have beyond making sure people under the age of 21 don't drink in their business.

Given the stepped-up enforcement of the liquor law since Boyle took over as chairman in February, Wexler said the training is valuable for the owners of the 25,000 on-premises liquor licenses in the state.

The online course was developed with 360training, a Texas company which provides virtual courses in a number of industries.

<http://albany.bizjournals.com/albany/stories/2006/09/04/daily4.html>

**24. Wal-Mart Backs New Round Of Alcohol Elections (Texas)**

September 6, 2006

IRVING, Texas -- Wal-Mart and other big retailers are backing a controversial new round of alcohol elections in North Texas.

Seven dry cities will decide in November whether they want to allow alcohol sales in their stores.

A row of liquor stores on Storey Lane in Dallas do plenty of business from Irving residents who want to buy booze.

So backers of alcohol sales said they had no real problem getting the 18,000 petition signatures needed to put the issue to another vote in November.

But opponents complain it failed just two years ago by a 70 percent margin and that should have been the end of it.

Wal-Mart and other big retailers said they want the revenue from beer and wine sales, and that the city would benefit from the increased sales taxes going to other cities now.

"We're also a very faithful community I might add, the churches will organize against this effort, you know, we will be getting the word out, that this is not something that the citizens want in the city of Irving and we'll continue to rebuff these efforts as long as they come," Irving Mayor Herb Gears said.

The mayor said Irving could do without the sales tax money from alcohol.

Alcohol supporters said this year's vote will come in a general election with large turn out, and they expect alcohol sales to pass in Irving this time.

**25. Liquor-License Freeze Enacted in N.Y. (New York)**

By Anthony Ramirez – *New York Times*

September 7, 2006

The state liquor board yesterday imposed an immediate four-month freeze on approving liquor licenses for areas of New York City that already have three or more license holders within 500 feet of each other.

The unanimous action by the New York State Liquor Authority, which was immediately denounced by a trade group of city nightclubs, follows the deaths this year of two young women. They were killed after drinking heavily at nightspots in SoHo and Chelsea.

Robert Bookman, a lawyer for the New York Nightlife Association, a trade group of 125 bars and nightclubs, mainly in Manhattan, said the action was unfair. It has "thrown the industry into chaos within the last few hours," he said.

Mr. Bookman added, "If I have my lifetime savings wrapped up in a place that I'm prepared to open Oct. 1 and now I can't get a license until January, how am I going to pay $30,000 in monthly rent and not be able to open?"

By contrast, Scott Wexler, executive director of the Empire State Restaurant and Tavern Association, with 5,000 members statewide, called the state action "judicious and measured."

Last month, Mayor Michael R. Bloomberg signed legislation that made it easier for the city to shut down establishments that fail to conduct background checks of security workers.

In February, Imette St. Guillen, 24, of the Upper West Side, was killed after drinking heavily and leaving a SoHo bar called the Falls. A bouncer was charged with murdering her.

In July, Jennifer Moore, 18, of Harrington Park, N.J., was killed after a night of heavy drinking at a nightclub called the Guest House in Chelsea. A man and a woman have been charged in her death.

A public hearing on state liquor laws, the liquor board and underage drinking is scheduled for 10 a.m. today at 250 Broadway, Manhattan, in the State Senate Hearing Room, on the 19th floor.

The liquor board's order, effective immediately until Dec. 31, does not apply to restaurants, the board said, but to licenses for "bars, clubs and cabarets that are subject to the 500-foot rule."

It also applies to all pending applications, a spokesman said. It was not immediately known how many applications were awaiting review, but the board has looked at 14 cases involving the 500-foot rule so far this year.

The 500-foot rule, which is usually applied in Manhattan, prohibits the issuance of full liquor licenses for establishments when there are already three or more such establishments within 500 feet of each other. There are exceptions to the rule, and critics have accused the board of leniency.

"This moratorium," said Daniel B. Boyle, the board's chairman, "will give the S.L.A. time to thoroughly analyze the policies, procedures and applications that govern nightclubs and bars in N.Y.S."

The board also named a task force to review the board's licensing policies, and instituted "Operation Last Call," an enforcement effort focusing on "excessive noise; assaults and violent felonies; sales to minors and intoxicated patrons; drug offenses; and other violations of the law."


# 26. Boredom in the West Fuels Binge Drinking (Wyoming)

By Timothy Egan -  *New York Times*

September 2, 2006

CODY, Wyo. — Barely five people per square mile live on the high, wind-raked ground of Wyoming; the entire state is a small town with long streets, as they say. The open space means room to roam and a sense of frontier freedom.

It also means that on any given night, an unusually high percentage of young people here are drinking alcohol until they vomit, pass out or do something that lands them in jail or nearly gets them killed.

“Had a kid, drunk, flipped his car going 80 miles an hour, and that killed him; and another kid, drunk, smashed his boat up against the rock just a couple months ago, killing two; and then there was this beating after a kegger — they clubbed this kid to death,” said Scott Steward, the sheriff here in Park County, recounting casualties that followed long nights of hard drinking by high school students.

A federal government survey recently confirmed what residents of Wyoming, Montana and the Dakotas already knew: people there drink to excess, at very early ages, well above the national average.

The survey, conducted over three years by the federal Substance Abuse and Mental Health Services Administration, said south-central Wyoming led the nation with the highest rate of alcohol abuse by people age 12 and older. In Albany and Carbon counties, more than 30 percent of people under age 20 binge drink — 50 percent above the national average.

In examining behavior in 340 regions of the country, the survey found that 7 of the top 10 areas for under-age binge drinking — defined as five or more drinks at a time — were in Wyoming, Montana and North and South Dakota.

At the other end of the scale, some of the lowest areas for under-age binge drinking were in the nation’s most densely packed cities — parts of Washington, D.C., Detroit and Los Angeles. An earlier federal study found that rural youths ages 12 and 13 were twice as likely as urban youths to abuse alcohol.

With methamphetamine ravaging small towns, Wyoming and other rural states have also been fighting a persistent drug problem.

And while it may be a mystery to some why the least-populated part of the country leads the nation in the percentage of young people drinking to excess, it is no surprise to many people in Wyoming or Montana. Teenagers, police officers and counselors offer the same reason: the boredom of the big empty.

“After living in the city, it’s obvious to me that kids just get bored here,” said Karen Grimm, who moved here from Seattle 10 years ago. “There is this feeling of isolation, especially in the wintertime.”

Ms. Grimm’s daughter, Risa, a freshman at Cody High School, estimated that about half the students at her school regularly drank alcohol.

Friday nights in Cody can mean football and a movie, but after 11 o’clock, with nothing else to do, teenagers say they head to somebody’s ranch or into the mountains toward Yellowstone National Park to drink.

“I think so many kids drink because the state is barren, desolate and boring to some people, and there is not really anything to do,” said Isaiah Spigner, a recent high school graduate from Cheyenne who is headed for the University of Wyoming.

But geography alone does not fully explain why there is such a drinking problem among young people.

“We’re a frontier culture, and people say, ‘I work hard and I’ll be damned if I’m not going to have a beer or two on the way home,’ ” said Rosie Buzzas, a Montana state legislator who also oversees alcohol counseling services in the western part of the state. “There’s a church, a school, and 10 bars in every town.”

It has never been hard for young people to get alcohol in Montana, Ms. Buzzas said, in part because many parents think it is a rite of passage for children to drink.

“There are plenty of adults who tell me, ‘What’s the big deal? Kids just have to learn to drink,’ ” she said. Not long ago, three children, ages 9, 11 and 12, died of alcohol poisoning in an isolated town in Montana, but the deaths did little to change attitudes, she said.

“Something like that has a sobering effect, but it doesn’t last,” Ms. Buzzas said. “Kids aren’t listening to what we say; they’re watching what we do.”

This year, Montana made it an offense to drink while driving, one of the last states to do so. But there was heavy opposition.

Wyoming still allows passengers in a vehicle to drink, as long as the driver is not holding the container. A bill that would have made that illegal was defeated. A minor in possession of alcohol can be fined, but will typically not lose a driver’s license for a first offense.

At the nightly rodeo in Cody, beer signs are ubiquitous, and on the town’s main commercial strip, a giant beer banner welcomes tourists.

Some say a legacy of forcing children to grow up early in the empty West may contribute to the problem. From 1854 to 1929, about 200,000 orphan children arrived by train from the East and were offered to families for adoption. The orphan trains, as they were called, left a psychic print, some counselors and historians say.

“The idea that life is harsh and you learn it at an early age is part of our history,” said Ralph Boerner, who counsels alcoholics of all ages in Butte, Mont.

“I asked everyone in my group the other night when they started drinking,” Mr. Boerner said. “The latest was 15. The earliest was age 5.”

Binge drinking, he said, is a way for young people to prove themselves in the West.

“You get validation by saying, ‘Boy, did I get hammered,’ ” Mr. Boerner said.

Here in Park County, where the sheriff has four deputies to patrol an area much larger than Connecticut, parents can be as much a problem as their children, Sheriff Steward said.

“We’ll bust a party where every kid is drinking, call the parents, and they’re mad at us for getting them out of bed,” he said.

The recent surveys show that girls, starting in middle school, are much more likely to drink than earlier studies found. In part, some say, that is because of flavored drinks that hide the taste of alcohol, so-called alcopops.

“People who want to get wasted but don’t like the taste of beer, they’re drinking something like Mike’s Hard Lemonade,” said Sienna White, a sophomore at Cody High School who says she does not drink.

Sienna estimated that half the students at her school drank. “Living in a cowboy town,” she said, “it’s really hard to find a party without drinking.”

But Sienna and other students are part of a program at the school where students pledge not to drink or take drugs. The program has had a fair amount of success drawing athletes and cheerleaders, offering positive role models, school officials say.

Sheriff Steward, however, is skeptical. Like other adults who now preach against what they once practiced, the sheriff remembers his own high school days of beer.

“Obviously we’ve all been there,” said Sheriff Steward, who went to Cody High School 20 years ago, and said 60 to 65 percent of his fellow students drank. “The problem, then and now, was that there was nothing to do in Cody after a certain time.”

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