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| *www.IowaABD.com* | *Lynn M. Walding, Administrator* |

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| *January 26, 2007* |

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

1. [The Age of Lawsuits; What to Do?](#One)

2. [Miller Repeals “Man Law’](#Twon)

3. [US Liquor Revenue to Rise 6.4 Pct in 07-Trade Group](#Three)

4. [Anheuser-Busch Announces Agreement With Aristotle for Online Age-Verification on Bud.TV, Brand Web Sites](#Four)

5. [Wine Sales Set U.S. Record With 300 Million Cases](#Five)

6. [Pernod Says Interested to Buy Swedish Absolut Vodka](#Six)

7. [As Vodka Sales Skyrocket, Many Newcomers Pour In](#Seven)

8. [Budweiser Lightens Up As Funny Spots Return](#Eight)

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

9. [Antismoking Measure Resurfaces](#Nine)

10. [Council Passes PAULA Change](#Ten)

11. [4 Charged With Giving Driver Booze Before Fatal Crash](#Eleven)

12. [Liquor Approved for Bar to Replace Club City](#Twelve)

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

13. [License Error Sidelines Online Wine Retailer (Massachusetts)](#Thirteen)

14. [Plan May Widen Online Wine Sales (Virginia)](#Fourteen)

15. [Sunday Alcohol Sales Bill Could be Doomed This Year (Georgia)](#Fifteen)

16. [Bill Would Allow Online Wine Sales (Georgia)](#Sixteen)

17. [Minors Who Possess Alcohol Could Lose Licenses (Kentucky)](#Seventeen)

18. [Washington Sunday Liquor Sales a Big Hit (Washington)](#Eighteen)

19. [Glug, Slug Sounds Like Cha-Ching to State Lawmakers (Washington)](#Nineteen)

20. [Think Tank: Mich. Should Raise Beer Tax to Ease Budget Problems (Michigan)](#Twenty)

21. [State Authorizes New Liquor Licenses (Michigan)](#Twentyone)

22. [Liquor Bill Stirs Controversy In Lincoln (Nebraska)](#Twentytwo)

23. [West Virginia Could Get New Alcohol Tax (West Virginia)](#Twentythree)

24. [Senate Eyes Naming of Liquor CEO (Pennsylvania)](#Twentyfour)

25. [On-Campus Alcohol Ban May be Lifted at Ole Miss (Mississippi)](#Twentyfive)

26. [Liquor Wholesalers Ply Legislators With Cash (Texas)](#Twentysix)

27. [Climate Change Could Crush Wine Industry (California)](#Twentyseven)

28. [Wine Industry Boosts State Economy (North Carolina)](#Twentyeight)

29. [Judge's Ruling Could Limit Boulder's Alcohol Rules (Colorado)](#Twentynine)

30. [Proposals Would Raise Extreme DUI Limit, Increase Jail Time](#Thirty) (Arizona)

31. [Avoiding Roadblock Not Grounds For Stop (Hawaii)](#Thirtyone)

32. [DUI Penalty Bill Passes Early Hurdle (South Carolina)](#Thirtytwo)

33. [Police Agencies Honored For Their Efforts To Curb Underage Drinking (Maine)](#Thirtythree)

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

**1. The Age of Lawsuits; What to Do?**

*Beer Business Daily*
January 24, 2007

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Dear Client:

Notwithstanding distributor lawsuits against suppliers in California and Ohio regarding supplier moves, we are in store for several years of lawsuits to test the Granholm decision on both antitrust and dormant Commerce Clause grounds.

EXPERTS SPEAK. In an interesting joint presentation by Minnesota distributor exec Mike Madigan and Iowa Alcohol Beverage Division administrator Lynn Walding to Iowa distributors yesterday, the legal landscape was laid out with respects to the Costco and Granholm cases. Mike pointed out that the “*legal and legislative battles will continue for at least the next ten years*” and that the industry “*is in a period of unprecedented legal and legislative activity*.” But, Mike stressed that the three-tier system is far from being defeated.

In fact, there are several reasons for distributors to be optimistic. Of course, we all know by now that Granholm, far from handing a unrequited victory to direct-shipping wineries, narrowly ruled on Commerce Clause violations, which likely means that it only really strikes down in-state vs out-of-state exemptions, reciprocity laws, and local advantages given to local producers.

Furthermore, the Granholm decision goes out of its way to state that state regulated three-tier systems are “*unquestionably legitimate*” and that “*states have broad power to regulate liquor under section 2 of the Twenty-first Amendment*.”

So Mike is cautiously optimistic about the future, even the outcome of the Costco appeal, currently working it way through the Ninth Circuit Court of Appeals. But if this court rules against wholesalers, it could strike down similar laws in other states including cash laws, minimum markups, central warehousing by retailers, volume discounts, and price posting. A Ninth Circuit decision only effects the states in that Circuit, which are California, Oregon, Washington, Arizona, Montana, Idaho, Nevada, Alaska, Hawaii, Guam and the Northern Mariana Islands. But if it goes to the Supreme Court, it would apply to all states.

LYNN’S TEN TEP PROGRAM. So that’s where we stand. So what can we do, those of us who aren’t attorneys involved in the case? Iowa control state administrator Lynn Walding (who was one of the few who had my back during my contentious NABCA speech in Aspen last year), points out that one of the reasons Judge Pechman rules against Washington is because that state failed to enforce its alcohol regulations, and because there wasn’t any body of knowledge to point to to back up the reasons for its laws.

Lynn, who is also on the Board of NABCA (the control state exec organization), says that NABCA will be developing a repository of academic studies supporting the role of enforcement. Lynn presented ten ways to help ensure the future of the three-tier system, which I thought worthy of repeating:

1. Engage your local politicians to educate them on the benefits of three-tier. 2. Reconsider and re-engage with organizations that we normally wouldn’t engage but who have a vested interest in alcohol control, like administrators, MADD, the FTC, attorneys general, etc. 3. Cooperate with local ABCs to enforce existing laws. 4. Consider appropriate rollbacks and tradeoffs…..simplify your state alcohol code to make it flush with the Constitution. 5. Stay informed (by reading BBD every day). 6. Educate the public about the benefit of three-tier at every turn. 7. Work to defend the 21st Amendment. 8. Take the best ideas from what other states have done. 9. Be passionate about our industry….we’re good people after all. 10. And educate and avoid the mistakes of our past, like those that caused Prohibition such as promoting over-consumption, etc.

**2. Miller Repeals “Man Law’**

By Jeremy Mullman *– AdAge.com*

January 22, 2007

**Shelves Crispin Campaign as Sales Flag for Lite Brand**

CHICAGO (AdAge.com) -- Apparently deciding that market-share losses violate "Man Law," Miller Brewing Co. is shelving its "Men of the Square Table" ad campaign.



Manliness, as personified by

Burt Reynolds, right, didn't

help push sales of Miller Lite.

The campaign, by Crispin, Porter & Bogusky, Miami, debuted last spring with considerable buzz. The ads featured celebrities Miller and Crispin apparently thought personified manliness, such as actor Burt Reynolds, football star Jerome Bettis and wrestler Triple H, who would meet in a glass cube to settle questions about manly behavior, such as whether it's permissible to put fruit in beer. (It's not.)

**Pop-culture references**

The spots drew laughs, hundreds of thousands of entries to an online "Manlawpedia," and pop-culture references (a wholly-unrelated-to-beer *Chicago Tribune* story Sunday asked if it was a violation of "man law" for men to wear scarves), but Miller Lite's sales lost ground to its rivals. Sales fell by low-single digits last year, while rivals Anheuser-Busch's Bud Light and Coors Brewing Co.'s Coors Light saw sales climb in the mid- and low-single digits, respectively.

 When asked, Miller executives said they believed "man laws" would gradually seep into the popular culture and eventually boost sales. But their patience appears to have run out.

 "It's a great campaign, but the environment has changed a lot since we originally set out with it," Miller CEO Tom Long told *Beer Business Daily* in an interview published this morning. "We feel like it's time to start putting some more focus back on the reasons why Miller Lite is simply a better beer than other competitive light beers."

 Asked to elaborate on Mr. Long's comments, a Miller spokesman said the campaign succeeded in generating "social currency, and that was exactly what we needed at the time." He said brewer is exploring opportunities to bring the campaign back at some point in the next 12 to 18 months.

**Crispin on solid footing**

The spokesman added that Crispin remains on solid footing as Miller Lite's agency, a sentiment supported by the brewer's recent decision to award the shop its Miller High Life creative account in addition to the Lite work.

 New spots by Crispin, debuted during Sunday's NFL playoff games, set out to differentiate Miller Lite from its competitors by noting its spelling ("Lite" vs. the less distinctive but not misspelled "Light" used by A-B and Coors) as indicative of larger differences between Miller Lite and so-called GHT beers.

 The new ads, expected to air until new work from Crispin replaces them in April, are a return to the more comparative style of advertising Miller employed during its 2003-2004 renaissance, when it gained market share from No. 1 brewer Anheuser-Busch by declaring superiority in taste, carbohydrate count and other areas. A-B blunted that momentum by slashing prices during 2005, and Miller has struggled to regain traction since.

 A Crispin spokeswoman declined to comment.

<http://adage.com/article?article_id=114469>

**3. US Liquor Revenue to Rise 6.4 Pct in 07-Trade Group**

***Reuters***

**January 22, 2007**

NEW YORK, Jan 22 (Reuters) - The distilled spirits industry expects its U.S. revenue to increase 6.4 percent in 2007, up slightly from last year's rate, as wealthier consumers choose to drink more premium liquor, a trade group said on Monday.

The Distilled Spirits Council of the United States (DISCUS) said it expects gross revenue for liquor suppliers to reach $18.1 billion from the U.S. market in 2007. Supplier revenue grew 6.3 percent in 2006.

Sales by volume are expected to grow 3.2 percent in 2007, the trade group said, reaching 183 million 9-liter cases. Volume sales grew 3.8 percent in 2006.

David Ozgo, DISCUS's chief economist, said the predicted volume growth slowdown has more to do with the timing of shipments, rather than a real slowdown in liquor sales.

"I believe 2007 will be similar to 2006, which was a good year," Ozgo said in an interview, noting that volume sales grew only 2.7 percent in 2005. "I don't think the differences between these years is all that dramatic."

The fastest-growing segment of the liquor industry, which is dominated by the likes of Diageo Plc <DGE.L>, Pernod Ricard <PERP.PA>, and Fortune Brands Inc. <FO.N>, is the market for super-premium vodka, which saw revenue grow $60 million to $1.4 billion in 2006, the trade group said. Other fast-growing categories include premium vodka, cordials, rum and high-end bourbon.

<http://today.reuters.com/news/articleinvesting.aspx?view=CN&storyID=2007-01-22T185937Z_01_N22465742_RTRIDST_0_LIQUOR-OUTLOOK.XML&rpc=66&type=qcna>

**4. Anheuser-Busch Announces Agreement With Aristotle for Online Age-Verification on Bud.TV, Brand Web Sites**

***PR Newswire-First Call***

January 22, 2007

St. Louis, MO - PRNewswire-FirstCall/ -- Anheuser-Busch Inc. today announced it has selected Aristotle Inc., based in Washington, D.C., as the vendor to implement an independent age-verification system for its new online entertainment network, Bud.TV, which will launch on Feb. 4 following the Super Bowl broadcast. Bud.TV will feature programming similar to late-night network and cable television. By April, the age-verification technology also will be implemented on all of the company's beer-branded Web sites, such as //www.budweiser.com/ . This initiative makes Anheuser-Busch the first alcohol beverage company to use an independent age-verification system for its Internet sites.

"We chose Aristotle because of its experience in implementing cutting-edge identity verification systems that work quickly," said Tony Ponturo, vice president of Global Media and Sports Marketing, Anheuser-Busch Inc. "Aristotle's Integrity system will enhance our ability to admit only those adults of legal drinking age to our beer-branded Web sites."

Web site visitors will be asked to provide their first and last name, date of birth and zip code, which Aristotle will then attempt to verify against its database of public records in real time. Users who are verified may then create a password that will give them on-the-spot and future access to Bud.TV, as well as to Anheuser-Busch's other beer-branded Web sites.

**5. Wine Sales Set U.S. Record With 300 Million Cases**

By Kevin McCallum – *The Press Democrat*

January 25, 2007

SACRAMENTO - Americans' increasingly passionate love affair with wine pushed sales to record levels in 2006, helping vintners and growers recover from a wine glut brought on by the massive 2005 harvest.

U.S. sales of wine surpassed an estimated 300 million cases last year for the first time, analyst Jon Fredrikson said Wednesday at the Unified Wine & Grape Symposium in Sacramento, the industry's largest trade show.

"Wine is certainly entering the mainstream of American life," he said.

Sales were driven by publicity about the potential health benefits of wine, improved marketing by wineries and increasing acceptance of wine as a part of everyday life, Fredrikson said.

The growth of the U.S. wine market is nothing new. Analysts have been pointing out for years that the United States is on track to pass France and Italy as the world's largest wine market by the end of this decade, if not sooner.

But Fredrikson said the cultural changes he sees in Americans' attitudes toward wine are promising. For example, major U.S. companies are incorporating wine into their TV ads.

A drug company ad showing an allergy sufferer in his vineyard and a financial services company spot following a man through his wine cellar are just two examples of a trend that bodes well for the wine industry, he said.

Two years ago, such companies never would have linked their products with alcoholic beverages such as wine, he said.

"This is a monumental step forward," Fredrikson said. "Here we have others advertising our products for us. This is just terrific stuff."

Other alcoholic beverages seem to be working a lot harder to win over customers.

The wine industry spent just $108 million on advertising in 2006, compared to $1.1 billion by the beer industry, Fredrikson noted.

But it's not all smooth sailing for U.S. wine producers.

There is evidence more and more Americans are looking abroad as they widen their understanding of the wine world.

Overall, sales of U.S. and foreign wines rose 3 percent in the United States last year, rising to 300 million cases. California wineries increased sales 2 percent, to 189 million cases. Sales of wine produced in the other 49 states dropped 1.3 percent to 23 million cases. But foreign wineries boosted sales 10 percent, to 88 million cases, Fredrikson noted.

Increasing competition from abroad is making many California grape growers uneasy, especially when combined with advances made by wine industries in such states as Oregon, Washington and New York.

California growers are working on a campaign to better market California wines and have raised $300,000 toward the effort, said Rodney Schatz, chairman of the California Association of Winegrape Growers.

They're also hoping this year's crop is a light one so prices, depressed by the 2005 glut, firm up, said Nat DiBuduo, president of the Allied Grape Growers.

Strong demand for U.S. wines is helping the California wine industry work through the huge 2005 harvest, which at 3.76 million tons was 30 percent larger than expected.

Last year's crush was closer to normal, but DiBuduo said another year or two of smaller harvests will be needed to bring balance back to the market.

"If it's a long crop (this year), it's not going to be a pretty picture," he said.

Grape broker Bill Turrentine agreed the industry was in the midst of a delicate recovery.

"We're at the point where we are emerging from excess," Turrentine said.

The wine industry swings between oversupply and undersupply about every five years, something he calls the "manic-depressive wine business wheel of fortune."

But there are signs that process could be moderating.

Historically, when consumer demand for certain types of wines increases, that sends prices rising and triggers growers to plant more of those grapes. But since it takes several years for the vines to mature, demand continues to build and prices rise even higher, triggering even more growers to plant vines, Turrentine said.

But they often plant too many acres too late in the cycle, depressing prices when the vines reach full production about five years later.

Globalization of the wine industry can help smooth out the boom-bust cycle, Turrentine said. When there is a shortage of a certain type of grapes, such as the current scarcity of pinot noir, the global market makes it easier to import wines from overseas, he said.

This keeps prices in check and could lessen the "tsunami" of wine that frequently has followed excessive vineyard planting.

"If prices don't go as high, there's not as much planting, and it turns maybe just into more a big wave that you can actually surf for a while," Turrentine said.



**6. Pernod Says Interested to Buy Swedish Absolut Vodka**

***Reuters***

January 25, 2007

LONDON, Jan 25 (Reuters) - France's Pernod Ricard <PERP.PA> is interested in buying Swedish state-owned vodka Absolut when it comes up for sale, while talks on acquiring the Stolichnaya brand outside Russia continue, it said on Thursday.

Pernod Managing Director Pierre Pringuet said "Yes" when asked at briefing whether Pernod was interested in buying Vin & Sprit's Absolut, but there was no timetable for a sale.

Pringuet was speaking at a briefing in London after the world's second largest spirits and wines group reported a forecast-beating 12.4 percent rise in underlying second-quarter (Oct-Dec 2006) sales.

Absolut is the world's second-best selling vodka after Diageo Plc's <DGE.L> Smirnoff, with sales focused largely on the United States, and analysts have put an initial value on the Swedish vodka at over $4 billion.

Earlier this month, Sweden's centre-right government said it plans to go to parliament in late March to seek permission for the sale of the maker of Absolut, Vin & Sprit, along with two other state-owned firms, but gave no other details.

Pernod is likely to face competition when the sale timetable is kicked off from the likes of Fortune Brands Inc <FO.N>, which already distributes Absolut in the U.S., and the world's biggest wine group, Constellation Brands Inc <STZ.N>, analysts said.

Pringuet added that negotiations over the ownership of the world's third biggest vodka, Stolichnaya, were continuing.

Pernod has the distribution rights to the brand outside Russia until 2010, and the Paris-based group is talking with the Russian government, which owns the brand within its national borders, about the future of the brand.

Any agreement may help Pernod with its current talks with SPI group, which owns Stolichnaya outside Russia, about potential acquisition of a brand which analysts say is worth around 2 billion euros ($2.6 billion).

**7. As Vodka Sales Skyrocket, Many Newcomers Pour In**

By Deborah Ball – *Wall Street Journal*

January 26, 2007; Page A1

**Grey Goose's Payday Sets Off a Gold Rush; Hendrix Hits Vegas**

What do a dive-shop owner, a government lawyer, and a dot-com millionaire have in common? They're all launching new brands of vodka, in one of business's most improbable gold rushes.

Vodka is clear in appearance and doesn't taste like anything. Yet nearly 260 vodka brands were introduced in the U.S. from 2001 to 2006, according to Adams Beverage Group. Swathed in purple glass, illuminated in pink, or infused with flavors like cherry vanilla, vodkas now account for about a quarter of all new hard-liquor brands, more than any other spirit. Hundreds more ideas are being shopped around but will never make it to market.

In 1997, Craig Dieffenbach sold SeattleOnline, an online city guide, for millions. Now the 45-year-old Seattle native is pouring some of those millions into his next venture: Hendrix Electric vodka, named after famed guitarist Jimi Hendrix. On Dec. 31, Mr. Dieffenbach stood on stage in the ballroom of a luxurious Aspen lodge, ringing in the new year with supermodel Heidi Klum and her singer husband Seal. As a spotlight projected a purple image of Jimi Hendrix onto the snow outside, the trio, with 750 guests, chanted the countdown to midnight. Later, guests took home mini bottles of the vodka and purple shot glasses. It was Mr. Dieffenbach's third party in Aspen that week -- another was attended by singer Mariah Carey.

Mr. Dieffenbach, who declines to disclose how much he spent on the three Hendrix parties, says he intends to use video from the bashes in promotional materials. "It was fantastic," he says. "It's unbelievable branding."

**Near-Mythic Story**

Behind the escalating vodka race are booming sales in hard liquor and the near-mythic story of one brand: Grey Goose, vodka's answer to Google. Launched in 1997 by veteran liquor marketer Sidney Frank, Grey Goose was priced at almost $30 a bottle, far surpassing Absolut, which sold for about $15 at the time. Overcoming skeptics, Grey Goose was an overnight success, selling 100,000 cases in less than two years. In 2004, when the brand's sales hit 1.8 million cases, Mr. Frank sold Grey Goose to Bacardi Ltd. for $2 billion.

"Ever since Grey Goose got sold for $2 billion, people have been seeing dollar signs," says Kay Olsen, a former marketer for Smirnoff vodka who is now handling the U.S. launch of a small Swiss vodka.

While beer sales have been largely stagnant, spirits sales are up strongly, thanks to the cocktail craze and a marketing blitz by spirits makers. In addition to launching a slew of promotions at bars and other nightspots, liquor companies have dramatically ramped up television advertising. In 1996, the spirits industry ended its self-imposed ban on television spots.

Sales of vodka, which blends easily into the sweet-tasting cocktails young drinkers prefer, have grown even faster. Vodka sales in the U.S. rose 4.5% in 2005 compared with the prior year. Sales of the most expensive vodkas -- some priced at more than $20 a bottle -- rose nearly 11%, according to market-research firm Impact. Since vodka is relatively cheap to make, profit margins on high-end vodkas can top 40%, industry executives say.

**Unusual Factor**

One unusual factor helping many entrepreneurs rush into the market is the liquor industry's antiquated structure of distillers, bottlers and distributors. Stemming from rules passed in the wake of Prohibition in the 1930s, this "three-tier system" was long viewed as a hurdle to efficiency. But it also creates easy points of entry for unknown small brands.

The result: Anyone with a name, a marketing pitch and some cash can launch a vodka, and outsource everything else. In fact, while few of the new vodkas are expected to make it big, many distillers, bottlers and distributors are profiting handsomely from selling their expertise to the flood of entrepreneurs.

Florida Distillers, owned by V&S Vin & Sprit AB of Sweden, recently dedicated several production lines to making new brands. One of them, a caffeine-infused vodka called p.i.n.k., is the brainchild of David Mandell, a lawyer who recently quit his job as the Federal Aviation Administration's chief of staff to pursue his new dream.

"We're getting a lot of inquiries these days, and I saw a business opportunity," says Chris Kearns, Florida's vice president of bottling operations.

MHW Ltd., a Manhasset, N.Y.-based importer and distributor, has widened its menu of advisory services to start-ups in recent years. It now helps new brands register in each state with liquor regulators and pools together small brands to negotiate discounts on delivery rates. About a third of MHW's overall sales comes from this advisory service, compared with 15% in 2000, says Chief Executive John Beaudette.

**Screening Calls**

Some industry veterans are starting to rein in their vodka business, fearing that too many brands are creating a bubble that will soon burst. A year ago, Distilled Resources Inc., a Rigby, Idaho-based liquor maker, stopped accepting new vodkas. Owner Gray Ottley says he already makes 19 new brands -- from huckleberry-flavored 44° North, named for the latitude of the distillery, to Zodiac, which comes in 12 different bottles, one for each zodiac sign. Mr. Ottley outgrew his existing warehouses so quickly that he built two new ones late last year.

Mr. Ottley says he was receiving several calls a day from prospective vodka entrepreneurs. To lessen call volume, he took down his Web site temporarily, and hired someone to screen calls after he puts the site back up.

**\*Please visit the link listed below to read the rest of the story**

<http://online.wsj.com/services/article/SB116977281225088318-search.html?KEYWORDS=Vodka&COLLECTION=wsjie/6month>

**8. Budweiser Lightens Up As Funny Spots Return**

By Suzanne Vranica – *Wall Street Journal*

January 25, 2007; Page B2

On Super Bowl night, the King of Beers will turn into a court jester.

CBS's broadcast of the big game Feb. 4 will mark Budweiser's return to a humorous style of ad it was once famous for.

So, whassup?

In the past couple of years, Bud has largely focused on ads promoting the quality of its brew, leaving the funny spots to its sibling brand, Bud Light, which is targeted at a younger audience. Now, after a management change at Bud's maker, Anheuser-Busch, and a steady sales decline at Bud, the brewer is changing course.

As part of a return to the lighter side, one Budweiser commercial sends up some astronauts.

Among the ads being considered to run on Super Bowl night is a spot that shows some smart-alecky crabs making off with a cooler of Budweiser from a group of unsuspecting bikini-clad women. Another spot shows two astronauts trying to share a Bud in space. Both ads were crafted by Omnicom Group's DDB.

The spots are a marked contrast from the Bud ads that ran during last year's Super Bowl, when the message was ice-cold refreshment. Typical was a spot that showed fans in a stadium doing the "wave" with signs that showed beer pouring into a glass. Sounds of a person gulping down the beer rose from the stadium. As the glass emptied, fans let out a loud: "Ahhh."

"Boy, have we hit that [quality message] hard for the past couple of years," says Bob Lachky, executive vice president, global industry development. "We have so many things like heritage and quality in the image bank already; there is no need to pound that theme right now again."

Bud's return to lighter overtones in its ads coincides with Mr. Lachky's recent return to the top marketing spot at Anheuser, after a 12-month company stint where the focus was promoting the entire beer industry. The 53-year-old executive, now back on focusing on Anheuser's beer brands, hopes to work some of his prior comic magic. As the steward of the brewer's marketing since 1996, he was responsible for many of Anheuser-Busch's most memorable ad efforts, from Louie the Lizard and the Budweiser Frogs to the "Whassup" phenomenon.

To be sure, not all of the Bud ads under consideration are expected to prompt a chuckle. Another spot reprises the traditional Clydesdale horses.

The stakes are high. Bud is competing with a slew of other big-spending marketers, such as PepsiCo, Mars and General Motors. The broadcast attracts the biggest TV audience of any program -- roughly 90 million people in the U.S.

Ad time isn't cheap, fetching as much as $2.6 million for 30-second spots this year, although marketers who buy more than one ad tend to pay much less. Anheuser-Busch, which last year locked in Super Bowl spots through 2012, shelled out about $2 million for each of its 10 slots this year, according to a person familiar with the matter.

Budweiser sales could use a boost. The flagship brand of Anheuser has been losing market share for more than a decade. In 2006, the brewer shipped an estimated 260 million barrels of Budweiser, down 23.6% from 2000, although it remains the second-biggest-selling brew in the world. The biggest is Bud Light, which shipped about 410 million barrels last year, a 30.7% jump from 2000.

Going for laughs will pit Bud more directly against Bud Light, which has long relied heavily on humor in its advertising. That will be as true during this year's Super Bowl as ever. Among the Bud Light spots under consideration is one that stars Latino comic Carlos Mencia teaching a room of immigrants how to say "Hey fella, give me a Bud Light" with a Southern drawl. Another features a husband and wife driving down a dark road. The husband suggests picking up a hitchhiker, noting he has Bud Light. "He has an axe!" responds the woman in an alarming tone. Her partner responds: "I am sure there is a reason for it."

Mr. Lachky says the humor of the two brands is different, reflecting their different target audiences. Budweiser, which targets a 28-plus, predominantly male and blue-collar crowd, uses humorous ads that aim to put a "smile" on people's faces, he adds. Bud Light, which targets the 21-to-27-year-old age group, uses a more slapstick or sophomoric approach.

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

**9. Antismoking Measure Resurfaces**

By Mason Kerns -*The Daily Iowan*

January 23, 2007

### Restaurants could be next casualty of antismoking measures

Unless Aunt Noreen doesn't mind scooping slingshot mashed potatoes out of her hair, she should probably refrain, over dinner with the in-laws, from ranting about the dangers of secondhand smoke - or, conversely, the "inalienable" right to puff on the occasional cancer stick.

That discussions about the right to smoke, and to avoid others' smoke, have been rendered taboo in civil discourse is probably derived from the issue's divisive potential, its constitutional implications, or both. Regardless, legislation that would allot Iowa cities and counties more authority to ban smoking in bars, restaurants, and other private and public establishments has brought the issue, for better or worse, to the fore.

Currently, exemptions to Iowa law allow indoor smoking at private establishments, such as eateries and hotel ballrooms, as long as the businesses adhere to proper ventilation standards and designate nonsmoking sections. But a recycled state proposal, sponsored by Rep. Ro Foege, D-Mount Vernon, would allow Iowa City and Johnson County officials to repeal this exception and invoke additional smoking bans at their discretion.

Social-environment smoking bans are not new to Iowa City; In 2002, the City Council approved a measure that would have eliminated smoking in restaurants. But an Iowa Supreme Court ruling struck down a similar ordinance in Ames soon thereafter, halting antismoking measures here.

This newest bill in the Legislature - in the spirit of Gov. Chet Culver's proposal to raise the cigarette tax to $1 per pack - comes as the advocacy group Americans for Nonsmokers' Rights announced that more than half of all U.S. residents now live in cities or states where smoking is banned in all bars, restaurants, and job sites. Similarly, the UI and Johnson County authorities have imposed several smoking and smokeless tobacco bans in recent months.

Foege's bill, in many ways similar to antismoking measures the lawmaker pushed for in previous legislative sessions, doesn't detail whether counties or cities would have jurisdiction over bans within city-incorporated areas.

Johnson County Supervisor Rod Sullivan, a proponent of the December 2006 ban on smoking or smokeless tobacco use within 50 feet of county buildings, said he feels cities should be granted the autonomy to police their bars and restaurants.

"We have to think of places in the county that aren't contiguous," as Coralville and Iowa City are, Sullivan said. "And places such as Windham, where the culture may be different."

Yet such decentralized policies could leave cities reluctant to put their businesses at competitive disadvantages relative to other towns in Johnson County. Iowa City City Councilor Bob Elliott said he would support banning smoking in restaurants and bars - granted that Coralville and North Liberty promise to follow suit.

Meanwhile, smokers who feel enveloped in - and unfairly demonized by - the nationwide smoking-ban movement have scrambled for footing against what they deem a coordinated assault on their civil liberties.

Richard Maynard, an instructor at Des Moines Area Community College and the Iowa representative for the nationwide smokers' rights group The Smokers Club Inc., said he understands the government's right to intervene in public-health matters, and he is well aware of the dangers of smoking. Maynard simply disagrees with where public officials draw the line; to impose excessive taxes on cigarettes and banish smokers from the public eye, he said, is to overstep their bounds.

And his stance, he emphasized, is rooted in anything but partisanship.

"I'm a self-proclaimed, unapologetic, liberal Democrat," he said, upset that the right to smoke has been associated with conservatism, even libertarianism. "I can't understand why taking away smokers' rights became an issue for liberals."

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/01/23/Metro/Antismoking.Measure.Resurfaces-2668222-page2.shtml?sourcedomain=www.dailyiowan.com&MIIHost=media.collegepublisher.com>

**10. Council Passes PAULA Change**

By Stephen Schmidt - *The Daily Iowan*

January 24, 2007

The Iowa City City Council decided Tuesday that requiring three rounds of voting in order to pass the proposed amendment to the city's underage-drinking ordinance was one too many.

Councilor Dee Vanderhoef, under the recommendation of the city staff, suggested that the council expedite the vote and complete the PAULA ordinance. Moves to speed up the vote and approve the pending law both passed unanimously.

Under the old ordinance, the city disregarded PAULA citations from other towns in Iowa when calculating the total number of underage-drinking offenses for an individual's record. With the passage of Tuesday night's vote, violations in other cities will count toward the total.

City Attorney Eleanor Dilkes said expediting a measure is recommended when the issue isn't hotly contested so the agenda can be moved forward quickly.

She added that among communities close to Iowa City, only University Heights had a section in its PAULA code similar to Iowa City's old ordinance. She said the new rule was created with the idea that everyone would be treated the same under state law.

Iowa City police Sgt. Troy Kelsay said the amendment would bring the city's consequences for underage drinking offenses in line with those meted out by state law.

He added that the daily operation of the police would not be affected by the proposed change, because officers always give those underage drinkers they catch the simple-misdemeanor tickets.

 These are then routed through the city attorney, who checks to see if stiffer penalties should be applied.

UI Student Government student liaison Austin Baeth said the ordinance was relatively unimportant.

"Because so few students are going to be affected by this, I thought we should choose our battles and focus on more important issues," he said, adding that ordinances such as this one, which emphasize safety and responsibility, are preferable to more severe, wider-reaching actions, such as the controversial 21-ordinance.

Under Iowa law, the first PAULA offense is listed as a simple misdemeanor, and the offender is charged a $200 fine and court fees. A second offense can lead to a $500 fine, court charges, and the choice between having one's driver's license suspended for a year or completing a substance-abuse evaluation.

A third offense results in a $500 fine, court charges, and both the loss of the offender's driver's license along with the substance-abuse evaluation. The court, at its discretion, may also sentence the violator to community service in lieu of a fine.

The Iowa City police issued 1,267 PAULAs from January to November 2006, according to the department.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/01/24/Metro/Council.Passes.Paula.Change-2670652.shtml?sourcedomain=www.dailyiowan.com&MIIHost=media.collegepublisher.com&mkey=433542>

**11. 4 Charged With Giving Driver Booze Before Fatal Crash**

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

January 23, 2007

**Shanda Munn was underage when she struck and killed Kelly Laughery.**

A substance abuse expert at Iowa State University said felony charges against four people who allegedly gave alcohol to a student whose car later struck and killed a pedestrian should serve as a caution others.

"No one intends to have something like this happen, but they still result in such severe consequences," said Sara Kellogg, ISU's substance abuse and violence prevention coordinator. "It's something everyone, including students, needs to think about before getting into those situations."

Authorities last week charged one current and three former ISU students who they say provided alcohol to Shanda Munn, 21.

Munn was sentenced last fall to up to 10 years in prison for vehicular homicide in the death of Kelly Laughery, 20, of Orient.

Laughery, a sophomore pre-business major, was killed as she walked to her sorority about 4:30 a.m. on Dec. 3, 2005.

Charged are:

- Jody Robert George, 25, of Ames.

- Nicholas Anthony Tonelli, 24, of Dexter.

- Anthony Louis Galante, 28, of Williamsburg.

- Kelly Ann Campbell, 24, of Colo.

Munn, who was underage at the time of the fatal incident, admitted she had been at an off-campus party in west Ames hosted by the four students. She testified that she had six to eight drinks before she drove home.

Munn surrendered to campus police Feb. 11 after authorities searched a garage in Nevada and matched debris from the scene with Munn's car.

Laughery's parents have filed a wrongful-death lawsuit against Munn and the four students they say are also responsible for their daughter's death. A September court date is set in the lawsuit.

Story County Attorney Stephen Holmes said he hopes a keg registration ordinance passed in August 2005 will help prevent a similar situation.

"We haven't had to use it yet, ... and that, I would assume, says it's having a positive effect," he said. "We're looking to prevent tragedy."

Some ISU students remain skeptical, however, of the impact the four arrests will have on alcohol abuse and underage drinking.

"Tragedies occur on every campus, and no matter how much you want there to be a decrease over the long run, it's not going to happen," said Katherine Lundberg, 21, a junior who studies English. "It's not something that crosses their minds. They're just looking for a good time."

A 2003 Iowa State survey of 2,500 students shows 73 percent drank alcohol and 41 percent reported having five or more drinks in one sitting at least once in two weeks.

The study also showed that students underestimated the number of students who have used alcohol in the past 30 days, which was 80 percent.

"I think it's too early to tell if students' behavior have been affected by this, but I hope students realize that providing alcohol to those under or over 21 has far-reaching effects not only on themselves, but on others," said Andy Alt, the school's assistant director for judicial affairs. "I hope students realize it's irresponsible to provide underage drinkers with alcohol."

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070123/NEWS01/701230398/1001/NEWS>

**12. Liquor Approved for Bar to Replace Club City**

By Jason Pulliam – *Des Moines Register*

January 23, 2007

The Des Moines City Council on Monday unanimously approved a liquor license application for a new bar and restaurant located at the former home of the defunct Club City, 1820 E. Army Post Road.

The council's vote clears the way for the application's approval by the state's Alcoholic Beverages Division. Final approval is expected later today, according to the Des Moines City Clerk's office.

Johnny Hall, 57 of Des Moines, plans to open "Wanna B's" Friday night.

Hall took occupancy of the building Jan. 1 – Club City's final day of business.

Club City shut down to avoid a public nuisance lawsuit filed by the city. The lawsuit will be dismissed because the club's honored the closure settlement it reached with the city, said assistant city attorney Douglas Philiph.

Council members questioned Hall about establishing proper security to avoid the type of violence and criminality that led to Club City's demise and sparked outcry from nearby residents.

"I think we really need to watch this particular place since it's had so many problems in the past," said newly elected Ward 4 City Councilman Brian Meyer.

Meyer led the southeast side Bloomfield Allen Neighborhood Association's push for action against Club City before being elected on Jan. 9.

The council passed an ordinance in early December to tighten regulation on after-hours clubs that do not have liquor licenses, but allow patrons to bring their own alcohol inside after 2 a.m.

After-hours nightclubs are now governed much like bars and restaurants with liquor licenses.

Hall said he is sympathetic to resident concerns and wants his business to bring a different dynamic to the neighborhood.

“The people out here deserve to have something that offers more than just problems,” he said.

No after-hours activity will take place at his business, Hall said. The bar and restaurant will operate from 4 p.m. to 2 a.m., offering food, live music and games.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070123/NEWS/70123020/1001/NEWS>

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

**13. License Error Sidelines Online Wine Retailer (Massachusetts)**

By John Barry – *The Enterprise*

January 22, 2007

AVON - A major online wine retailer had to stop operations because the company forgot to renew its alcohol license, and then submitted an incomplete application for a public hearing held last week.

Wine.com of 33 Wales Ave., located in the Avon industrial park, had to cease distribution for at least another two weeks until the hearing is continued.

"We've continued the hearing for two weeks so (Wine.com) can get everything in order," Selectmen Chairman Francis Hegarty said.

The problem began in late December during the selectmen's annual renewal of licenses. At that time the board voted not to reissue Wine.com's alcohol license because the company failed to submit a request for license renewal.

That left the company unable to sell alcohol from its Avon site after Jan. 1.

"This is somewhat of an embarrassing hearing for us," said Bill Tonaszewski of San Francisco, corporate council for Wine.com.

The embarrassment continued throughout the hearing after selectmen reviewed the application that was to be submitted to the ABCC.

Hegarty pointed out to Tonaszewski that a number of questions on the application were not filled out. Also, a copy of the company's stock, which the ABCC requires to be attached to the application, was still in the company's former name.

Up until about two years ago, the Avon company worked under the name of EVineyard.com. It has since changed to Wine.com, but failed to have the stock certificate changed to that name.

"The application is not complete. There are questions not filled out, the application is not signed, and the stock is not in the right (company) name." Hegarty said.

Hegarty explained to Tonaszewski that the board's experience is the ABCC will not accept the application as it was presented.

Hegarty accepted a motion to continue the hearing for two weeks.

The board could have ended the hearing with no finding, leaving the company to start the process over, but Hegarty felt continuing the hearing for two weeks will give the company time to get the paperwork in order.

Tonaszewski said the issue is an oversight on the company's part, and that the Avon site will not be shipping alcohol until it is resolved.

Wine.com has distribution site's around the country. It's Web site reports it has available for customers a line of more than 10,000 imported and domestic wines for sale that can be shipped to 25 states.

Massachusetts is listed as a state the company cannot ship to, due to regulations, but with a new license the company can ship from the Avon site to other states.

**14. Plan May Widen Online Wine Sales (Virginia)**

*Richmond Times-Dispatch*

January 20, 2007

Dot-com-only wine outlets could soon arrive in Virginia, thanks to an amendment that would create an Internet wine-retailer license.

Under the amended law, these businesses would be relieved of requirements to sell food, a prerequisite for stores and restaurants that serve alcohol.

State law allows retailers to sell wine online and ship up to two cases of wine per month to the same person within Virginia. But holders of wine-shipping licenses also run retail establishments that are open to the public, such as a grocery store or gourmet shop.

Virginia law does not specify how to deal with the legal issues -- such as food sales -- surrounding Internet-only wine sellers.

Roanoke resident David Bullington just wants to open a business selling Argentine wine.

"I can't sell Argentine wine in enough quantity in Roanoke to justify a walk-in store," said Bullington, who plans to start Andes WineMerchants.com but has held off until the law changes.

Yesterday, the Senate Committee on Rehabilitation and Social Services endorsed the bill -- sponsored by Sen. John S. Edwards, D-Roanoke -- without opposition.

Direct shipments of beer and wine are permitted through common transportation carriers approved by the Virginia Department of Alcoholic Beverage Control: UPS, FedEx and DHL, said ABC spokeswoman Beth Straeten.

Recipients of the alcohol must prove they are 21 at the time of delivery and sign an electronic or paper form.

Shipping across state lines requires wine retailers to comply with outside state laws, said Terri Cofer Beirne, a lobbyist for the Virginia Wineries Association.

<http://www.timesdispatch.com/servlet/Satellite?pagename=RTD%2FMGArticle%2FRTD_BasicArticle&c=MGArticle&cid=1149192752247&path=!business&s=1045855934855>

**15. Sunday Alcohol Sales Bill Could be Doomed This Year (Georgia)**

By James Salzer - *The Atlanta Journal-Constitution*

January 23, 2007

The Sunday wine and beer sales bill could be stalled for the 2007 legislative session under a measure being filed by a key Senate leader.

Senate Regulated Industries Chairman David Shafer (R-Duluth) is filing a resolution today creating a summer study committee on all alcohol laws. The wine and beer sales bill must go through Shafer's committee.

Study committees are a common way of killing bills in the General Assembly because they allow lawmakers to put off decisions on controversial issues.

Shafer, who has been cool to Senate Bill 26, the Sunday sales bill, passed around information to colleagues this morning noting an increase in alcohol-related traffic fatalities in New Mexico since that state approved Sunday sales more than a decade ago. His resolution creating the study committee included the signatures of all six Republicans who co-sponsored the Sunday sales bill.

"Despite the hype, Senate Bill 26 does not actually legalize alcohol on Sunday," Shafer said. "It only legalizes certain types of alcohol sold at certain types of retailers. As drafted, it has raised serious concerns about competition."

The liquor store industry says the bill isn't fair because it only allows the sale of beer and wine, not liquor. Grocery and convenience stores in Georgia can't sell hard liquor, and they are the ones pushing the Sunday sales bill. Liquor store officials also don't want the expense of having to open on Sunday, particularly if they can only sell beer and wine.

Sen. Seth Harp (R-Midland), sponsor of the Sunday sales bill, said Shafer's resolution does not mean he will give up trying to pass his measure, which would allow local voters to decide whether to allow beer and wine sales at stores on Sunday.

"I'm not slowing up at all on the other [sales] bill, but this gives me the opportunity to have a forum, and the 68 percent who support this will come through loud and clear," Harp said.

A recent AJC poll showed 68 percent of respondents support the idea of letting local voters decide whether to allow Sunday sales.

Gov. Sonny Perdue has come out in opposition to the proposal, but he has refused to speak with reporters to explain why.

Harp said it's too early in the session to throw dirt on his Sunday sales proposal.

"There ain't no finality until sine die," he added, referring to the last day of the Legislature.

**16. Bill Would Allow Online Wine Sales (Georgia)**

*Atlanta Business Chronicle*

January 25, 2007

As debate heats up at the state legislature on whether grocery and convenience stores should be allowed to sell beer and wine on Sundays, a high-ranking lawmaker has filed a bill that would let Georgians buy wine online any day of the week.

House Judiciary Chairman Wendell Willard (R-Sandy Springs), who said he's more of a Scotch man himself, introduced House Bill 159 at the urging of constituents in predominantly well-to-do north Fulton County.

"This is for people who like to have wine from these small vineyards in Oregon, Washington, California, Virginia, etc., but can't get them because they're not carried by Georgia dealers," Willard said.

Georgians currently cannot buy wine by catalog or phone or over the Internet, although residents in many other states can, Willard said.

HB 159, which has drawn bipartisan support, would allow Georgia residents who are over 21 to order up to two dozen cases of wine a year by any of those methods.

Willard said he may modify the bill to only allow sales of wines that are not carried locally in order to head off concerns of unfair competition from Georgia wine dealers.

**17. Minors Who Possess Alcohol Could Lose Licenses (Kentucky)**

By R. G. Dunlop - *The Courier-Journal*

January 21, 2007

FRANKFORT, Ky. — In an effort to curb underage drinking, two state legislators are proposing to hit minors where the lawmakers think it might really hurt: in the driver’s license.

Under a bill filed by Sen. Tom Buford, R-Nicholasville, and Sen. Joey Pendleton, D-Hopkinsville, anyone under 21 who buys or possesses alcohol could be penalized with a three-month license suspension.

Subsequent offenses could result in suspensions of six months to a year under the measure, Senate Bill 45.

Current law provides for a fine of up to $250 for such violations.

Buford and Pendleton think that’s not enough punishment — especially if a parent or some other adult pays the offender’s fine.

“I want to get their attention, and the best way to get a minor’s attention is to take their driver’s license,” Pendleton said.

**Similar bill died last year**

Last year, the General Assembly enacted a license-suspension for minors who use false identification to make alcohol purchases. But a proposal similar to this year’s SB 45 died in a conference committee.

If the latest proposal became law, would the bill accomplish what its sponsors intend?

Authorities on human behavior and alcohol disagree, as do students in Jason Bell’s class on law and order at St. Francis High School in downtown Louisville.

At the beginning of a 45-minute discussion of the bill last week, 10 of the 13 class members said they supported it.

At the end, however, the bill had only six supporters, along with four opponents and three students who said they couldn’t decide.

“It won’t deter anybody because three months isn’t that long a time,” said Mark Dorf, a senior. “It’s kind of like being grounded.”

Added Brad Hirsch, a junior: “I don’t think kids really take into consideration the penalties for what they’re doing. So it wouldn’t have any effect.”

Other students said they could readily bum rides from friends if they couldn’t drive.

But Zayd Abukar, a senior from Montreal (where the legal drinking age is 18), said the bill “is better than doing nothing. At least you’re punishing some people.”

Bell, who’s 28, tended to side with his skeptical students.

“Teenagers don’t think they’ll get caught,” Bell said. “The penalty might have more effect on people in college, who drink more openly. In high school, they aren’t drinking in public. They’re at somebody’s home.”

**Bill has mother's support**

Ann Fenzel, a Louisville mother of four children, including two in college, said she hopes the bill becomes law. “It would give kids another thing to think about,” she said. “Consequences do matter with kids.”

Fenzel, who has been active in Project Graduation at duPont Manual High School, an event that promotes an alcohol-free prom night, added that schools need to do a better job of educating students about alcohol and alcohol abuse.

“When you look at society in general, how many adult or family functions have you been to where alcohol wasn’t served?” she said. “At a U of L game, everybody has a beer in their hand. At the beach, everybody has a cooler. So we send the message early on.”

Last year, nearly 1,900 minors statewide were found guilty of possessing alcohol, or paid fines after being issued citations, according to statistics compiled by the Administrative Office of the Courts. At least that many more cases were dismissed or sent to pretrial diversion.

Underage drinking “is a pretty big issue. We spend a lot of resources on it,” said Steve Humphress, general counsel for the Kentucky Office of Alcoholic Beverage Control.

**25 states have similar laws**

Currently, 25 states suspend the driver’s licenses of minors who possess alcohol, and 22 do so for those caught attempting to purchase it, according to the Century Council, a nonprofit organization dedicated to combating drunken driving and underage drinking.

Alcoholic-beverage retailers in Kentucky caught selling to minors can face penalties that include fines and suspension or revocation of their licenses. Pendleton acknowledged that his bill also is designed to help level what he thinks is an unfair playing field.

“We do all these things to licensees if they sell to minors,” he said. “There’s never been any burden on the teenager attempting to purchase.”

Pendleton’s brother-in-law, Ben Wood, who owns five liquor stores in Christian County, has encouraged him to seek tougher penalties for minors who commit alcohol-related violations.

“If we truly want to keep minors from drinking, we have to put a little bit of teeth in the law,” Wood said in a telephone interview.

In the meantime, Wood’s approach is one actively discouraged by the ABC: confiscate and destroy the identification used by minors attempting to buy alcohol. Wood said his employees keep “a couple hundred” pieces of identification in a year, including some valid driver’s licenses.

“It keeps them from buying something that night,” Wood said. “Suddenly they don’t have an ID to present.”

ABC officials, however, have expressed concern that store employees’ confiscation and retention of identification presented by minors raises legal questions as well as potential safety issues, if a minor becomes irate when the ID is not returned.

Pendleton said he would like to include a document-confiscation provision in his bill, if the ABC approves. Christopher Lilly, the ABC’s executive director, said the agency is studying the Pendleton/Buford measure as it is currently written, and has not yet taken an official position on it.

Angela Criswell, state executive director of Mothers Against Drunk Driving, said MADD said she supports the bill on the grounds that there is “good science” indicating that license sanctions deter underage drinking.

**Professor says bill misses the point**

But David Hanson, a professor emeritus of sociology at the State University of New York at Potsdam who has studied issues related to alcohol and drinking, said the research cited by Criswell is not “methodologically strong” and didn’t address the possible deterrent effect of license sanctions on future substance abuse.

Criswell also contended that there is “no such thing as safe or responsible drinking for someone who is under age 21.”

Ruth Engs, a professor of applied health science at Indiana University who has written widely about alcohol-related issues, disagreed.

“Go to Europe and watch families with children in restaurants; they’re drinking responsibility, adult-like,” she said.

Engs and Hanson both said research and experience suggest that additional constraints on youthful drinking may have unintended consequences.

“The more restrictive the legislation for drinking behaviors, the more it causes a backlash and general disrespect for the law,” Engs said. “When you try to restrict youth, they’re going to rebel.”

Hanson said license suspensions may simply increase the incidence of driving without a license, as well as propelling underage drinking farther underground, “where it occurs in the absence of normal social restraints.”

He and Engs prefer an approach that allows older youths to drink in “controlled” environments such as restaurants and at college events with adult supervision, as well as at home. Federal law, however, requires states to prohibit minors from “publicly possessing” alcohol or else lose 10 percent of their annual highway funding.

Pendleton and Buford agree that introducing minors to alcohol at home makes some sense, rather than attempting to place it wholly off limits until they are on their own and are more inclined to experiment with binge drinking and other forms of alcohol abuse.

But they disagree on the need for hardship exemptions in the bill. Buford said he would not oppose an amendment allowing a minor convicted of an alcohol violation to drive to school or work if there were no other transportation available. Pendleton, however, is less inclined to compromise.

“If they lose (their license) for 30 days and see what a hardship is, I guarantee that’ll be an incentive not to do it again,” he said. “Don’t buy underage if you don’t want to lose your license.”

<http://www.courier-journal.com/apps/pbcs.dll/article?AID=/20070121/FEATURES09/70121019>

**18. Washington Sunday Liquor Sales a Big Hit (Washington)**

***Associated Press***

January 21, 2007

OLYMPIA, Wash. - Washington state's experiment with Sunday liquor sales is a big hit, and lawmakers may expand it to more stores this year.

Twenty state-run stores and 38 contract stores run by private vendors have been keeping Sunday hours, noon to 5 p.m., for the past 16 months. And sales are expected to top $18.5 million by June 30th.

About half of that goes to the state treasury, local governments, health services and alcoholism prevention programs.

Sales are well above the original estimate of $9.6 million when lawmakers agreed to partially suspend Washington's long-standing "Blue Law" prohibition on Sunday hard liquor sales at the state monopoly stores.

Sunday sales were authorized at 20 of the state's 161 state-run stores and at all 158 contract stores run by the private sector.

The state Liquor Control Board chose 20 high-traffic stores, while 38 of the contract stores opted to sell on Sunday



# 19. Glug, Slug Sounds Like Cha-Ching to State Lawmakers (Washington)

*The News Tribune*

January 22nd, 2007

When he lived in Sacramento, Tom Davis became accustomed to what he saw as the convenience of buying liquor at any grocery store.

So when Davis, 55, moved to Washington four years ago, he was disappointed that not only did grocery stores in the state not sell hard liquor, no liquor stores were open on Sundays.

“I felt like Washington was in the Dark Ages,” Davis, of Tacoma, said Sunday outside a state-run liquor store in Tacoma’s West End. “I strongly feel that expanding (hours to Sundays) is just fine.”

Davis soon might get his wish, as lawmakers consider enlarging the state’s recent experiment with Sunday liquor sales.

Twenty state-run stores and 38 contract stores run by private vendors have been keeping Sunday hours, noon-5 p.m., for the past 16 months, with sales expected to top $18.5 million by June 30. About half of that goes to the state treasury, local governments, health services and alcoholism prevention programs.

Sales are well above the original estimate of $9.6 million when lawmakers agreed to partially suspend Washington’s long-standing “Blue Law” prohibition on Sunday hard liquor sales.

The West End Tacoma store, the only one in the city authorized to sell on Sundays, has one of the highest Sunday sales totals in the state, said manager Curt Preston.

“There is a need because not everybody works Monday through Friday anymore,” he said.

Sunday sales were authorized at 20 of the state’s 161 state-run stores and at all 158 contract stores run by the private sector. The state Liquor Control Board, which runs the stores and licenses more than 14,000 drinking establishments, chose 20 high-traffic stores, while 38 of the contract stores opted to sell on Sunday.

Board administrator Pat Kohler told the House Commerce and Labor Committee on Friday that the pilot project is off to a smooth start and that sales are far exceeding predictions. The Sunday operations haven’t come at the expense of sales on Friday and Monday or at other state liquor stores, and there has been no spike in robberies or other trouble at the stores, she said.

Gov. Chris Gregoire has suggested continuing the same setup for another two years, but lawmakers might decide to expand Sunday sales to all stores, or at least to more locales, said Senate budget Chairwoman Margarita Prentice, D-Renton. One compromise would be doubling the number of stores with the extra hours, she said.

Prentice first raised the idea at a budget preview sponsored by The Associated Press earlier this month. At the time, she suggested tying the additional revenue to the budget for the judiciary, but on Friday said the money probably should simply go into the main treasury, which finances schools, human services, courts and other core services.

According to the Distilled Spirits Council, Washington became the 33rd state to authorize Sunday sales. Council President Peter Cressy said consumers have long been able to buy beer and wine on Sunday and that they and out-of-state visitors appreciate access to liquor sales.

Committee Chairman Steve Conway, D-Tacoma, said he’s glad to see the revenue pouring in but that he wants to make sure the system stays under strict controls.

“I assume this means you won’t adopt a Starbucks model and open a store on every corner,” agreed Rep. Cary Condota, R-Wenatchee, the ranking Republican on the panel.

On Sunday afternoon, a steady stream of customers, including Mark Humes, came and went at the state-run liquor store off Point Fosdick Drive Northwest in Gig Harbor. Humes, 54, said he supports expanding Sunday hours to all liquor stores in Washington.

“It just seems to me that we have to get away from managing behavior because we’ve got to get back to personal responsibility,” he said.

<http://www.thenewstribune.com/news/government/story/6334449p-5521081c.html>

**20. Think Tank: Mich. Should Raise Beer Tax to Ease Budget Problems (Michigan)**

*WLNS*

January 22, 2007

LANSING, Mich. A think tank says state officials should consider raising the tax on beer for the first time since the 19-60s as part of an effort to ease the state's budget problems.

John Bebow is executive director of The Center for Michigan, a think tank in the Ann Arbor area. He says that if the six-dollars-and-30-cents a barrel tax had been indexed for inflation, it would be about 39 dollars a barrel today.

Bebow says that tax would raise more than 270 (M) million dollars a year instead of 44 (M) million dollars.

But the Michigan Beer and Wine Wholesalers Association is against any such increase. It says raising the beer tax would hurt the industry and consumers.



# 21. State Authorizes New Liquor Licenses (Michigan)

*Kalamazoo Gazette*

January 21, 2007

The liquor license is the newest incentive in the state's efforts to revitalize communities.

At the end of December, Gov. Jennifer Granholm signed amendments to the Michigan Liquor Control Code of 1998 that make licenses, which allow on-premises consumption of beer, wine and alcohol, available for major economic developments in a specified area or in a city's urban center.

They operate outside the state's long-established quota system, which links the number of licenses any community has to its population. The new, nonquota licenses can also be far less expensive than conventional licenses.

The amendments allow the issuance of new liquor licenses based on communities' ability to attract major economic development in specified areas or within urban centers, said Ken Wooziness, director of executive service for the state's Liquor Control Commission.

The quota-based system, which is the most common method of issuance, allows one liquor license for every 1,500 residents in a municipality, Wooziness said.

``In a lot of communities, those (liquor licenses) have been used up,'' Wooziness said. ``Liquor licenses aren't available because the population hasn't increased.''

Based on its population, Kalamazoo is authorized for 51 Class C (on-premises-consumption) liquor licenses. It actually has 54, because some are grandfather from when the city's population was higher. All those licenses have owners, and sales occur when businesses close.

The state has issued about 8,000 liquor licenses for taverns and restaurants. Of those, about 1,000 are resort licenses, specifically for use by businesses that cater to tourists, Wooziness said.

The new amendments acknowledge that full-service restaurants are central to the development strategies of many municipalities that want to revitalize older downtown districts. In a written statement, Robert W. Swans, director of Michigan's Department of labor & Economic Growth, said that without liquor licenses, such restaurants have little hope of surviving economically but that in some municipalities, conventional, quota-based licenses are typically not available.

Kalamazoo already has people interested in the new licenses, said Steve Desiree, vice president of Downtown Kalamazoo Inc. He said the cost of a new, nonquota license is $20,000, while quota-based licenses can cost up to $80,000.

``We can handle a demand for more of the restaurant/entertainment-type venues down here,'' Desiree said of downtown Kalamazoo. ``The state is offering an economic-development tool at a much-reduced price than what's on the market right now. This will help us attract these venues.''

Kenneth NAACO, president of Downtown Kalamazoo Inc., said he thinks the new legislation will greatly benefit the city's economic-development efforts.

``This community, through its comprehensive planning, has defined a 24/7 goal to create a truly live-work-and-play environment in the downtown area,'' NAACO said. ``To do that, you need to have some activity in the evening. Our retail-market studies show that we can support new restaurants with liquor licenses.''

But Wooziness said a community must be making a ``pretty serious'' attempt to revitalize an area before his agency will consider a request for a nonquota license.

For one type of nonquota license, the municipality must have a population of more than 50,000 and economic-development projects that total $50 million or more in a designated area. Wooziness said the designated area could encompass certain sites or the entire municipality.

He said communities that have populations less than 50,000 would be eligible as long as they could demonstrate investment of $1 million per every 1,000 residents.

The other type of nonquota liquor license would be limited to the boundaries of Downtown Development Authority or Tax Increment Financing districts. The criteria for those is an expenditure of $75,000 or more on the rehabilitation or restoration of the building involved in the license application and not less than $200,000 in total public and private funds invested in the total project, including such things as infrastructure and adjacent-streetscape improvements.

Prior to the amendments, Wooziness said, there were 50 nonquota licenses available statewide for downtown districts. Desiree said the state Legislature made those licenses available in 1998.

``Those are gone,'' Wooziness said of the 1998 licenses. ``That's why we added these, because people who represented DDAs said they're gone and asked if there wasn't something we could do.''

Wooziness said the state has not set a limit on the number of the new, nonquota licenses.

He said it's up to individual municipalities that want the nonquota licenses to come to the Liquor Control Commission with viable projects.

<http://www.mlive.com/business/kzgazette/index.ssf?/base/business-3/1169358958297790.xml&coll=7&thispage=1>

**22. Liquor Bill Stirs Controversy In Lincoln (Nebraska)**

Source: *KETV 7*

January 23, 2007

**Bill To Allow Beer, Liquor Drinks Gets Hearing**

LINCOLN, Neb. -- A proposal on mixed drinks is stirring controversy in the State Capitol.

It is illegal for bars to mix hard liquor and beer, and some responsible drinking advocates said that lifting the ban may have some unintended consequences.

The drinks in question come with names like boilermaker, Irish car bombs or depth charges. Each mixes beer with certain types of alcohol. A law dating back to the days of prohibition makes it illegal to serve them in Nebraska bars and restaurants.

Beermakers told lawmakers during a Monday legislative hearing that the ban doesn't make much sense, especially since mixing two or more hard liquors is legal.

"There isn't a whole lot to this bill, really," said Ted Powers of Anheuser-Busch. "It simply allows the bartenders to mix the drinks."

Project Extra Mile, a group that works to combat underage drinking, said its members believe that repealing the statute will directly affect a lawsuit aimed at curbing flavored malt beverages, sometimes called alcopops. The drinks are considered beer and have distilled spirits added by the manufacturer.

"We believe LB 251 would be an end run to inadvertently circumvent litigation," said the group's Diane Riibe.

Mary Doghman filed suit asking the Nebraska State Liquor Control Commission to treat alcopops as hard liquor with a higher tax. The suit says that would make them more expensive and tougher for kids to but.

Doghman's daughter, Maya, said the change is needed.

"Instead of making alcohol more appealing to my friends, make it less accessible to my friends," Maya Doghman said.

The executive director of the Liquor Control Commission said the new bill only impacts drinks served in bars. The sponsoring lawmaker, Sen. John Synowicki, sid that's his only intention.

"I take exception to the testimony today that alluded I was here to . (promote) underage drinking. Far from it," he said.

Synowiecki said Nebraska is the only state that still has a ban on these types of mixed drinks.


# 23. West Virginia Could Get New Alcohol Tax (West Virginia)

*WTOV 9*

January 23, 2007

WHEELING, W. Va. -- Soon the beer that costs you $2 in most states could cost almost $3 in West Virginia. That's if a new bill passes allowing county commissioners to levy a tax of up to 35 percent on alcoholic drinks. The bill was introduced in the West Virginia Senate last week. If the bill passes, counties that choose to levy the tax could use the money for regional jail costs and fire and rescue services.

Many bar-goers hadn't even heard of the bill. They said that is part of the problem they see with it.

"They try to back-door into the legislature and by the time people do find out about it, it's too late and I have a problem with that," said bar customer Sam Stout.

The bipartisan bill only applies to onsite consumption of alcohol in nightclubs and bars. Some people said they would rather stay home, or cross the border to Ohio, than spend more on drinks.

After the tax on smoking, some bar customers said taxing alcoholic drinks is just the next step.

<http://www.wtov9.com/news/10817868/detail.html>


# 24. Senate Eyes Naming of Liquor CEO (Pennsylvania)

*Associated Press*

January 24, 2007

HARRISBURG - A state Liquor Control Board member said yesterday that he considered his vote last month to hire a new chief executive as simply restoring an upper-management position that existed about 20 years ago.

Thomas F. Goldsmith said he didn't anticipate that the 2-1 vote to create the position and fill it with a former lawmaker would become so controversial that it would generate a 21/2-hour meeting of the Senate Law and Justice Committee.

"Obviously, that was a miscalculation," said Sen. Sean Logan (D., Allegheny).

The committee pressed Goldsmith and board Chairman P.J. Stapleton about the sudden hiring of former State Sen. Joe Conti (R., Bucks) shortly after he left the legislature at the end of November.

Goldsmith and Stapleton hired Conti over the strenuous objections of the then-chairman, Jonathan H. Newman, who said that the decision was too secretive and that Conti's $150,000 salary was too high. Newman has since resigned and was succeeded as chairman by Stapleton.

"It just seems to me it was done in a rush," said Sen. John C. Rafferty Jr. (R., Chester), chairman of the Law and Justice Committee. "That in itself has led to our questioning the whole process."

The hiring decision came two days after Gov. Rendell called board members to suggest they add a top manager - although such a move had been discussed for many years - and suggested Conti's name.

Conti is the former Law and Justice Committee chairman, and his former colleagues seemed to go out of their way on several occasions to praise him.

He did not attend the committee meeting.

<http://www.philly.com/mld/inquirer/news/local/states/pennsylvania/counties/montgomery_county/16530037.htm>


# 25. On-Campus Alcohol Ban May be Lifted at Ole Miss (Mississippi)

*Clarion Ledger*

Jan 24, 2007

Lifting the campuswide ban on alcohol seems counterintuitive when you're trying to stop bad behavior caused by drinking.

"I know it does," said Robert Khayat, longtime chancellor at the University of Mississippi.

But that's exactly what Khayat, spurred by recommendations Tuesday from a campuswide group of experts, is thinking about doing. The recommendations include ending the ban on alcohol while stiffening punishments for underage drinkers or those who break the law.

"The goal," he said, "is to help students become adults."

Last fall, following high-profile, alcohol-related incidents, Khayat formed the Alcohol Task Force and charged it with finding a better way to deal with alcohol issues on campus.

It followed the death of a university police officer during a confrontation with a student who authorities said was driving under the influence of alcohol and illegal drugs.

That came weeks after university officials announced a crackdown on alcohol during tailgating events in the Grove, a popular location for partying at home football games.

The task force issued its final report to Khayat on Tuesday.

Lifting the alcohol ban is a key point, but there's much more to the recommendations the group made.

Among the other suggestions Khayat and his vice chancellors and other university officials will consider in the coming days:

- Making permanent a "two strikes" policy inaugurated last fall, which says students caught violating alcohol policies twice can be suspended.

- Requiring all freshmen to undergo alcohol education.

- Requiring Friday classes, making Thursday one less "party night" for students.

- Revoking campus parking passes for students convicted of driving under the influence.

- Clearly indicating on student ID cards who is and is not at least 21.

- Working more closely with local, off-campus officials to identify students who violate alcohol laws.

- Issuing harsh punishments to nonstudents who violate on-campus alcohol policies, such as revoking season tickets to sporting events or banning them from campus.

Khayat said it is a near certainty he will make the two strikes policy permanent. Though he did not have figures on hand Tuesday evening, he said there's been a "marked reduction" in alcohol violations on campus since its inception in November.

Since then, the university said, one student has been suspended under the new rule.

The policy also has helped cut down on alcohol violations in residence halls, Lorinda Krhut, director of student housing, said in a news release.

Although the number of possession cases has risen since an initial decrease, vandalism and other behavior-related violations have decreased, she said.

Roun McNeal, the student body president, said none of the policy recommendations is groundbreaking, except perhaps lifting the ban on alcohol.

"Toying with the idea of abandoning the policy of prohibition is revolutionary for our campus," he said.

Lifting the ban was a contentious issue among the task force members, with 20 voting for it, 15 voting against it and three choosing not to vote for either, according to the final report.

Word of that recommendation was just filtering its way to the students, said McNeal, who was a member of the task force and helped draft the recommendations.

"It's uncertain at this point how they'll take it," he said. "It's hard to say whether they're going to accept it or whether it's going to remain contentious."

He said other changes - more education, stricter enforcement of existing rules, Friday classes - are all working at other universities.

Khayat agreed that many of the task force's recommendations seem like common sense and likely will be adopted without much fuss.

Prohibition, however, is a tough one.

Indeed, every other public university in Mississippi officially bans alcohol from campus, though students, law enforcement officials and university leaders admit the bans are mostly in name only.

"You can make a strong case for prohibition," Khayat said, "and you can make a strong case for saying, 'If you're 21 the state law says it's legal, so we will, too.' "

<http://www.clarionledger.com/apps/pbcs.dll/article?AID=/20070124/NEWS/701240370/1001/NEWS>

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**26. Liquor Wholesalers Ply Legislators With Cash (Texas)**

**By Robert T. Garrett – *The Dallas Morning News***

January 24, 2007

**They've donated $1.7M in bid to sell direct to restaurants, bars; package stores worried**

AUSTIN - Liquor wholesalers dumped nearly $1.7 million on Texas lawmakers in the weeks leading up to the 2007 Legislature while pushing for changes that would allow them to sell booze directly to restaurants and bars.

The law now allows only package liquor stores, not wholesalers, to supply establishments where patrons drink on the premises. The law now allows only package liquor stores - not wholesalers - to supply establishments where patrons drink on the premises. Wholesalers say that's not fair; package stores say giant wholesalers would undercut their prices to monopolize the market, potentially costing thousands of people their jobs.

The wholesale giants, Dallas-based Glazer's Distributors and San Antonio's Republic Beverage Co., are placing a big bet on getting the law changed.

They spent nearly five times more on lawmakers in the past 10 weeks than they did in the entire year before the 2005 session. According to Texas Ethics Commission filings released last week, Gov. Rick Perry and House Speaker Tom Craddick each took $100,000 and Lt. Gov. David Dewhurst got $75,000 from officers of the wholesalers and their political committees.

There also were $20,000 donations to 23 of 31 Texas senators, $40,000 apiece to three other influential senators and at least $1,000 each to 130 of 150 House members. Almost half received $5,000 to $10,000 apiece.

The effort provides a clear snapshot of how money makes the Capitol go round.

"It shows that in Texas, we have a pay-to-play system," said Suzy Woodford of Common Cause Texas, which tracks ethics in government. "We have no limits on the amount of money that these individuals, their PACs and their officers can contribute. So it clearly demonstrates to the average Joe that if you don't have the big bucks ... the item you care about is not even going to be considered."

The wholesalers make no bones about what they want. Alan Gray, a spokesman for the Glazer's-controlled Licensed Beverage Distributors PAC, said it's unfair that liquor wholesalers can't sell directly to bars and restaurants when wine and beer wholesalers can.

"We think it's an inefficient and archaic system for the distribution of distilled spirits, and we're going to seek a change," the spokesman said. Asked if the $1.7 million was given to lawmakers expressly to change the law, Mr. Gray said: "We participate in the political process, but we don't comment on our political giving."

Package store owners, responding to the threatened loss of business, will travel to Austin today to urge lawmakers to rebuff the wholesalers' demand.

Dallas package store owner Greg Wonsmos said the two wholesalers told several of his colleagues in November "that they intended to pass legislation to prohibit package stores from servicing restaurants and bars, and take over 100 percent of that business for themselves."

"The monopolistic system sought by the wholesalers would inevitably result in higher prices and poor service," said Mr. Wonsmos, CEO of Centennial Fine Wine and Liquors and president of the Texas Package Store Association.

He said 500 stores supplying bars and restaurants would have to lay off thousands of employees.

The intensity and scope of the wholesalers' effort to blanket the Capitol with money caught the package stores by surprise: $1.66 million since the Nov. 7 election, nearly five times the $368,000 they gave in the 12 months before the 2005 session. The donations were split almost 50-50 by interests representing Glazer's and Republic.

Four owners of Republic wrote checks of about $350,000 each to BG Distribution Partners PAC in mid-October, the records show.

While that wholesaler's owners, members of the Block family of San Antonio and the Goldring family of Houston, mainly use their PAC as a conduit, the owners and executives of Glazer's in Dallas mix it up.

Chairman and CEO Bennett Glazer and executive vice president and chief operating officer Barkley Stuart write most of the big checks. Sometimes, they give directly as individuals. Sometimes, they give indirectly through their company's political action committee, the Licensed Beverage Distributors PAC.

Mr. Gray, that PAC's director of governmental affairs, said wholesalers haven't approached any lawmakers to sponsor legislation repealing Texas' law that requires bars, restaurants and nightclubs to buy their liquor from a licensed "local distributor."

Since Texas legalized liquor by the drink in 1971, only package stores have been allowed to obtain the licenses. An advocate for package stores said the law was drawn up to protect those businesses, which for decades had supplied Texas' private drinking clubs.

Mr. Gray said, "We think that it's an inefficient and costly system for the distribution of distilled spirits to bars and restaurants and that it's unlike how wine and beer are distributed - or ketchup and hamburger meat, for that matter."

Mr. Gray rejected package stores' prediction that wholesalers will use their market power to raise prices. Now, he said, "What you usually have are one or two dominant local distributor players in any large market." Letting wholesalers sell to restaurants and bars would likely increase competition, he said.

Ismael "Kino" Flores, D-Palmview, chairman of the House Licensing and Administrative Procedures Committee, said that while alcoholic-beverage bills routinely are assigned to his panel, he hadn't heard of a possible turf war among liquor interests.

"We generally have beer fights, but not liquor fights," said Mr. Flores, one of 26 House members who received $10,000 from the wholesalers.

Sen. John Whitmire, D-Houston, who has played a major role in liquor-related legislation in the past and was one of the three senators to take $40,000 from the wholesalers, said he learned that a fight was coming from his local package store owners last month.

"They were playing defense even before I knew anybody was on offense," he said. "Unfortunately, the Legislature gets pulled into a lot of industry fights."

**27. Climate Change Could Crush Wine Industry (California)**

By Betsy Mason – *Contra Costa Times*

January 23, 2007

By any measure, California wines rank among the best in the world. But a 2-degree rise in temperature could make Napa Valley chardonnay a thing of the past.

A couple more degrees and Napa would no longer be prime territory for wine of any kind. And warmer grape growing regions such as the Livermore valley could be knocked out of the premium wine game entirely.

"It's clear that there's the potential for really substantial problems, and almost certainly going to be some change," said John Williams, owner and winemaker at Frog's Leap Winery in Napa Valley.

Among the issues Williams could face are warmer winters that hinder bud development, changes in rainfall patterns and increasing pressure from pests that thrive in hotter weather. But uncertainty about the timing and severity of those challenges makes it hard to plan.

"You can't prepare for it," he said.

Although grapes may feel the heat first, they won't be alone. Many of the state's signature crops -- avocados, oranges, almonds -- will face serious declines in yield by midcentury, according to computer models that project climate changes

Agriculture is the industry whose fate is most closely linked to climate, and California is by far the biggest agricultural producer in the country. In a warming world, California's agricultural riches are among the most vulnerable in the country, so farmers and economists are starting to pay attention to the prospect of climate change.

The state grows more than half of the nation's fruits, nuts and vegetables and is virtually the sole source of more than a dozen crops, including nectarines, raisins, artichokes and olives.

No other state comes close. According to the most recent agricultural census, in 2002, the No. 2 state, Texas, did not bring in even half of the $26 billion grossed by California farmers and ranchers.

Other states may escape relatively unscathed, and some studies show that the uptick in temperature and longer growing season predicted by climate models could actually be a boon to agriculture in the northernmost states.

But California's climate is already close to ideal for many of the fruits and vegetables it is famous for, and even the most optimistic predictions show California on the losing end of the warming stick.

"At the current crop mix that we have, we're pretty much at the optimum, so changing that would push us over the peak of that curve," said economist Olivier Deschênes of UC Santa Barbara.

In a study forthcoming in the American Economic Review, Deschênes and Michael Greenstone of the Massachusetts Institute of Technology estimated the economic impact of global warming on U.S. agriculture by analyzing how random year-to-year variations in temperature and precipitation affected profits in the past. They then used a climate model to project those effects into the future.

They calculated that global warming will result in a 4 percent, or $1.3 billion, increase in agricultural profits for the country during the next century. But those gains were not evenly spread, and California may see an annual loss of 15 percent, or $750 million, by the end of the century.

One of the biggest reasons for this is the state's precarious water situation.



**28. Wine Industry Boosts State Economy (North Carolina)**

Source: *NBC17*

January 24, 2007

RALEIGH, N.C. -- Gov. Easley released a study Wednesday announcing that the wine and grape industry provides the state economy with $813 million each year.

North Carolina's 55 wineries make the state the tenth largest in wine and grape production in the nation.

Along with the 5,700 full-time jobs the industry supplies, the wineries brought in more than 800,000 visitors in 2005, generating $122 million in revenue.


# 29. Judge's Ruling Could Limit Boulder's Alcohol Rules (Colorado)

*CBS4*

January 24, 2007

(AP) Boulder CO -- A judge's ruling that a restaurant has the right to serve alcohol until 2 a.m. could limit the city of Boulder's ability to regulate alcohol sales, officials said.

Boulder County District Judge Gwyneth Whalen ruled last week that Thunderbird Burgers, a restaurant in the popular University Hill area near the University of Colorado campus, could continue selling alcohol until 2 a.m. despite a city zoning condition calling for it to stop selling alcohol at 11 p.m.

The judge agreed with Thunderbird's attorneys that only the state can regulate the hours during which alcohol is served.

The city and CU formed an advisory committee in August to study ways zoning regulations could be used to help reduce alcohol abuse. The committee was part of an effort the city and the university launched to curb binge drinking following the alcohol-poisoning death of a CU freshman in September 2004.

Thunderbird's owners sought permission in 2004 from Boulder's Planning Board to stay open until 2 a.m. The restaurant won a zoning variance to stay open that late under the condition it stop selling alcohol at 11 p.m, prompting the lawsuit.

Cities cannot use zoning ordinances to make their own alcohol policy, Whalen wrote in her ruling Friday.

"Zoning restrictions may indirectly affect the sale of alcohol as an incidental consequence of the regulation, while primarily intended to address another issue," the ruling said. "Here the effect on the sale of alcohol is direct and immediate."

Thunderbird's attorney, Richard Lopez, said the ruling should "clarify and limit" the advisory committee's ability to regulate alcohol sales.

City Attorney Ariel Calonne said he hasn't decided whether to recommend that the City Council appeal the ruling.

The ruling doesn't affect the Planning Board's right to reject outright a business' application to stay open longer than allowed under zoning regulations. The city's zoning regulations require University Hill businesses to close at 11 p.m. unless they obtain an exemption.

"I appreciated the court recognizing that the balance that the city is trying to strike is laudable," Calonne said. "I think that means the court was trying to look hard at the law and give us its best guess about what it means. By the same token, we have to consider whether we need the appellate court to do the same thing."

<http://cbs4denver.com/local/local_story_024125034.html>

**30. Proposals Would Raise Extreme DUI Limit, Increase Jail Time (Arizona)**

*The Daily Dispatch*

January 20, 2007

PHOENIX (AP) - Two new proposals by a state lawmaker would raise the legal limit for extreme drunken drivers and extend the time they spent in jail.

State Sen. Jim Waring wants to force first-time extreme offenders to serve a full 30 or 45 days in jail with no reduced time for attending treatment programs. Another of his proposals would raise the current blood-alcohol limit for extreme DUI from 0.15 percent to 0.20 percent.

The proposals, Senate bills 1026 and 1029, have been endorsed by the Senate Transportation Committee and passed Thursday in the Public Safety and Human Services Committee. To become law, the bills would still need approval from the full Senate, the House, and then Gov. Janet Napolitano.

Waring said he is not going after most DUI drivers, who serve their time and don’t repeat the offense. Rather, he said he wants to target drivers who have built up a substantial tolerance to alcohol and drive while heavily intoxicated.

While Waring is proposing raising the limit for extreme DUI, the state Legislature has in previous years incrementally toughened DUI laws. Previous legislation dropped the BAC limit to 0.08 percent from 0.10 percent and dropped the extreme DUI limit to 0.15 from 0.18.

Sens. Rebecca Rios and John Huppenthal, who both sit on the Public Safety and Human Services Committee, said in a yearing Thursday they both had been incrashes caused by drunken drivers.

“It’s an ongoing challenge. You wonder why people engage in the behavior they do,” said Huppenthal, a Chandler Republican.

Waring also wants to prevent judges from being able to suspend part of an extreme offender’s sentence, which now is possible if the offender completes a drug or alcohol treatment, screening or education program.

A lobbyist for the League of Arizona Cities and Towns said the group has reservations about the proposals because of the financial burden of mandatory incarceration.

“We’re supportive of the idea of cracking down on drunken driving. We just wanted to point out the cost component,” said Jeff Kros, the league’s legislative director.

Sen. Chuck Gray, a Mesa Republican, said the bills would save cities money because they likely would not be responding to as many DUI-related crashes.

“That’s their job to put these people in jail. I hope cities would take their responsibility,” Gray said during the hearing. “I’m tired of them complaining about their job because of a money issue.”

<http://www.douglasdispatch.com/articles/2007/01/20/news/news8.txt>

**31. Avoiding Roadblock Not Grounds For Stop (Hawaii)**

By Ken Kobayashi -*The Honolulu Advertiser*
January 22, 2007

Police cannot stop a car simply because the driver turned off a highway to avoid a drunken driving roadblock, the Hawai'i Supreme Court has ruled.

In a 4-1 decision addressing the issue for the first time in Hawai'i, the majority held that the practice violates drivers' constitutional rights against unreasonable seizures and invasions of privacy.

The decision comes at a time when law enforcement has been stepping up the drunken driving roadblocks, and the case produced a fierce debate between Associate Justice Simeon Acoba, who wrote the 47-page majority opinion, and Chief Justice Ronald Moon, the lone dissenter who wrote a 25-page response.

The ruling makes clear that the legality of roadblocks is not an issue. Rather, it deals with the practice of stationing officers near roadblocks to catch drivers who take evasive actions to avoid getting caught.

Acoba wrote that the high court is not ignoring the importance of combating drunken driving, and he emphasized the decision does not undermine the legality of roadblocks. But he said the court cannot allow the erosion of state constitutional protections.

In dissent, Moon wrote the high court's decision establishes a rule that police may never stop cars that intentionally avoid a drunken driving roadblock. He wrote the decision "effectively abrogates our state's compelling interests in protecting the safety of the public and combating intoxicated motorists."

The decision likely will affect law enforcement practices on the Neighbor Islands, where police use what is known as "chase cars" to track down vehicles that avoid roadblocks. Honolulu police do not use that practice.

"It has not been a problem because most of the roadblocks we've had are at key locations where it's very difficult for (drivers) to veer off," Honolulu Police Chief Boisse Correa said.

**CALIFORNIA TOURIST**

The high court's ruling issued this month essentially throws out the drunken driving conviction of a California visitor on vacation here.

Raymond Heapy, 56, an Alhambra, Calif., resident who owns a vitamin and health store, turned off Mokulele Highway on Maui before a drunken driving roadblock at about 6:30 p.m. on June 16, 2004, according to the court's decision.

A Maui officer stationed as the "chase car" saw Heapy's 2004 Ford Mustang convertible turn right onto the quarter-mile long Mehameha Loop.

Although the officer did not see the driver violate any traffic laws, the officer followed the Mustang and stopped the car because he felt he had "reasonable suspicion" based on the driver avoiding the roadblock, the court's decision said.

The officer indicated that he had been assigned as the "chase car" about 20 times and he stopped about 40 cars trying to avoid the roadblocks. In each case, the driver was drunk, had an outstanding bench warrant or was violating the law in other ways, such as not having insurance or a driver's license, according to the officer.

Heapy, whose wife also was in the car, told the officer he was lost, according to the decision, but he was arrested on a drunken driving charge.

His blood alcohol content was .083, just above the .08 legal limit, according to his lawyer, Michelle Drewyer.

The visitor was found guilty after he pleaded no contest, although he reserved his right to appeal. He was fined $150 and had his driver's license completely suspended for 30 days and partially suspended for another 60 days, allowing him to drive to and from work. The sentence was stayed pending the outcome of the appeal.

**EVIDENCE THROWN OUT**

The high court's decision threw out all evidence gathered after Heapy was stopped, effectively gutting the drunken driving prosecution.

Acoba wrote the officer only had suspicions that the driver was trying to avoid a roadblock, not that he was driving drunk.

"The mere possibility of criminal activity does not satisfy the constitutional requirement that a stop be based on suspicion 'that criminal activity was afoot,'" Acoba wrote, citing language from prior Hawai'i court cases.

Moon wrote the officer had a reasonable basis to stop the car. He pointed out Mehameha Loop was surrounded by cane fields and blocked off by a metal gate.

The decision does not necessarily mean that police cannot track drivers who avoid roadblocks, but indicates the officers need more reason to stop the cars. Those reasons could include an officer observing drivers weaving, speeding or violating other traffic laws. Maui police could also locate the roadblocks — as Honolulu police do — at locations that do not give motorists a chance to legally avoid them.

Maui Deputy Prosecutor Peter Hanano said county officials were obviously disappointed by the ruling.

"We're going to advise the police to do whatever they have to do to comply with the decision," he said.

Kaua'i and Big Island police and prosecutors also indicated they will abide by the ruling.

**'THE RIGHT DECISION'**

Heapy's attorney hailed the ruling as "the right decision." Drewyer said after her client had spent the day snorkeling with his wife, they got lost, turned off the highway and had been looking at a map before they were stopped.

"He had no idea where he was going," she said.

Heapy wanted to challenge the conviction because he felt strongly his constitutional rights were violated, Drewyer said.

"I think the stop was unconstitutional and I think we need new standards," she said. "Hawai'i courts have not looked at this issue before, so it's helpful for everyone."

Associate Justice James Duffy joined in Acoba's decision. Associate justices Steven Levinson and Paula Nakayama filed a separate one-page concurring opinion.

<http://www.honoluluadvertiser.com/apps/pbcs.dll/article?AID=/20070122/NEWS06/701220340/1001/NEWS>

**32. DUI Penalty Bill Passes Early Hurdle (South Carolina)**

By Rick Brundrett – *The State*

January 22, 2007

A proposed bill that would tie penalties for DUI to a driver’s blood-alcohol level was unanimously passed this morning by a study group subcommittee drafting the legislation.

The seven-member subcommittee of the S.C. Impaired Driving Prevention Council recommended the proposed 27-page legislation for a vote of the full council, which is scheduled to meet Thursday.

If passed by the full council, the proposed bill could be introduced in the S.C. Legislature by early next month.

Gov. Mark Sanford in his annual speech last week to the General Assembly called for tougher DUI legislation.

<http://www.thestate.com/mld/thestate/news/breaking_news/16519568.htm>


# 33. Police Agencies Honored For Their Efforts To Curb Underage Drinking (Maine)

*WCSH 6 (*Portland NBC Affiliate)

January 25, 2007

Maine First Lady Karen Baldacci and Attorney General Steven Rowe honored members of 15 law enforcement agencies Thursday for their efforts to reduce underage drinking.

The police officers and sheriff's deputies were commended for their support of a grant from the Federal Office of Juvenile Justice and Delinquency Prevention.

In Maine, the money has been used to target underage drinking parties, by building alliances with local retailers to prevent sales to minors, as well as beefing up investigations into the source of alcohol found in underage drinking busts.

"Most of the parties we've had have been other kids hosting for their friends. But if an adult furnishes a place for a minor to drink alcohol, or furnishes alcohol to a minor, we're going to find out about it and we're going to charge them, and it's a very hefty criminal fine," said Captain Thomas Roth of the Westbrook Police.

The officers and deputies were also praised for raising public awareness of underage drinking issues in Maine.

<http://www.wcsh6.com/news/article.aspx?storyid=50848>

