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| *October 6, 2006* |

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

**1. 'King of Beers' Comes Late to a Worldwide Contest**

Source: *Herald Tribune*

October 2, 2006

August Busch IV, the fifth family member to run Anheuser-Busch, maker of the self-proclaimed "King of Beers," faces challenges unlike those of his predecessors.

While his forebears just built more breweries to gain the St. Louis-based company's 48.8 percent share of the U.S. beer market, August Busch IV, named chief executive Wednesday, must contend with an onslaught from wine, liquor and other drinks. Abroad, foreign companies dominate. The famous slogan "King of Beers" is printed on the label of every bottle of Budweiser, but outside the United States, Anheuser has plenty of competition for the title.

"Anheuser is stuck in a very mature market where the sales are growing at a very slow rate, so what do you do for an encore?" said Don Yacktman, president of Yacktman Asset Management in Austin, Texas. "It's clear they need to move toward worldwide brands." Busch, 42, who declined to be interviewed, told analysts in Boston last month that the company "will not be constrained by alcohol source or concentration. We will aggressively explore opportunities to add import brands to our portfolio." To reduce reliance on the United States, where it gets 83 percent of its sales volume, Anheuser-Busch has tried to build a global beer brand through marketing campaigns. By buying stakes in breweries like the Chinese maker of Tsingtao beer, it has also expanded through local partnerships.

In July, the company reported its first profit increase in five quarters. Earnings rose 7.4 percent to $637.8 million, exceeding analysts' estimates. Sales grew 5.9 percent to $4.26 billion, spurred by promotions of Bud Light and Corona, imported from Mexico.

"Anheuser-Busch International's growth is based on dual objectives," Stephen Burrows, head of the company's international division, wrote in an e-mail message prior to Busch's appointment. "Promoting Budweiser as a leading international premium beer brand and investing in leading local brewers in beer markets with good volume and profit growth potential."

The trouble is, the first strategy has not yet made Bud into a global brand. And most overseas targets have already been bought by rivals. Anheuser's most aggressive competitor is SABMiller, with 18 percent of the U.S. market. Last year, SABMiller bought Grupo Empresarial Bavaria of Colombia for $4.7 billion to gain control of markets in Colombia, Peru, Ecuador and Panama. It paid $120 million for Foster's India unit, and struck a joint venture with Coca-Cola Amatil in Australia.

"SAB has, in our opinion, the best footprint for growth in the world right now," said Carlos Laboy, an analyst with Bear Stearns in New York.

SABMiller, brewer of Peroni Nastro Azzurro as well as Miller beer, and InBev, maker of Stella Artois and Beck's, have bought or built their own breweries in Latin America, China and India. Unlike Anheuser, those companies now get less than one-third of their volume from their respective home territories of South Africa and Western Europe.

"There are things that concern us," Laboy said. "Anheuser-Busch has been late to the game. Many of the attractive assets are already gone." Few large acquisition targets remain after South African Breweries acquired Miller Brewing in 2002 to create SABMiller and Interbrew merged with Ambev in 2004 to make InBev. InBev is not far behind. In April, the company increased its stake in Quilmes Industrial of Argentina for $1.2 billion. In June, it bought Fujian Sedrin Brewery of China for 614 million, or $776 million.

InBev's $11.2 billion acquisition two years ago of Sao Paulo brewer AmBev made it the world's biggest brewer by volume and gave it control of the Latin American beer market.

<http://www.iht.com/articles/2006/10/01/bloomberg/bxbeer.php>

**2. Foster's CEO Warns of Takeover Threat**

**Source: *The Age***

October 1, 2006

Beer and winemaker Foster's Group Ltd has a 12-month breathing space before any takeover raiders start circling, chief executive Trevor O'Hoy said.

Mr O'Hoy said that bedding down and integrating the acquired Southcorp wine business is such a complex operation that potential predators are likely to wait until that is completed before making a takeover attempt.

"(A takeover) is always a possibility for what we are building, which is something that is unique," Mr O'Hoy told Sky News.

"But because we're bedding down multi-beverages in Australia and finalising the integration of Southcorp, it probably gives us a 12 month breathing space - a potential acquirer may not want to enter into that complex model."

In the meantime, Mr O'Hoy said Foster's will look for global alliances rather than undertake a major acquisition to grow.

He said he would be looking for alliances that can enhance areas such as brand, product and distribution strength

He said he would rather see Foster's expand through alliances and organic growth than take undertake another major acquisition.

"We have opportunities with alliance partners and organic growth that will drive the beer market," Mr O'Hoy said.

He also believed that a third player may emerge from amongst the smaller beverage groups to challenge Foster's and rival Lion Nathan.

"So we have to be on our guard to continue to take costs out of the business," he said.

**3. More Staffing Changes at A-B**

**Source*: just-drinks***

**September 29, 2006**

Anheuser-Busch has announced more staffing changes as the US brewing giant looks ahead to life under the stewardship of incoming president and CEO August A. Busch IV.

The brewer yesterday (28 September) made three appointments to its strategy committee, a body made of the company's 18 most senior executives, which is responsible for setting out its policies and objectives.

Bob Lachky (pictured), A-B's executive vice president of global industry development, and Dave Peacock, vice president of business operations for the company's US brewing arm, have been named as members on the committee.

Michael S. Harding, vice president of the company's US brewery operations, was the third appointment to the committee.

Harding will also replace Joseph P. Sellinger as CEO and president of A-B's packaging subsidiary. Sellinger, 60, plans to retire on 30 November after 35 years at the company.

A-B's packaging business will come under the control of Doug Muhleman, group vice president of brewing operations and technology for the company's US and international breweries. Muhleman, who is on the strategy committee and reports to Busch IV, becomes chairman of the packaging subsidiary.

James F. Hoffmeister, the head of A-B's procurement, agricultural and transport operations, is also set to retire from the company. Hoffmeister, 62, has spent 39 years at the Budweiser brewer. His role will be taken on by Peacock.

Busch IV said: "Dave has been instrumental in developing our new alliances this year and in bringing collaborative, imaginative solutions to brewer and wholesaler business matters.

"Through his broad experience in business and marketing, and his work over the years with the wholesaler panel, he has earned the respect and admiration of the entire wholesaler family."

The packaging subsidiary will move under Doug Muhleman, group vice president of brewing operations and technology for the company's U.S. and international breweries.

Muhleman, who is on the strategy committee and reports to Busch IV, becomes chairman of the packaging subsidiary.

**4. P.F. Chang's Unveils Japanese Concept**

October 2, 2006

SCOTTSDALE, AZ -- Taneko Japanese Tavern, the newest restaurant concept of P.F. Chang's China Bistro Inc., opened here Monday featuring pub-style izakaya cuisine.

The 144-seat upscale-casual Japanese restaurant features an exhibition-style kitchen using a wood-fired oven and charcoal robata grill as the centerpiece. Dishes will include wood-roasted yellowfin tuna, wood-roasted oysters and shishito peppers, American kobe beef and Kurobuta pork chops, as well as traditional noodle, tempura and sashimi dishes. Drinks include Japanese micro-brew and imported beers, as well as sake, wine and shochu cocktails. The average check per person will be $30.

The menu was developed by executive chef Tim Coonan with the help of Japanese cookbook author Hiroko Shimbo and Los Angeles chef Hiroji Obayashi, chef-owner of Hirozen Gourmet Restaurant.

Taneko was developed by P.F. Chang's veterans Rich Sullivan and Paul Muller, both of whom were involved in the creation of the company's namesake brand. Mark Evensvold, an operating partner within the P.F. Chang's system, is the local operating partner for new concept.

P.F. Chang's China Bistro Inc., based here, also operates 142 casual-dining China Bistro units, as well as 97 fast-casual Pei Wei Asian Diner locations.

**5. Boston Beer Shares Downgraded**

*Boston Globe*

October 2, 2006

Shares of Boston Beer Co. fell today after a Prudential Equity Group analyst said there was not enough upside to retain the brewer of Sam Adams brews' current rating and downgraded the stock.

Analyst Cheryl Gedvila had some positive words for the brewer.

"We continue to believe that Boston Beer is in the sweet spot of the beer industry as consumers migrate from mainstream beer into the higher-end craft and import categories, also known as 'better beer,'" Gedvila wrote.

Gedvila said that all such activity by brewers including Anheuser-Busch, SABMiller, Molson Coors, and Heineken is spurring the migration and that Boston Beer is in a good place to capitalize on the trend.

However, she noted that Boston Beer shares are up 31.4 percent from the beginning of the year, so she downgraded the company to "Neutral Weight" from "Overweight" based on valuation. (AP)

**6. Bacardi Blasts Back After Report On Lawsuit**

By Quincy Parker - *The Bahama Journal*

The lawsuit brought by Roosevelt and Carolyn Whyms and their company Venice Bay Holdings against Bacardi and Company is indeed about money, according to Bacardi, which claims the lawsuit is simply retaliation for it not buying Mr. Whyms' land.

Venice Bay attorney Romauld Ferreira told the Journal on Friday that his clients only want Bacardi to stop manufacturing rum in a way they say harms the environment surrounding the rum-maker's facility off Carmichael Road.

"This isn't about the money," Mr. Ferreira insisted.

But Bacardi's local counsel Oscar Johnson shot back on Monday, saying, "We believe this case is about money. "We feel it was so in 1999 and we feel it remains so today."

Mr. Johnson said that at the first meeting between Roosevelt Whyms and Bacardi in March 1999, shortly after Mr. Whyms had purchased the Venice Bay property, Mr. Whyms wanted the company to buy the land from him.

Bacardi executive Amy Federman expanded on this point.

"Contrary to what Mr. Ferreira has said in the media, we believe this case is about money. It was in 1999 and remains so today. Since Bacardi's first meeting with Mr. Whyms seven years ago, he has wanted money," she said.

"Shortly after he (Mr. Whyms) purchased the property, he asked Bacardi to buy the entire Venice Bay property. Bacardi declined, obviously, as it is in the business of producing premium spirits, not property development. Since Bacardi declined his offer, Mr. Whyms has complained about alleged environmental concerns relating to its operations."

"We think it's about money," Mr. Johnson reiterated.

Mr. Johnson spoke with the Journal in order to "clarify" what he termed "gross inaccuracies" in comments made regarding the lawsuit, indicating that he planned to speak only once about the matter since it is sub judicae.

In what might be construed as a legal shot across the bow, Mr. Johnson added that Bacardi intends to "pursue redress by way of costs or otherwise" in this matter.

The substantive issue in the lawsuit as filed is an allegation that Bacardi's plant emits hazardous fumes into the air through negligence and/or in a breach of Bacardi's statutory duty under the Environmental Health Services Act.

Mr. Johnson took issue with some of the remarks made by Mr. Ferreira in Monday's article in The Bahama Journal, and sought to answer those points he found objectionable.

"We feel that it is very important that it is understood that the allegations that are being made are merely that - they are allegations," Mr. Johnson said.

"We deny that our operations caused the harm that is alleged."

According to both Bacardi and its lawyer, the company utilizes "best practice" testing methods and its emissions studies do not support the type of emissions-related problems Mr. Whyms alleges.

On the question of frivolous applications, which Mr. Ferreira said he expected should the matter go to trial, Mr. Johnson insisted that it was "irresponsible" to characterize any application the company might make as "frivolous."

"We take these allegations, and every court filing, very seriously," he said.

"(The idea that Bacardi would file frivolous applications) could not be further from the truth. Bacardi has the right, as any other litigant, to challenge and defend against claims that are without merit and avail itself of all appropriate legal remedies."

Mr. Johnson said Mr. Ferreira's characterization of the case as a battle between good and evil was "grossly inappropriate."

And, the company's lawyer also dismissed the suggestion that Bacardi has no regard for The Bahamas as "factually inaccurate and irresponsible."

"Bacardi has been called an exemplary corporate citizen by the Bahamian government. It continues to be active in the community in economic, social and community work. Bacardi employs 115 people - 113 are Bahamians - and is a major source of revenue for The Bahamas. We have operated a facility for 40 years," the company said.

The latest court move in the seven-year legal wrangling between Venice Bay and Bacardi is the adjournment of the matter until December 6, when Supreme Court Justice John Lyons will hold a status hearing on the case.

**7. Easing Sunday Alcohol Law Led to Crashes - US Study**

Source: *Reuters*

October 3, 2006

WASHINGTON, Oct 3 (Reuters) - Repealing limits on Sunday sales of alcohol may lead to more alcohol-related traffic accidents and even deaths, U.S. researchers said on Tuesday.

After New Mexico in 1995 repealed its so-called "Blue Laws" -- meant originally to ensure people went to church -- experts measured a 29 percent increase in Sunday crashes and a 42 percent rise in traffic deaths.

Writing in the American Journal of Public Health, Dr. Garnett McMillan of the Behavioral Health Research Center of the Southwest in Albuquerque, New Mexico and colleagues said they counted an additional 543 alcohol-related crashes on Sundays and 42 alcohol-related crash deaths in the five years after the ban was lifted in 1995.

"For the first time, we have real data on whether blue laws actually protect public health," McMillan said in a statement.

"Today's study finds that the Sunday ban saved lives and prevented hundreds of injuries and fatalities from alcohol-related crashes."

For their report, McMillan's team reviewed all alcohol-related motor vehicle crashes in New Mexico between July 1, 1990 and June 30, 2000, and compared the five years before and after the repeal.

Several other states have lifted Sunday alcohol sales bans since 1998, including Delaware, Maine, Pennsylvania, Rhode Island, Massachusetts and Virginia .

Under New Mexico's old law, alcohol could only be purchased in bars and restaurants on Sundays. The repeal allowed licensed stores to sell alcohol between noon and midnight on Sundays.

"By increasing the availability of alcohol on Sundays, you open the door to more opportunities for drinking and driving and the negative consequences that result," said McMillan.

**8. 'Cocaine' Energy Drink's Name Generating Controversy**

October 3, 2006

The maker of the latest high-energy drink -- Cocaine -- must have snorted the real thing, a Queens, NY lawmaker charged yesterday. Councilman James Sanders Jr., a Laurelton Democrat, said he was shocked when constituents informed him last week about the latest drink hitting the shelves in New York City and Long Island. At a City Hall news conference, he said the drink's name and claims it contains a massive amount of "energy" send the wrong message to young people, who may think the actual drug was OK to use.

James Kirby, the senior partner and founder of Redux Beverages, a Las Vegas-based company that created the drink, dismissed arguments that it would lead to drug use, but described it as an alternative to the real thing.

"People know the difference; I don't think people will look at our drink and say, 'Oh, I'm going to buy some real cocaine,'" said Kirby, who said he picked the name knowing it would generate controversy and free promotion. "Cocaine is associated with energy, and we're allowed to do this."

But Cocaine Energy Drink, touted as "the legal alternative" to the controlled substance, has touched a raw nerve with some Queens residents and a lawmaker who want to clear shelves of the new product.

Declaring side effects such as "extreme amounts of energy" and a warning to "drink at your risk" on its Web site, the carbonated drink's promoters imply that it can deliver "euphoria" without the risks associated with the deadly drug.

"We will not be silent in the face of this," Sanders said. "Yes, there is a danger we're going to give him advertisement, but at the same time, what would happen to our conscience if we did not speak up?"

Sanders said he will ask the city's Department of Health and Department of Consumer Affairs to investigate the product and its content. The health department did not comment yesterday.

The drink's Web site, <www.drinkcocaine.com>, has red and white graphics similar to those of Coca-Cola, and identifies a handful of stores in New York City and one in Long Beach under the icon "dealers" that sell the drink.

At the Hello Deli on Broadway in Manhattan, owner Rupert Jee said he realized the name would be controversial when he agreed to sell it.

"From a marketing standpoint, they made a bull's-eye on that because just the name itself was selling the product," said Jee, who makes frequent appearances on "Late Show with David Letterman" from his deli near the theater. Jee said he's sold some cans of Cocaine, which sells for $2.75, but it's not as popular as Red Bull, another high-energy drink. "So long as it's not hurting anyone, I see no reason not to sell it."

In Long Beach, a manager at Monarch Beverage said he stopped carrying the drink. "They dropped off three cases, and someone came in and bought it all, and that's it," said the manager, who declined to give his name. "We're not carrying it."

A manager in a Bellerose store said: "We're thinking of discontinuing it. We don't want any controversy. Maybe they should change the name."

**9. France: French Smokers Fume as Public Ban Looms**

Source: *AFP*

October 3, 2006

French smokers were making a painful mental adjustment as a parliamentary committee recommended a ban on smoking in public areas from next year and the government indicated it will act quickly on the advice.

It means that from September smoking in French bars, restaurants and nightclubs could be completely prohibited -- unless they provide hermetically-sealed "fumoirs" into which serving staff are not allowed to penetrate.

The government seemed bent on ignoring the outcry from the bar and tobacco lobby, which is warning of dire financial consequences if the ban comes into effect, as well as the irritation of millions of smokers -- accustomed to France's traditionally lax approach to cigarettes.

Speaking in parliament on Monday Prime Minister Dominique de Villepin said the French "would not understand it if we did not take a decision" following the committee's report. Health Minister Xavier Bertrand said action could follow later this month.

After five months of consultations with doctors, tobacconists and trade unions, the 30-member committee decided in favour of a blanket ban on public smoking from September 2007 at the latest -- though it held open a possible delay till summer 2008 for some establishments.

Smokers could only indulge their habit in "hermetically-sealed areas, furnished with air extraction systems and subject to extremely rigorous health norms," according to a report which was to be formally adopted later Tuesday.

The report also advised the government to resort to a decree to enact the ban, rather than a law -- which it warned could prove cumbersome in the months leading up to April's presidential election.

Moves to prohibit public smoking in France reflect the changing mood across Europe -- where several countries led by Ireland have introduced similar measures -- as well as the growing propsect of litigation by victims of passive smoking.

The failure's of France's existing anti-tobacco legislation has also been a factor. Enacted in 1991 the so-called Evin law was ahead of its time in that it made obligatory to set up separate smoking areas in bars and other public places.

But while most offices and public transport are now smoke-free, the law has never been properly enforced in drinking and eating places -- where the post-prandial light-up is widely seen as an inalienable right.

According to government figures, some 35 percent of the French population uses tobacco -- although consumption has fallen after big price rises in the last two years. Some 66,000 die of smoke-related illnesses every year and 5,000 of passive smoking.

Representatives of the bar trade reacted with fury, arguing that it will be financially impossible for most establishments to install special rooms for smokers.

Rene Le Pape, of the Tobacconists' Confederation, warned of street protests. "They keep hitting us about the head. We are the scape-goats," he said.

Smokers at the Louis D'Or bar in central Paris appeared resigned to the coming change.

"You have to respect the rights of others," said Valerie, 29, a smoker of 20 years. "I will have to go to smoke outside, I suppose. In the winter it will be harder though. Then I will have to smoke at home."

But in the northern city of Lille a bar that blazed the trail by voluntarily banning smoking last November reversed its policy earlier this month after losing 40 percent of its customers.

"It looked like the trendy thing to do. Everyone was talking about banning smoking and I thought if we got in first we'd be in the avant-garde. It's great for the health - but commercially it doesn't work," said Dominique Lecrocq, owner of the Tudor Inn.

**10. Federal Agency Warns That Alcohol Test Isn't 100% Reliable**

By Kevin Helliker – *Wall Street Journal*

October 5, 2006; Page B1

A widely used method of detecting alcohol consumption in people prohibited from drinking is under assault from a federal agency that has declared the test too scientifically uncertain to be the sole basis for legal or disciplinary action.

The federal Substance Abuse and Mental Health Services Administration last week issued a so-called black-box warning asserting that the urine-alcohol screen called EtG doesn't offer surefire proof of drinking. Officials at the agency say the screen is so sensitive that a positive reading may reflect exposure to alcohol-based hand sanitizers or alcohol-containing foods or medicines. A carton of apple juice left a long time in the refrigerator could conceivably produce a positive EtG test, says Kenneth Hoffman, the agency physician who wrote the warning.

The warning represents a victory for the growing number of people who insist they flunked the EtG test despite having abstained from liquor. Their cases, replete with polygraph exams and other evidence of sobriety, convinced even the scientist who pioneered EtG screening in America that the test is prone to so-called innocent positives.

Whether the agency's warning will help these people reclaim the jobs that some lost after flunking EtG tests is unclear. In any case, the warning is a blow to the credibility of the $4 billion-a-year urine-testing industry, which introduced the EtG test two years ago as offering fail-safe proof of alcoholic-beverage consumption.

EtG, short for ethyl glucuronide, is a unique metabolite of alcohol that stays in urine for up to 80 hours -- four times as long as does alcohol itself. Earlier, detection of alcohol had been difficult because it dissipates so quickly. The wider window of detection made EtG an instant hit with drug courts, professional licensing boards and other agencies that monitor sobriety -- and an instant star of the urine-testing industry, which is performing tens of thousands of EtG tests per month in the U.S.

However, SAMHSA officials say the industry never conducted the large-scale clinical trials needed to prove EtG isn't prone to snare the innocent. No federal regulatory approval or rigorous trials are required for a urine-testing firm to introduce a new product or process.

Even after evidence emerged that the EtG test could detect incidental exposure to alcohol in food and the environment, many urine-testing firms continued marketing the screen as definitive proof of alcohol consumption. Some continue to do so. "EtG is not detectable in urine unless an alcoholic beverage has been consumed," says the Web site of a urine-testing firm called AccuDiagnostics LLC. An AccuDiagnostics spokesman attributes that claim to toxicologists at laboratories to which it outsources its samples.

At industry giant Quest Diagnostics Inc., the director of the Salt Lake City laboratory conceded during a July interview that exposure to alcohol in foods or medicines could produce a positive EtG score. After The Wall Street Journal published a page-one article on Aug. 12 about EtG tests, Quest removed from its Web site a claim that "EtG is not detectable in urine unless an alcoholic beverage has been consumed."

A Quest spokeswoman says the company regrets not removing that information sooner. However, Quest says that the claim was based on an internal study of 1,500 abstinent people, none of whom tested positive for EtG. That study wasn't published. The spokeswoman says Quest is carefully studying the SAMHSA warning.

The warning makes clear that the EtG test remains useful. Increasingly, drug and drunken-driving defendants, along with recovering addicts in high-risk professions such as health care, are required to abstain entirely from alcohol and illicit drugs. But monitoring these people has been difficult because while illicit drugs can be detected for days after usage, alcohol consumption has been easy to disguise -- until the advent of EtG. About 10% of EtG tests have turned up positive, the vast majority of them reflecting genuine violations of sobriety requirements.

But a small percentage of those positive findings appears to involve no wrongdoing. In one case, a California pharmacist named Lorie Garlick -- whose pharmacy license has been suspended since she failed an EtG test in the spring of 2005 -- quarantined herself in an addiction-treatment center with no access to booze and flunked the test again.

Because of such cases, "legal or disciplinary action based solely on a positive EtG ... is inappropriate and scientifically unsupportable at this time," said the SAMHSA warning, recommending that a positive EtG be regarded as a possible sign of relapse that triggers a broader investigation.

A negative EtG score appears to represent persuasive evidence of sobriety. This was what Gregory Skipper, a physician who runs the Alabama monitoring and assistance program for recovering doctors, was seeking when he helped to pioneer the EtG test along with some European doctors several years ago. As a recovering addict himself, Dr. Skipper understood that malpractice insurers and state licensing boards desire documentation of abstinence. Dr. Skipper, who supports the SAMHSA warning, says he hopes it doesn't overshadow the EtG's value as a marker of sobriety.

Many urine-testing firms say that they merely provide the EtG results and that their clients -- drug courts or professional licensing boards -- bear responsibility for deciding whether a positive finding represents proof of drinking. But some urine-testing companies themselves have guided clients to interpret positive results as proof of drinking. On a laboratory report stating that Nancy Clark, a Pennsylvania nurse, had an EtG score of more than 300 nanograms per milliliter, National Medical Services included the statement that "any value above 250 ng/ml indicates ethanol consumption."

Ms. Clark has passed a polygraph test stating that she hasn't drunk, and her 12-step group awarded her a medallion in May honoring five years of abstinence from alcohol and drugs. But two positive EtG scores prompted Pennsylvania to suspend her nursing license early this year. Now, the 20-year veteran of nursing waits tables at Charlie Brown's Steak House in Reading, Pa.

**11. Web Wine: A Bountiful Harvest for Online Shoppers**

By Dorothy J. Gaiter and John Brecher - *The Wall Street Journal*

**As online shops proliferate, it's easier than ever to compare prices and snag that hard-to-find bottle.**

When it comes to online shopping, it's suddenly a wine, wine world.

We buy thousands of bottles of wine annually for our column from all over the country, so we've been shopping online for years. Lately, thanks in part to a Supreme Court ruling, state law changes and Americans' growing comfort with the Web, the online wine business has been undergoing a sea change: There's a surge in the number and quality of sites devoted to educating consumers, highlighting unusual regions and, mostly, selling a lot of wine.

Hundreds of wine shops offer Web sites, and quite a few of them deliver to most states. Football-field-sized stores such as Sam's Wines & Spirits in Chicago, with a selection many of us could once only dream of, now are as close as a click for many consumers. There's a Web site that features Austrian wine ( <www.winemonger.com>), a site with only kosher wine ( <www.kosherwine.com>) and a site that specializes in wines under $15 ( <www.vindepayswines.com>).

The past year alone has seen all sorts of fine stores get into the game, such as Surdyk's Liquor in Minneapolis. ("You have to keep up with the times," says its owner, Jim Surdyk.) It has never been easier to find a 1974 Robert Mondavi Cabernet Sauvignon - or have Sutter Home White Zinfandel delivered to your door.

While we couldn't find any figures we considered reliable on the amount of wine sold online, it appears to be about 1 percent, which is still a hefty chunk in a U.S. retail business estimated at $26 billion by the California-based Wine Institute. The percentage is obviously growing. Some long-established stores, such as Sherry-Lehmann Wine & Spirits in New York City, report that fully a quarter of sales or more now are online.

"Wine is global, and about seven years ago we looked into our crystal ball and we said if we do not develop a Web site now - even though a lot of us didn't know what that meant - we would be left far behind," says Michael Aaron, chairman of Sherry-Lehmann. "It's impossible to do business today without having a Web site."

We have watched firsthand as a handful of wine sites has burgeoned into hundreds, and as delivery zones have spread to most places in the country. On the whole, our experience has been positive.

We've ordered hundreds of cases without incident (we order as regular consumers, without identifying ourselves as wine writers). We've managed, with ease, to get a 50-year-old Chateau Latour from across the country, and to find an unusual white from an Oregon winery called Hip Chicks Do Wine.

We've also found stores with great selections and terrible Web sites, as well as handsome sites where the selection is weak. One vendor sent us dripping bottles, and another delivered a massive bottle of cheap Chianti because we ordered the wrong size on its poorly designed site. And we can't count the number of times we've had to start over when a site crashed just as we were hitting "finalize order."

Over time, we've found a number of sites stand above others in terms of ease of use, selection and reliability. Eight of those are in the accompanying chart. We've also come up with a few of our own guidelines for ordering wine by the Web, which we'll share below.

The most recent online wine rush is partly the result of last year's ruling by the U.S. Supreme Court, which struck down some laws concerning direct-to-consumer winery shipping. While the ruling wasn't about retail stores, it has led to dramatic changes in state laws - and persuaded many stores that it's worth the risk to find a way around laws that still exist. The legal ground for all of this continues to be murky because of a wide and confusing array of state and local laws.

Recently, Texas sent cease-and-desist letters to more than 40 wine shops in eight states, telling them to stop sending wine because shipping by retailers into the state isn't permitted.

"Future violations of our state law will result in legal action," said the letter, which noted that three violations would constitute a felony. Wineries can ship into Texas if they have proper permits, but almost 30 wineries lacking the approval, including a winery in Florida, received the same letter. A federal lawsuit has been filed challenging Texas's law.

**A broad transformation**

Online sales are just part of a broader transformation in the way Americans buy wine. The largest wine retailer in America today is Costco, which sells not only everyday stuff but also hard-to-find Bordeaux, often at bargain prices. Small, walk-around stores, meanwhile, are increasingly focusing on careful selections and user-friendly descriptions. (One, the Best Cellars chain, has categories such as fizzy, fresh, soft, luscious, juicy, smooth, big and sweet.) Web sites are important to all of this, even in areas where shipping isn't permitted, because they are helping consumers become better educated.

Who is ordering online these days? Even winemakers themselves. "For me, it's great to be able to find a particular wine or, say, see what's out there in the Lagrein rosé category. I'm not making that up - I did a search last year in anticipation of summer sipping," says David W. Graves, co-founder of Saintsbury winery in Napa. "The other thing about Web sites is that they make comparison shopping for price so easy."

Sam's, the big Chicago vendor, started its Web site a decade ago, before many of us were fully aware of the Internet. Now about 9 percent of its sales are online, says wine director Todd Hess. More and more people are using the site - it offers about 3,600 wines from 25 countries - to avoid having to drive to the store. Other customers, who live in nearby states where delivery isn't allowed, order over a period of time and come in to pick up wine. And Sam's, like some other stores, uses e-mail to let customers know about sales, special items or highly reviewed wines.

We narrowed our list until we found eight we could recommend without reservation for good service and reliable delivery. In every instance, we have ordered wines from these stores - in most cases, multiple times. Of course, it's possible there are some great online vendors we missed, but these eight will give you an idea how good a wine site can be - from winelibrary.com's Web TV to winex.com's bargain basket.

In addition to this list, there are many sites that offer something special. Wineaccess.comrepresents 120 stores across the country; by typing in a specific wine, you can find out where it is available and possibly order it. Wine-Searcher.comlets browsers look for wine among more than 7,000 stores worldwide and then provides links to the Web sites.

Premiercru.net has an elegant site that's strong in futures - wines that haven't yet been released - and particularly appeals to serious wine shoppers. Wine.comis a joy to navigate (and check out the excellent "wine basics" tab). Winebuys.com has a clever question-and-answer section for the casual shopper.

Winebuys.comalso has an interesting perspective, according to Brent Hurtig, consulting chief operating officer: "When we designed the site we tried to make it female-friendly."

Here are some good wine Web sites, listed in order of our preference. Check the site or call to find out if a store can deliver to you.

**[II. IOWA NEWS.](#II)**

**12. Dubuque Student Dies After Fall From Window**

By Tom Alex, Staff Writer – *Des Moines Register*

October 4, 2006

**He was at a party last month where alcohol was served; his university was looking to fight underage drinking.**

A University of Dubuque student athlete died Monday from injuries suffered at a party last month where alcohol was being served, even as his college studied ways to deal with underage drinking.

"I think it was in response to a national problem," university spokesman Peter Smith said of the formation several months ago of a task force of university officials, faculty, students and community members. "We are a dry campus but even dry campuses are moist."

On Sept. 23, Dubuque police investigated a complaint of disorderly conduct. The house was packed with people, and 36 were issued tickets for underage drinking; eight others went to jail on various charges, police said.

Police added that it's not uncommon under such circumstances for some people to try to escape.

Shane Frederick, a freshman and wrestler for the university, climbed out of a second-story window at the house and fell face first to a concrete patio below, police said.

Smith said he did not know if Frederick had been drinking.

No one has been charged with providing alcohol to underage persons, but that part of the investigation is continuing, officials said Tuesday.

"Shane's family made the courageous decision to maintain machine support for his body and to donate his healthy organs and tissues to others who have need of them," said Peter Gitau, dean of students.

He read a statement from Frederick's family that said: "Shane, being a nursing student, dedicated his life to helping others. Our family believes that his dream will be realized through his donation of tissues and organs."

The university's wrestling coach, John McGovern, said Frederick was a state tournament runner-up as a wrestler in Arizona.

"He wanted to help people," McGovern said. "In the end, he stayed in the game long enough to donate his organs. That was his final gift."

Across the nation, colleges and college towns are becoming more aggressive in trying to reduce binge drinking and underage drinking, said Iowa City Police Chief Sam Hargadine.

Hargadine's department and the University of Iowa are two of several agencies participating in the Stepping Up Committee, which is looking at those topics in Johnson County. "Over the summer we reformed the method for renewing liquor licenses in Iowa City, putting bars on notice that if they violate city and state laws by selling to minors, they are going to have difficulty getting their licenses renewed," he said.

Hargadine said he has to sign off on those licenses in Iowa City. He said that if bars are exceeding their occupancy levels, or are serving patrons or employees after closing time, or serving those underage, he will take all of that into consideration.

"Also, the police chiefs in Johnson County and the sheriff's office have signed a letter proposing a keg registration ordinance," he said.

"The university has been proactive," Hargadine continued. "All students returning to the university, including the freshmen, have to take an online course on alcohol awareness. The course takes awhile and it's quite involved. And you can't become a student here unless you take it. That's a good leverage hammer."

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20061004/NEWS02/610040361/1001/NEWS>

**13. Eldora Drops Vaporized Alcohol Ban**

By Ryan Brinks – *Times Republican*

October 4, 2006

ELDORA — Finding the threat of local retailers serving vaporized alcohol to be less significant than first thought, city officials in Eldora abandoned a proposed ordinance against the practice at their city council meeting Monday.

The council passed a first reading Sept. 13 with the intention of further researching the issue and then decided this week to table it indefinitely, having found a recently passed state law sufficient.

In July, the governor signed into law a measure making it illegal for the holder of a liquor license to serve a vaporized alcoholic beverage. The crime is prosecuted as a serious misdemeanor or, for minors, a civil misdemeanor.

“To my knowledge there has never been a machine [to vaporize alcohol] in Iowa,” said Lynn Walding of the Iowa Alcoholic Beverages Division. “We now have a legislative ban on producing [vaporized alcoholic beverages], but in reality there’s an economic ban too. The machines cost a couple thousand dollars.”

Consumers of the product breathe it in to achieve a similar effect as drinking alcohol, but consuming the vapor takes more than 20 minutes, Walding said.

“It’s not very appealing to a broad base of consumers,” he said.

Eldora officials were notified of the potential issue by the Iowa League of Cities, who said it was identified as a problem by other groups but was not an issue they pushed for action on.

“The intent of the legislation was to make sure it never becomes a problem in Iowa,” Walding said.

So too was the intent of Eldora’s proposed ordinance. The city has the authority to be more restrictive than state law as long as there are no inconsistencies, but the council dropped the proposal in light of their findings.

<http://www.timesrepublican.com/iowa/articles.asp?articleID=3550>

14. It Was Entrapment
By Herman Lenz – *WCF Courier*

October 1, 2006

SUMNER --- Regarding "Clerks cited for selling alcohol to underage girl" in the Sept. 10 Courier:

Such practices by the police stink of "genuine entrapment." The underage trickster initiates that illegal purchase. If and when I sit on a jury in such a case, I'll go by what my dictionary says about "entrapment," which is "to lure into a compromising act."

I'll vote "not guilty" and thereby nullify the law in such a case. The highest duty of a jury is not to give punishment to fellow citizens but is to put the "law" and the "way it was used" on trial, along with the defendant, and use some judgment and discretion and protect the defendant from unreasonable and tyrannical prosecution, which was intended to satisfy some over-zealous "program." Check into www.fija.org for more info on this subject. "Jury nullification of the law" was common in early America when citizens still had some backbone and conscience and knew their full rights.

Police love such ''easy picking" as above because it's less dangerous to officers than to chase down some drunk or careless or speeding drivers and to get those state or federal grants. Ethics and honesty are gone. "Deception" is used to accomplish some pet goal.

Early American citizens would have been outraged at such "trickery" and "entrapment" used by law enforcement personnel.

<http://www.wcfcourier.com/articles/2006/10/01/opinions/letters_to_editor/e3b5ebdb34cf61bc862571f700689e97.txt>

**15. Fire Marshal Checks for Crowded Bars; Cites One**

*Press-Citizen*

October 3, 2006

**From the Iowa City Fire Department:**

Assembly occupancy fire code compliance checks were conducted on Friday night, Saturday afternoon and Saturday night, September 29 & 30, 2006. Thirty-two (32) businesses licensed to sell alcoholic beverages were inspected by officers of the Iowa City Fire Marshal’s office. Fire inspectors entered the businesses and checked on compliance with maximum occupant load capacities and maintenance of exits. The following establishments passed inspection and are commended for their performance: 808, The Airliner, Atlas, Deadwood, Dublin Underground, ETC, Joe’s Place, 126, One Eyed Jakes, Picador, Que, Studio 13, Union, Vito’s, Yacht Club, Bo-James, Brothers, Buffalo Wild Wings, College Street Billiards, Diamond Dave’s, Martini’s, Quinton’s, Sports Column, The Summit, Third Base, The Mill, The Speak Easy, Bob’s Your Uncle East & West, Fitzpatrick’s, and The Vine.

One business, Micky’s Irish Pub, 11 S. Dubuque Street, was cited for overcrowding. Overcrowding is a violation of section 107.6 of the Iowa City Fire Code. A municipal infraction citation has been issued for failing to maintain occupant loads at or below the approved capacity. Because this was a first offense occurring prior to February 1, 2007, the scheduled fine for overcrowding is $250. After February 1, 2007 first offenses will be punishable by a $750 fine, and second and subsequent offenses will carry a $1,000 fine. As with any criminal or civil case, a charge is merely an accusation and the defendant is presumed innocent until and unless proven guilty.

Overcrowding is a fire and life safety concern when large numbers of people gather in one place. High occupant densities produce problems in the physical movement and behavior of the occupants, the capacity of the exits, and the method of alerting occupants in case of emergency. Assembly occupancies, such as bars, are usually inhabited by persons who do not use the building frequently and, therefore, might not be familiar with exit locations. The Iowa City Fire Department requires that assembly occupancy business owners submit approved fire safety and fire evacuation plans and charges the owner/occupant with the responsibility of correcting and abating any violation of the Iowa City Fire Code.

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20061003/NEWS01/61003004/1079/NEWS>



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| **16. Police Add 12 Businesses to Noncompliant List***Des Moines Register*October 6, 2006West Des Moines police officers conducted a final round of alcohol compliance checks last month, adding another 12 businesses to the noncompliant list.Officers checked 35 businesses on Sept. 21. Those that sold to underage buyers were:- Buffalo Wild Wings, 101 Jordan Creek Parkway #115- Fuddruckers, 6378 Mills Civic Parkway- Godfather's Pizza, 5919 Ashworth Road- Hy-Vee Drugstore, 1010 60th St.- Ingersoll Wine Merchants, 1300 50th St.- Kum & Go, 5969 Ashworth Road- Los Cabos, 5465 Mills Civic Parkway #101- Mosaix, 5014 E.P. True Parkway- Panchero's Mexican Restaurant, 165 S. Jordan Creek Parkway #115- West Des Moines Marriott, 1250 Jordan Creek Parkway- Wine Styles, 5515 Mills Civic Parkway #120- Wok in Motion, 5515 Mills Civic ParkwayOf the 138 West Des Moines businesses that have liquor licenses, 133 have been checked this year. Officials said the remaining license holders are seasonal and will be checked during the winter holidays when they are in operation.This year, about one-third of the businesses were found noncompliant, a roughly 5 percent increase over last year.<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=2006610060388> |   |  |

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**[III. OTHER STATE NEWS.](#III)**

**17. Harvest Report - Last Year's Big Crop Causes This Year's Grape Glut (California)**

Dan Berger, Special to *The SF Chronicle*

September 29, 2006

Hundreds of acres of Napa Valley Cabernet Sauvignon and Merlot will not be harvested this year because of three converging forces, one of which is a huge surplus of wine that could cause a collapse in prices within weeks, say wine industry experts.

In interviews with winemakers, brokers of bulk wine and grape growers, it's clear that the current "wine glut" is one of the worst the California industry has faced in years.

Similar surplus situations have occurred in the past. There were wine surpluses in California in 1985, 1992 and 2001, and Yountville winemaker Mitch Cosentino of Cosentino Winery, who remembers them all, says the current glut could be the most damaging to growers and wineries -- and potentially beneficial for the consumer in the short term. During most wine surpluses, the average quality of wine improves while prices decline.

Gluts and shortages come around cyclically and the present glut, affecting mainly red wine grapes, has growers fearful they'll be hurt most. Just four years ago, average prices for Napa Valley Cabernet grapes were between $4,000 and $4,500 per ton range. Today spot prices for the same grapes are close to half that figure and falling.

Frank Hewitt, a longtime grower with 17 acres of prime Cabernet Sauvignon near Calistoga, has long sold his fruit to a highly regarded Napa Valley winery for a wine that sells for $80 a bottle.

This year, two-thirds of Hewitt's fruit remains under contract to the same winery, but he said he was unsure how to sell the remaining third -- more than 20 tons of prime Napa Valley Cabernet.

"I've had my fruit listed on the (wine and grape) brokerage Web sites all summer and haven't had a bite," said Hewitt. "I'm almost at the point where I would take whatever will cover the picking and production costs," he added.

"It's worse for Merlot growers," said Cosentino.

"We have (growers) coming here and offering Cabernet for very inexpensive prices, and we're getting offers to buy Merlot for nothing." He said that three years ago, Merlot grapes sold for $2,400 to $3,000 per ton, "and some lots were higher than that."

Today he is offered prime Merlot for $1,100, "and a lot less," he said.

Reasons for the glut start with the rapid planting of new red wine grape acreage in the North Coast American Viticultural Area, which includes vineyards north of San Francisco, following the shortages of the late 1990s. Almost all of the new acreage began bearing fruit in 2002 and 2003, producing large harvests both vintages. Meanwhile, imported wines' share of the total U.S. wine market was growing. In 2003, imported wines reached 26 percent of all wine sold here. By 2005, that figure had hit an all-time high of 30 percent, with more than 8 million cases of it called Yellow Tail, an instant-success Australian brand. Americans are drinking more wine per capita and the population is rising, which absorbs some of the surplus. But still, the supply of wine is greater than the demand.

These three issues -- huge harvests between 2002 and 2005, the lack of storage capacity (almost all of the 2005 reds remain in barrels and tanks in wineries around the state), and stiff competition from overseas -- are exacerbated by the dearth of farmworkers, which has forced many growers to pay more to have their grapes picked.

"Yes, there are a lot of deals out there," said Steve Fredricks, a vice president and partner, in Turrentine Brokerage. "Between 1999 and 2003 there was a slow buildup in the supply of Napa Valley Cabernet." In 2005, it spilled over.

In 2005, a vintage of superb quality, winemakers were euphoric about both the quality and amount of top-rate fruit that was available, he said. Sales of grapes were brisk.

"Everybody had the idea that if they bought a little more than what they really needed, at the least they could sell it in bulk," Fredricks said. "Well, it may be a small amount for each winery, but if everybody got more than they needed, at some point it backs up the bulk market."

And this year? "People don't have the barrels and tanks to buy more, and many don't have the budget to buy those grapes that represent a good value."

The Web sites of both Turrentine Brokerage and Joseph W. Ciatti Co., the state's largest wine and grape broker, show huge amounts of grapes available for purchase along with vast amounts of gallonage of 2005 red wines.

"I think there will be a bigger separation between Cabernet and Merlot prices," Cosentino said. Once, he said, a winery would sell a Cabernet for $45 and a Merlot for $35. Now, he said, a lot of those Merlots may well drop to $25 or even less.

He added that some high-end wines will be sold on deep discounts (especially if vintages sit there without being bottled and sold), and that winemakers now have the ability to put better-quality wine into lower-priced bottlings.

"We're going to start putting Napa Cabernet and Merlot into our Crystal Valley line," he said. The line, which retails for $18 a bottle, previously contained fruit from less prestigious regions.

Normally when surpluses occur, carpetbag speculators leap into the market to create brands that they hope to sell at a low price for as long as the surplus lasts.

But Fredricks of Turrentine said he doesn't anticipate a lot of outsider speculation this time, especially with grapes: "It's going to be tough to find someone who has the physical capacity to crush fruit at this time of the harvest. There may be a winery here or there that may be able to accommodate a few more tons, but you may need eight weeks to do that, and if you have only six weeks left to the harvest ..."

Besides, he said, most custom-crush operations are nearly at capacity now. But larger, already existing companies could create new brands to try to sell off some of their surpluses.

Cosentino said he got an interesting call from a Carneros grower (who he declined to name) recently. "He offered me 50 tons of his Pinot (Noir) if I'd also buy 30 tons of his Merlot." Cosentino declined.

Excess bulk wine remains an albatross for many wineries that need to clear out tanks to make room for the 2006 crop. So who is selling all the bulk wine?

"You wouldn't believe the names I see," said Cosentino. "Some of the really heavy hitters in the Napa Valley are selling large amounts of bulk. Not only that, but I have seen bulk samples with the names 'Bronco' and 'Gallo' on them."

**18. 'Sonoma' Protected on Wine Labels (California)**

By Nathan Halverson – *The Press Democrat*

October 1, 2006

**New law says 75% of grapes must be from county named on bottle**

Gov. Arnold Schwarzenegger signed legislation Saturday requiring any wine with "Sonoma" in its name to contain at least 75 percent wine made with grapes grown in Sonoma County.

"This bill will help ensure that consumers are not mislead by labeling," the governor said in a letter explaining why he signed SB 1380 by state Sen. Wes Chesbro, D-Arcata.

"Sonoma is a premier appellation known around the world, and consumers expect that the wine they purchase with that storied name on the label actually comes from Sonoma," Schwarzenegger said.

The measure, modeled on a 2000 law pushed by Napa growers, had divided California's two most influential winery trade groups.

Family Winemakers of California, a Sacramento-based association founded in 1991 to support smaller wineries, endorsed the law. It was opposed by the San Francisco-based Wine Institute, which was founded in 1933 and includes the wine giant E&J Gallo.

Two of Sonoma County's largest wineries also disagreed over the bill. Jess Jackson, owner of Santa Rosa's Kendall-Jackson Winery, the largest in the county, supported it, while Gary Heck, owner of F. Korbel & Bros., was against the bill.

Heck's Lake Sonoma wine brand is one of several brands that will be affected. It will no longer be able to produce wines with more than 25 percent grapes sourced from 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 bill was signed about seven 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 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.

 <http://www1.pressdemocrat.com/apps/pbcs.dll/article?AID=/20061001/NEWS/610010324/1033/NEWS01>

**19. Parents Best Defense Against Drinking (Utah)**

By Aaron Falk - *The Daily Herald*

October 1, 2006

A television and radio campaign launched this week by state officials aims to curb underage drinking in a state that already boasts the lowest rates in the nation.

Backed by Utah's first lady, Mary Kaye Huntsman, along with several other groups, ParentsEmpowered.org hopes to get the message out that parents are the best defense against underage drinking.

According to research released by ParentsEmpowered, children in Utah begin drinking as early as the sixth grade and most parents begin talking to their children about the problem two years too late.

Children who begin drinking before age 15 have a 40 percent chance of becoming alcohol dependent, compared to a 7 percent chance for someone who starts drinking at the legal age of 21, according to the group.

"The earlier a kids starts drinking, the more likely they're going to have significant problems later in life," said Craig PoVey, program manager for the Utah Department of Substance Abuse and Mental Health. He added that the consequences of underage drinking include more than just alcohol dependency. "If you can keep them from drinking until they're 21, the chances of them having any problems at all are almost nil."

Most parents believe their children's friends have the greatest influence over their decision to drink or not, PoVey said. But he said most students surveyed by his department said their parents had the greatest influence.

Jessica Barber, an 18-year-old Utah Valley State College student, said she drank regularly earlier in her teens, but said her relationship with her mother helped her stop.

"She wasn't too happy," Barber said. "But my mom and I have a good relationship. We talked about it and she understood."

Because underage drinking numbers in Utah are far below the national average, PoVey said it will be difficult to see major drops in percentages. But he said the campaign is about more than numbers.

"I think sometimes we get lost in the percentages," he said. "If we can reduce the negative outcomes and the consequences of underage drinking, we're making headway."

According to the National Survey on Drug Use and Health, 18.6 percent of students in Utah under the age of 21 reported drinking alcohol in the past 30 days. The national average was 28.8 percent, with North Dakota's 42.7 percent topping the list.

In Utah County, those numbers are even lower, according to statistics compiled by the Utah Department of Substance Abuse and Mental Health. Less than 9 percent of high school seniors reported using alcohol in the last 30 days, compared to a state average of 20.5 percent, according to the department's 2005 survey.

Utah colleges also enjoy a low rate of underage drinking. According to the DSAMH's 2005 Substance Abuse Treatment Needs Survey, 14.5 percent of college students under the age of 21 reported regular use of alcohol.

A lack of a traditional Greek system combined with student housing that is predominantly Brigham Young University-approved means there are fewer opportunities for underage drinkers, Corey Smith, a 20-year-old UVSC student, said.

"There are less places for people to drink," he said.

<http://www.heraldextra.com/content/view/194893/3/>

**20. Liquor Sellers Run Scary, But Questionable, Ads in Ballot Fight (Massachusetts)**

By Bruce Mohl - *Globe Newspaper Company*

October 3, 2006

**TV spots claim letting food stores sell wine could boost drunken-driving fatalities**

 The state's liquor wholesalers and package stores yesterday launched a TV campaign suggesting that drunken-driving fatalities could double if a ballot question that would allow more Massachusetts food stores to sell wine succeeds.

The ad compares drunken-driving fatalities in Massachusetts to drunken-driving fatalities in the 34 states ``where wine is sold in convenience stores" and concludes that the much lower fatality rate here is because of the prohibition on wine sales in food stores.

There is little evidence indicating the prohibition is a major or even a minor reason why the drunken-driving fatality rate is low in Massachusetts.

Other states that prohibit wine sales in most food stores haven't had a similar experience. Arkansas, Tennessee, North Dakota, and Oklahoma all prohibit wine sales in food stores but each of them has a drunken-driving fatality rate that is much higher than the average for the 34 states that do allow wine sales.

The ad also fails to mention that beer and sometimes hard liquor are sold in food stores in the 34 states. Beer and hard liquor are abused by drivers far more than wine, according to Barbara Harrington , state executive director of Mothers Against Drunk Driving.

MADD, which is taking no position on the ballot question, said Massachusetts has a relatively low drunken-driving fatality rate because drivers here tend to drive slower than drivers in other states and receive better medical care when they are involved in crashes.

Some research also indicates that states with residents who are better educated and better off financially tend to have fewer drivers who drink and drive.

Harrington said MADD doesn't take positions on alcohol licensing issues, but has not been able to find any statistical correlation between wine sales in food stores and drunken-driving fatalities.

``There isn't any data on what happens when you put wine in food stores because that's not the standard course," Harrington said. ``The standard course is wine and beer."

Justine Griffin, a spokeswoman for the wholesalers and package stores, said food stores will immediately push for the ability to sell beer if they win the right to sell wine -- a contention the food stores dispute.

Griffin predicted the addition of many more wine-at-food-store licenses will have dire consequences.

``You change the system, and you're going to look like those other states and have similar consequences," she said.

The group has won the backing of more than 25 police chiefs and the State Police Association of Massachusetts. John Coflesky , president of the State Police union, said enforcement is working well with the existing licensing system.

``It's truly just a public safety issue with us," he said. ``I don't think we need any more licenses."

The ad, featuring photos of police responding to horrific traffic crashes, highlights what it calls a ``scary" statistic, the fact that the drunken-driving fatality rate in states where wine is sold in food stores is more than twice what it is in Massachusetts.

According to the ad, the rate in Massachusetts is 2.34 deaths per 100,000 drivers, compared to 5.31 deaths per 100,000 drivers in the states where wine and beer are sold by food stores.

According to data supplied by the liquor wholesalers and package stores based on statistics from the National Highway Traffic Safety Administration, the average drunken-driving fatality rate for the states prohibiting most wine sales in food stores was 3.41 deaths per 100,000 drivers. It was 7.78 deaths in Arkansas, 7.19 deaths in North Dakota, 7.01 deaths in Oklahoma, and 6.66 deaths in Tennessee.

Supermarkets launched two television ads yesterday that say the existing law, which limits a corporation to three liquor licenses, gives a ``virtual monopoly" to liquor stores. The ads say opponents of the ballot question are waging a deceptive campaign because ``they don't want any competition."

Both sides are gearing up for an expensive fight. Stop & Shop Supermarkets and Shaw's Supermarkets are the biggest supporters of the ballot question, while beer wholesalers and liquor wholesalers are financing the opposition.

The ballot question would create a new ``wine-at-food-store" license and give each municipality the option to award five of them. Municipalities with more than 5,000 residents could award another license for each additional 5,000 residents.

The ballot question defines a food store as a store that sells meat, poultry, dairy products, eggs, fresh fruit, produce, baked goods, baking ingredients, canned goods, and dessert items.

<http://www.boston.com/business/globe/articles/2006/10/03/liquor_sellers_run_scary_but_questionable_ads_in_ballot_fight/>

**21. Oppostion Grows For Wine Sales In Grocery Stores (Massachusetts)**

Source: *The Boston Channel*

October 4, 2006

Opposition is growing for a state ballot question that would allow the sale of wine at gas stations and grocery stores. NewsCenter 5's Pam Cross reported Wednesday that police chiefs in Raynham, Rehoboth and Somerset are now against the idea. Already, officials in Taunton, Medford and Somerville have voiced their opposition. Some are planning to refuse to hand out liquor licenses if Question 1 passes in November. They said it would make it easier for teens to get their hands on alcohol.

"We have gas stations, we have pharmacies, we have places -- any place that sells food would be able to sell wine. It would almost be impossible for us to check all of these establishments," Stoughton Police Department Chief Chris Ciampa said.

"They are being snowed by the opposition. It's not about convenience stores, and it's not about gas stations. It's about qualified grocery stores selling wine only to their customers and giving the local authorities the option of issuing the license or not issuing the license," Yes on One spokeswoman Kim Hinden said. "If local municipalities don't want to issue a license to a gas station or a convenience store, and we believe they wouldn't qualify anyway, they don't have to."



**22. Critics of Wine in Food Stores Cite Fear of More Drunken Driving (Massachusetts)**

***Boston Globe***

October 4, 2006

BOSTON --Opponents of a ballot question that would let grocery stores sell wine took their case to the steps of the Statehouse on Wednesday, saying the change could lead to a spike in drunken driving fatalities and increased underage drinking.

Former Spencer and Winthrop Police Chief Tom Shamshak, flanked by police and lawmakers, said more than two dozen police chiefs already have signed on to oppose the question -- known as Question One -- which he said would undermine the progress Massachusetts has made battling drinking and driving.

"Question One would completely upend Massachusetts' system of liquor licensing," he said. "It would more than double the number of liquor licenses."

Opponents of the question include Ron Bersani, grandfather of the teen for whom "Melanie's Law" was named. The law, approved last year, toughened the state's laws on repeat drunken drivers.

The question is pitting liquor stores, who oppose the change, against convenience and grocery stores, who support it.

Backers of the question, which will appear on the November ballot, say the easing of the liquor laws will give consumers more choice and brings more competition to the market. They said most other states allow the sale of wine in grocery stores.

Kim Hinden, a spokeswoman for supporters of the question, said the liquor stores are trying to whip up public fears when the issue is really economic for them and an attempt to quash competition.

"It's a scare tactic," she said. "This isn't a public safety issue, it's an economic issue for them."

She said the question would give local cities and towns the sole authority to grant the new form of liquor licenses -- wine in food stores -- and set fees, which could be used for enforcement.

Both sides also have been making their case with competing television ads.

**23. Liquor Sellers Hit MADD's Ties to Supporters of Wine Measure (Massachusetts)**

By Bruce Mohl, *Globe*

October 5, 2006

The Massachusetts chapter of Mothers Against Drunk Driving, which has adopted a neutral position in the debate over allowing more food stores to sell wine, lists as sponsors two of the supermarket chains leading the fight for the wine measure.

Stop & Shop Supermarkets regularly contributes to MADD. It donated $15,000 to sponsor the group's recent Strides for Change fund-raising walk. Shaw's Supermarkets contributed $2,500. Big Y supermarkets has also been a financial supporter, MADD officials said.

Benjamin Weiner, the owner of Sav-Mor Liquors in Somerville, said the contributions help explain why an organization dedicated to preventing drunken driving is staying neutral on the November vote, which could lead to a sharp increase in the number of wine retailers.

``MADD is like any other group who supports its contributors at any price," Weiner said.

David Deiuliis , communications director for MADD in Massachusetts, said the organization is remaining neutral on the ballot question not because of any contributions it has received but because the organization does not involve itself in licensing issues.

Deiuliis also said no solid research indicates that giving cities and towns the option to issue new wine-at-food-store licenses would lead to more underage drinking or to drunken driving.

``This debate has more to do with business. It's about market share. It's about the bottom line," Deiuliis said.

The MADD chapter in Minnesota took a different position. Over the past several years, it opposed supermarkets' efforts to win passage of a measure to allow them to sell wine.

MADD Minnesota's opposition was based partly on the belief that increased availability of wine could result in an increase of alcohol-related problems among youth, according to a position paper from the organization.

This week, l iquor wholesalers and package stores opposed to passage of the ballot question launched a television advertising campaign that suggests the state's low drunken-driving mortality rate would increase if the question passes.

The Globe reported on Tuesday that the federal statistics on which the commercial is based offer little evidence of a link between the state's low number of drunken-driving fatalities and its stance on wine sales at food stores.

Yesterday, more than 30 police chiefs and law enforcement officials appeared at a news conference on the State House steps to make the case that increasing the amount of alcohol sold would increase the number of drinking-related problems they have to contend with.

``We all see Question 1 as a public-safety issue," said Tom Shamshak , a former police chief and currently vice chairman of the Town of Billerica's substance abuse committee.

``People say it's only wine. My granddaughter lost her life because someone drank almost a bottle of wine at lunch," said Ron Bersani , the grandfather of Melanie Powell, whose death in 2003 led to the passage of a law to crack down on drunk drivers.

Asked about MADD's neutrality, Bersani said: ``We just disagree on this issue. MADD sees it as a licensing issue. I respect their position."

Current Massachusetts law allows any corporate entity to own three liquor licenses.

The ballot question will ask if municipalities should be given the option of granting five new ``wine-at-food-store" licenses. Municipalities with more than 5,000 residents could issue one additional wine-at-food-store license for each additional 5,000 residents.

Liquor wholesalers and package stores say voter approval of the change would yield 2,879 new licenses, but supermarkets say municipalities would probably grant fewer than 1,000.

The wholesalers say gas stations and convenience stores would receive licenses, but supermarkets say that the wording of the question would exclude most convenience stores. It defines a food store as a store that sells meat, poultry, dairy products, eggs, fresh fruit, produce, baked goods, baking ingredients, canned goods, and dessert items.

**24. Nebraska Liquor Commission Sued Over Flavored Drinks (Nebraska)**

Source: *KETV*

October 4, 2006

**Project Extra Mile Says Low Prices Will Attract Underage Drinkers**

OMAHA, Neb. -- The Nebraska Liquor Commission faces a lawsuit over its decision to tax flavored alcoholic beverages at a lower rate than it taxes liquor.

The Liquor Commission has reclassified beverages such as Smirnoff Ice and Mike's Hard Lemonade as beer, which means a lower tax and a lower overall price for those products.

Responsible drinking group Project Extra Mile has filed suit, saying the Liquor Commission's decision puts Nebraska's young people in danger because of confusion over what the drinks really are.

"They do not taste like alcohol or beer. They are sweet and fruity like sodas, lemonade and juices," said Project Extra Mile's Dianne Riibe.

Riibe said she fears that the low price will attract underage drinkers.

"They're clearly intended for our kids -- those not legal to purchase or drink them," Riibe said.

Jim Nekuda is co-owner of Omaha's Hooch Hutch. He said the flavored alcoholic beverages should not be considered distilled spirits because they are malt based. The Liquor Commission agreed in its July 31 decision that when more than half of a product's ingredients come from the brewing process, the beverage should be considered a beer even if the product contains some distilled spirits.

In 2003 the commission was prepared to tax the malt beverages as distilled spirits, but reversed that ruling based upon the federal governments guidelines.


# 25. Missouri Supreme Court Considers Alcohol Liability Law (Missouri)

By David A. Lieb - *The Associated Press*

October 4, 2006

JEFFERSON CITY, Mo. - Missouri legislators made a distinction between bars and convenience stores when writing the state's alcohol liability laws. Now the state Supreme Court is considering whether that difference is unconstitutional.

The state's high court heard arguments Tuesday on behalf of a suburban St. Louis mother who claims she should be able to sue the convenience store that sold her 20-year-old son a 12-pack of beer the night before he died in a car accident.

A St. Louis judge dismissed the lawsuit last year, citing the 2002 state law that allows liability suits only against those who sell liquor by the drink for consumption on site - and even then, only when certain criteria are met.

But St. Louis attorney James Parrot, who represents the mother of Terry Keown, argued that allowing relatives of a minor sold alcohol by a bar or restaurant to sue but not relatives of a minor who bought alcohol from a convenience or grocery store violates the state constitution's equal protection clause. In either case, selling the minor alcohol is illegal, he said.

"That distinction is irrational and arbitrary," Parrot told Supreme Court judges.

But some judges seemed skeptical of his argument.

Judge William Ray Price Jr. commented that the equal protection clause applies to people. In the liquor liability law, it's classifications of business, not people, that are being treated differently, Price said.

St. Louis attorney Gary Wiseman, who represents the Huck's Convenience Food Store in St. Peters that sold Keown the beer, argued that legislators did make a rational distinction - even if it's not the one some people would have preferred.

Additionally, Wiseman said, so-called "dram shop" laws have historically applied only to those who sell individual alcoholic drinks - not bulk quantities that are taken elsewhere and for which the seller has no knowledge of when or by whom it will be consumed.

Chief Justice Michael Wolff concurred in that historical interpretation. And Judge Richard Teitelman praised Wiseman for expressing his case well.

Trade associations representing restaurants, gas stations and convenience stores also filed court briefs urging the Supreme Court to uphold the 2002 Missouri law, which generally prohibits liability lawsuits against businesses when intoxicated people later injure or kill someone. The law makes exceptions "when it is proven by clear and convincing evidence that the seller knew or should have known" that the alcohol was served to someone younger than 21 or to a "visibly intoxicated person."

The law was a rewritten in response to a 2000 Supreme Court decision that struck down Missouri's previous alcohol liability law dating to 1985. That law allowed lawsuits only if there was a criminal conviction of serving a minor or intoxicated person. The Supreme Court ruled that unconstitutionally limited people's access to the courts, because the ability to file a civil suit was contingent upon a prosecutor's actions.

In the current case before the court, Elois Snodgras asserts that the clerk at Huck's never checked her son's driver's license to know if he was old enough to legally buy beer on Oct. 1, 2004. Early the next morning, after drinking all or much of the beer, Keown was killed in a one-car crash in St. Charles County. A medical examiner concluded he died of head trauma and acute alcohol intoxication, according to the mother's court briefs.

Snodgras said her son had graduated from a Fort Zumwalt high school and was taking welding classes at Vatterott College.

<http://www.belleville.com/mld/belleville/news/state/15669578.htm>

26. E. Idaho Group Eyes Changing Liquor Laws After Restaurant Pulls Out (Idaho)

*Associated Press*

October 5, 2006

REXBURG -- A newly formed group in the eastern Idaho town of Rexburg wants to change liquor laws that are so restrictive a national restaurant chain last summer abandoned plans to open a location in the town because it couldn't serve drinks by the glass.

Citizens for Expanded Dining in Rexburg wants to see if there is enough support to change the 1947 law.

Applebee's Neighborhood Grill and Bar withdrew its plan to build in the city last summer because of the law.

The new group plans to set up an Internet poll to find out if there is enough interest in the community to try and change the 1947 law and entice national restaurant chains to the area.

<http://www.ktvb.com/news/localnews/stories/ktvbn-oct0506-liquor_laws.bf9f924.html>

**27. Muslim Cabdrivers May Have to Signify Alcohol-Free Cars (Minnesota)**

*The Associated Press*

October 1, 2006

MINNEAPOLIS — Hundreds of Muslim cabdrivers at Minneapolis-St. Paul International Airport may soon be required to put different colored lights atop their vehicles after refusing to take customers they know are carrying alcohol.

The proposal, which would allow airport workers to direct travelers to cabs more efficiently, needs approval from the airport’s taxicab advisory committee, and airport officials hope to have the lights ready by year’s end.

If the proposal is adopted, cabdrivers without the light who refuse a fare will be sent to the back of the line, which often means a three-hour wait.

Some said they would rather wait for another fare than carry a passenger with alcohol. “It is forbidden in Islam to carry alcohol,” said Muhamed Mursal, a cabdriver.

Pat Hogan, an airport spokesman, said a handful of drivers began refusing to carry alcohol 10 years ago. Now he estimates that three-quarters of the 900 airport cabdrivers are Somali, most of them Muslim.

Mr. Hogan said drunken passengers have not had trouble getting a cab, just the ones who mention that they are carrying a bottle. He said, “It’s slowly grown over the years to the point that it’s become a significant customer service issue for us.”

Some travelers are taken aback by the idea that they might be refused a ride.

“They’re really kind of imparting their religious views on the public,” said Katie Patterson of McKinney, Tex. “I can understand if somebody’s drunk; that’s a whole different issue. But to just bring in a closed container, maybe you should look for other work.”

<http://www.nytimes.com/2006/10/01/us/01taxi.html?_r=1&oref=slogin>

