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| *February 16, 2007* |

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

**1. Airline Liquor Rules Vary by State**

By Wendy Brown – *The New Mexican*

February 15, 2007

From Maine to California, most states require airlines that serve alcohol to hold a state license.

Only Alaska, however, specifically requires flight attendants to undergo alcohol-server training. New Mexico will become the second if officials follow through on recent statements by the state's top liquor regulator.

A survey of laws in the 50 states found all but 13 require airlines to apply for something similar to New Mexico's public-service liquor license for transportation companies.

Bill Roche, enforcement supervisor for the Alaska Alcoholic Beverage Control Board, said his state added the requirement that airline personnel undergo alcohol server training in 1993.

Airlines using Alaska airports must report to state officials the form and substance of the training they give their flight personnel, Roche said.

The superintendent of New Mexico's Regulation and Licensing Department, Edward Lopez, said last month that the state hasn't required flight attendants to complete state-certified training. But he said that policy is about to change.

The issue arose after a Nov. 11 highway crash involving Dana Papst of Tesuque, who police say was drunk when he drove the wrong way on Interstate 25 near Santa Fe and killed five members of a Las Vegas, N.M., family. Hours earlier, US Airways personnel had served Papst two individual-size bottles of whiskey, although witnesses said Papst appeared intoxicated. After Papst got off the plane at Albuquerque International Sunport, investigators said, he stopped at a Bernalillo convenience store and bought a six-pack of beer on his way to Santa Fe.

After a review of airline licenses, the state Regulation and Licensing Department sent cease-and-desist letters to three airlines, including US Airways, that were serving liquor on New Mexico flights but lacked a state license.

Roland Herwig, a Federal Aviation Administration spokesman, said the federal government doesn't regulate the serving of alcohol. That is a matter left to state governments.

Michael Browde, constitutional law professor at The University of New Mexico School of Law, said states are in charge of liquor regulations because the 21st Amendment to the U.S. Constitution, which repealed Prohibition, assigns alcohol regulation to the states.

Matt Cook, director of the Colorado Liquor Enforcement Division and a vice president of the National Conference of State Liquor Administrators, said the reason most states require airlines to have a liquor license is because of the authority specified under the 21st Amendment. That includes the right to control liquor transportation, importation, temperance and taxation, he said.

R.J. O'Hara, a Philadelphia lawyer who specializes in multistate licensing coordination for the National Association of Alcoholic Beverage Licensing Attorneys, said most states require airlines to hold liquor licenses because they buy and store liquor on the ground.

The definition of storing liquor includes having it aboard a plane while it is on the ground, O'Hara said.

Lopez said one reason for New Mexico's licensing requirement is to keep the public safer by requiring airlines to know the state's liquor laws, including the prohibition against selling liquor to people who are visibly intoxicated.

But enforcement efforts apparently haven't been vigorous. Lopez acknowledged that until the Papst crash, his department had not reviewed whether airlines that operated in New Mexico actually held a liquor license. And, until the recent cease-and-desist letters, he said, the state of New Mexico hadn't cited any airline with a liquor-law infraction.

From those airlines that did have a state license, New Mexico collected a fee of $1,250 a year.

Such fees vary by state. California requires an original fee of $100 for an airline liquor license and $442 a year for every year thereafter. New York's liquor license for airlines costs $3,930 for a two-year license. An airline liquor license in Texas costs $2,339 a year.

Most of the states that don't require airlines to hold a liquor license are relatively small in population, such as North Dakota, Wyoming and Vermont. The reasons vary.

Bill Goggins, chief of liquor enforcement for the Vermont Department of Liquor Control, said the Vermont Legislature simply has never addressed the issue. The state requires licenses to sell liquor on trains and boats, he said, but not airplanes.

Eric Honma, director of the Hawaii Liquor Control Commission, said he is not certain why Hawaii doesn't require airlines to hold a state liquor license, but he believes it's because the state does not have jurisdiction over airspace three miles outside the Hawaii islands.

He said that's the reason the state does not require boats to have a state liquor license.

In Wisconsin, the legislature carved out a special liquor-license exception for transportation businesses, said Lauren Jackson, a legislative analyst with the Wisconsin Legislative Reference Bureau. As long as liquor is served to passengers while they are in transit, the law says, companies don't need a license for service on planes and trains.

Although New Mexico doesn't yet apply its alcoholic-beverage server training rules to flight attendants, New Mexico is one of 14 states that has a mandatory program for servers and sellers, according to the Alcohol Policy Information System, a division of the National Institute on Alcohol Abuse and Alcoholism based in Bethesda, Md.

Of those 14 states, only nine, including New Mexico, require airlines to get a liquor license. Only Alaska specifically requires flight attendants to receive alcohol-server training.

But other states also are considering adopting the practice.

Dan Adams, assistant director of the Maryland Board of Liquor Control, said officials in that state's Comptroller's Office are talking about trying to change a law that exempts airline personnel from alcohol-awareness-training requirements.

Almost all alcohol retailers in Maryland must have at least one person who has undergone such training, Adams said, but operators of boats, trains and planes are exempt.

A US Airways spokeswoman declined to answer questions about the airline's alcohol training practices. But Jeff Kovick, a spokesman for United Airlines, said that airline gives flight attendants extensive training, including how to deal with passengers who shouldn't have any more to drink.

Kovick said it would be premature for the airline to comment on New Mexico's plan to certify alcohol-server training programs for flight attendants.

Gary Roberson, government relations manager for Training Intervention Procedures, a Virginia-based company that conducts alcohol-server training programs worldwide, said Continental Airlines and Delta Airlines require their flight attendants to undergo training by his company.

Elizabeth Findling, who teaches alcohol-certification classes in Santa Fe, said she gives servers advice on how to cut off a customer.

"I just tell them to blame it on a higher authority," Findling said. That higher authority, she said, can include the law and/or the boss.

"I think they'd be a great idea for flight attendants," Findling said of the classes. "I would recommend them for anyone who is involved with alcohol and drinking and driving."

<http://www.freenewmexican.com/news/57013.html>

**2. Bud’s Walled Beer Garden: A Review of Bud.tv**

By Matthew Creamer – *AdAge.com*

February 12, 2007

**A-B’s Foray into Media Ownership is Innovative, but Exists in Isolation**

NEW YORK (AdAge.com) -- Launching on the back of Anheuser-Busch's multimillion-dollar Super Bowl presence and a gushing *New York Times Magazine* write-up, Bud's online-entertainment channel entered the world with about as much hype as a deep-pocketed brewer could get. That this year's most eagerly awaited marketing experiment was immediately dogged by complaints about usability, locked-down content and a burdensome registration process only underscored the significance of what's going on: Marketers are becoming content players, a job that, you might have heard, ain't so easy these days.

 **Media milestone**

The launch of Bud.tv is doubtless a milestone and a laudable innovation, the first time a mass marketer that spends hundreds of millions of dollars with other media channels every year has decided to make its own. A few years ago, Bud would have had to turn to cable TV to do this, and the idea would have been dead on arrival, snuffed out by crippling carriage fees among other economic deterrents. Now, thanks to broadband penetration, it's got a viable entertainment soapbox on the internet.

 But creating a website doesn't entirely clear the distribution hurdle, not in a media world that resembles a particularly unkempt teenager's bedroom. No matter how good content is, it has to be shareable, and that's where the venture falls short. In Bud.tv, A-B and DDB, Chicago, have essentially created a walled beer garden of content that, though free, is just about as antiviral as you can be in the digital age.

**Driver's-license number**

Sure, when you dig a particular video, you can e-mail a friend a link if you use the site's tool and as long as said friend takes the pains of registering. That entails filling out a form that demands your driver's-license number and asks (politely) for your cellphone digits. The main reason for these precautions is clear: It's A-B girding itself against the criticism that it's polluting America's youth by selling it beer.

Makes a lot of sense from a social-responsibility standpoint but much less sense when you're talking about how to reach consumers. Under the setup, the best clips won't be ricocheting around YouTube. Bloggers can't embed video on their sites and, instead, they're left beefing about the virtual bouncer that's demanding personal information. The restrictions will prevent Bud.tv from putting into the pass-along culture of the internet the currents that swept "Saturday Night Live" back into some semblance of relevance and keeps Jon Stewart and Stephen Colbert top of mind.

 The way things stand, Bud essentially is cutting itself off from the scores of aggregators and filters where a healthy proportion of YouTube's millions of streams are actually watched. And the effect is clear. On YouTube, a search for Bud.tv yielded no content from the site. (It did, however, turn up a beer-drinking cat.)

 **Drawing the masses?**

"The reason that YouTube and MySpace work is that they have an open environment where you can share," said Michael Hayes, senior VP-managing director at Initiative Interactive. "That's what draws masses of eyeballs. The Bud.tv content may be fantastic, but if they can't attract audience it doesn't do much for them."

 A spokesman for A-B didn't return calls for comment.

 Bud, which recruited a roster of talent that includes writers from "Saturday Night Live" and "The Howard Stern Show," and did deals with Hollywood players such as Kevin Spacey, Ben Affleck and Matt Damon, does better on the not-insignificant matter of producing compelling content that isn't just another ad, the kind of stuff the people won't mind spending time with.

 It does rise to the challenge of actually creating "marketing sotto voce," as the *Times Magazine* cooed. Not only is Bud.tv's programming not overly promotional, it does a good job of making bottles of Budweiser and Bud Light pretty much just a part of a landscape dominated by the type of frat-boy humor you'd expect. Some shows, such as a tongue-in-cheek male makeover show, are stale. Other stuff -- "Replaced by a Chimp," especially -- is pretty funny.

**Year one costs: $30 million**

A-B, in a venture that's expected to cost it at least $30 million in year one, clearly gets the potential for a powerful but not-too-precious brand with an internet-savvy customer base to take control of its marketing. What it hasn't seemed to learn is a crucial fact of today's content world: Just because you build it doesn't mean they will come.

Welcome to media moguldom in 2007, Augie. Ain't it grand?

<http://adage.com/digital/article?article_id=114932>

**3. Looking to Strengthen Digital Approach, Miller Turns to Digitas**

By Jeremy Mullman – *AdAge.com*

February 13, 2007

**Publicis Groupe Agency Prevails Over Sibling Arc Worldwide**



**Miller and rival Anheuser-Busch have increasingly tried to use online channels such as YouTube to hype their beers.**

CHICAGO (AdAge.com) -- Miller Brewing Co. today named Digitas its digital agency of record.

Digitas beat out Publicis Groupe sibling Arc Worldwide for the account, which was previously held by Agency.com. (Agency.com was invited to re-pitch for the business, but declined; Arc remains Miller's promotional agency of record.)

Digitas is inheriting the account at a time when alcohol marketers are becoming increasingly aggressive and creative in their digital-marketing endeavors. Miller's larger rival, Anheuser-Busch, launched an [online TV network](http://adage.com/digital/article?article_id=114932) earlier this month, and both brewers have increasingly tried to use online channels such as YouTube to hype their beers.

 **'The right partner'**

"As we evolve our digital-marketing approach, we will be looking to develop more programs that naturally engage consumers in ways that tap into meaningful spaces where they spend their time," Jackie Woodward, Miller VP-media and marketing services, said in a statement. "We are stepping up our efforts, and Digitas is the right partner to help us develop breakthrough programs that engage consumers and help further differentiate our brands."

Digitas is expected to work on Miller's entire brand portfolio, which includes its flagship Miller Lite and High Life brands, as well as a growing number of smaller brands such as the soon-to-be-launched Miller Chill, a lime-and-salt-infused beer.

The account will be housed at Digitas' office in Chicago, where Miller recently opened a media and marketing outpost.

**'Integral part of any campaign'**

"We are thrilled to work with Miller Brewing Co. to further grow and enhance its presence in the marketplace," said Laura Lang, president of Digitas. "Digital marketing is becoming such an integral part of any marketing campaign, and we know we can help Miller develop world-class digital programming."

Miller spent $4.5 million online during 2005, according to TNS Media Intelligence, and $2.6 million during the first nine months of 2006. A Miller spokesman said the brewer has been increasing its digital spending and expects to continue doing so.

An Arc Worldwide spokeswoman couldn't immediately comment. A call to an Agency.com spokesman wasn't returned by press time.

<http://adage.com/article?article_id=114977>

**4. Why Not Nab a Hot Brand? Just Look at Svedka Deal**

By Jeremy Mullman – *AdAge.com*

February 12, 2007

**Industry Wants Vodka's New Owner to Ax Edgy (but Effective) Campaign**

CHICAGO (AdAge.com) -- So you want to add that hot, edgy brand built on provocative advertising and buzz building to your company's portfolio? Be prepared: Buying it may force you to abandon the very strategy that made it successful -- or suffer the wrath of your peers.

Svedka has repeatedly been slapped by the Distilled Spirits Council of the United States for flouting the trade group's code against depicting 'graphic or gratuitous nudit,' among other things.

That's the dilemma faced by Constellation Brands, fresh off its $384 million purchase of Svedka, the renegade vodka brand that climbed to the top with steamy, innuendo-laden ads. In snatching up Svedka, the No. 5 imported vodka with sales up 60% to 1.1 million cases last year, comparatively conservative Constellation is hurtling toward an unprecedented marketing-standards standoff.

**Flouting ad guidelines**

While the liquor industry adheres to a responsible-practice ad code that has helped it win a long-standing battle to advertise on TV, Svedka has repeatedly been slapped by the Distilled Spirits Council of the United States for flouting those guidelines.

Svedka's ads have been cited for violating the trade group's code against depicting "graphic or gratuitous nudit," "semxually lewd or indecent images or language" and degrading "the image, form or status of women," among other things.

As a nonmember, Svedka didn't deign to address the complaints and has boldly refrained from altering or pulling code-violating ads, as Discus members (and many nonmembers) nearly always do.

Now, having been bought by one of the pillars of Discus, Svedka becomes a member itself -- yet it's as defiant as ever. "Constellation bought us for who we are," said Marina Hahn, Svedka's chief marketing officer, whose marketing team will be left intact after the purchase. "We're an edgy, smart brand that's broken through, and we expect to keep doing what has worked well." The deal closes in March.

**'Too much at stake'**

Doing so would inevitably cause a bitter rift between Constellation and industry stalwarts such as Diageo. "The big guys in Discus -- and Constellation is one of them -- they have way too much at stake to risk it on Svedka," said a longtime industry consultant. "Trust me, they like being able to be on cable TV and they know good behavior and following the code is what put them there."

In announcing the deal, Constellation CEO Richard Sands issued what appeared to be a ringing endorsement of the brand's marketing: "Svedka's phenomenal success is largely due to the eye-catching and effective marketing and advertising campaigns that reach a key segment of the young-adult market."

And a Constellation spokesman said no decision had been made to change existing ads or to instruct Svedka to adhere to the Discus marketing code going forward. "Historically, we have worked with Discus," he said when asked whether Svedka would be forced to adhere to its code. "But without any specifics from [Discus], I can't address that."

**Betting on a new image**

The betting though, is that Svedka will clean up its act under new management. "If the Svedka guys think being part of Constellation isn't going to change things for them," said the industry consultant, "they are living on a river called denial."

Constellation, which markets Corona beer and Robert Mondavi wines, among other brands, spent $142.4 million on advertising during the fiscal year ending Feb. 28, 2006. By comparison, Svedka's $700,000 in measured media, handled in-house, is a pittance.

But its ads certainly got it notice. The current Svedka campaign -- which is set in 2033 and stars a socially uninhibited fem-bot -- is far from its raciest or most envelope-pushing. Past efforts featured nudity and more overt semxual content. Even the current effort, begun in 2005, however, has run afoul of Discus' code. During its most recent complaint review, the organization took issue with Svedka cocktail-recipe language that encouraged a drinker to "just pour his ingredients into your chilled vessel. ... Repeat until satisfied."

According to a Discus spokesman, there is no precedent for a brand owned by a member company disregarding its marketing code -- and with good reason, as the industry's ad standards have helped it gain access to cable TV and other media that had long eschewed liquor advertising.

"We've historically had 100% compliance," the Discus spokesman said. "And we've been given no reason to think that won't continue."

**Svedka's ad transgressions**

2004: Discus board rules that the website's images of barely clothed women on all fours acting as vodka serving trays violate "generally accepted contemporary standards of good taste." Discus also finds Svedka guilty of "relying on sexual success as a selling point for the brand" and degrading the "image, form or status of women."

Svedka did not respond to the decision.

2005: Discus board rules that print ads showing, among other things, a woman's bare breasts squeezed together to hold a glass being filled with vodka violate a Discus code provision barring ads that "contain or depict graphic or gratuitous nudity ... promiscuity, or sexually lewd or indecent images or language."

Svedka did not respond to the decision.

2006: Discus board rules that the website's invitation to "Pleasure all 17 of your erogenous zones with Svedka" and a description of the brand's fem-bot mascot as "wired for fun, flirting and the occasional foursome" are at odds with the organization's marketing code.

Svedka did not respond to the decision.

**5. China: Two-Barrel Approach for Anheuser**

By Mure Dickie - *Financial Times*

February 13 2007

Like most foreign companies hoping to conquer the Chinese market, US brewing giant Anheuser-Busch had a choice of working through a venture controlled by a local partner or building its own business.

Unlike most overseas investors, however, Anheuser's response has been to do both.

By acquiring 27 per cent of the shares of Tsingtao Brewery, Anheuser has taken a major punt on the fortunes of China's most internationally famous beer brand.

At the same time, Anheuser has developed its own large brewery in Wuhan city to produce Budweiser beer for the Chinese market and in 2004 splashed out $700m to wrest ownership of China's Harbin Brewery from international rival SABMiller.

The combination of wholly owned operations and the Tsingtao alliance means Anheuser is best positioned to benefit from the expansion of the "largest and fastest-growing beer market in the world", the company said last year.

But some observers see contradictions emerging in Anheuser's two-pronged strategy. In a research note late last year, investment bank Merrill Lynch justified its "sell" rating on Hong Kong-listed Tsingtao, in part citing competition from the brewer's strategic ally.

Anheuser's move to turn Harbin beer from a regional brand into a national one reflected intensifying competition that meant Tsingtao was likely to "require higher marketing spending to simply defend market share, let alone grow it", the XFN news agency quoted Merrill Lynch as saying.

As if to highlight such issues, Anheuser last month began marketing Harbin beer in the US, offering a potentially potent challenge to Tsingtao's long-standing dominance of Chinese beer exports.

But Stephen Burrows, chief executive of Anheuser-Busch International, waves aside suggestions that there is any downside to the two-pronged China strategy.

While Harbin is joining Tsingtao in the national premium beer market, overall growth of more than 20 per cent in sales of premium beers means the brands can each chase different customers, he says, noting that effective product segmentation is something Anheuser has "built an entire business around".

Tsingtao management has expressed no objection to the push to make Harbin a nationwide premium brand or to sell it to Chinese restaurants overseas, Mr Burrows says.

"It's not as if they own those restaurants," he says. "You've got a growth market and both companies are mature enough to realise that we have brands that we own and we will sell those brands . . . and we will compete for the business."

For its part, Tsingtao is giving no public sign of dissatisfaction over its strategic partner's approach.

The Chinese brewer says that access to Anheuser's brewing experience has boosted competitiveness and that its business partner's purchase of Harbin was "good for promoting dev-elopment of the industry".

But Tsingtao is hardly gushing in its enthusiasm for Harbin's new expansion overseas.

"At the current stage, this is not having any effect on Tsingtao," it says. "Tsingtao Beer still accounts for more than 50 per cent of the volume of China's beer exports."

Certainly, in the crucial domestic market, the most pressing challenge to both Anheuser and Tsingtao comes not from each other but from China Resources Snow Breweries.

CRSB, a joint venture between industrial group China Resources and SABMiller, has in the past few years turned its previously little-known Snow beer into the country's biggest brand.

This success in the premium beer market, which Mr Burrows says accounts for about 10 per cent of total sales in China, is particularly significant since the mass market is dominated by local brews that sell at prices that leave little room for promotion or profit.

Mr Burrows contests CRSB's claim to be winning market share, even in Harbin's home city in China's hard-drinking north-east and notes that Anheuser is itself enjoying growth of more than 20 per cent in the premium beer market.

But competition continues to intensify. In December, CRSB, in which SABMiller has a 49 per cent stake, announced it would pay Rmb176m ($22.7m) for two northern China breweries. Last month, CRSB agreed to pay $320m to buy out its partners in a 14-brewery joint venture in south-western Sichuan province.

Meanwhile, Japan's Kirin Brewery announced in December that it would pay $38m for a 25 per cent stake in China's Hangzhou Qiandaohu Brewery.

For the moment, Anheuser continues to enjoy profitable dominance of the "super premium" market segment through sales of Budweiser produced at its Wuhan plant.

While high-end premium beers account for less than 5 per cent of the Chinese market, their high price tags allow much healthier margins than those commanded by cheaper brews.

Budweiser's dominance could be threatened as Chinese brewers such as Tsingtao and domestically owned Yanjing gain marketing prowess and generate the sales that could justify heavier promotional spending.

Glen Steinman, president of Hong Kong-based industry consultancy Seema International, says that, in recent years, domestic brewers have begun introducing super-premium products that cannot be lightly dismissed.

"People always underestimate the ability of Chinese companies to provide excellent value for money at all price segments," Mr Steinman says.

**6. Mexico's Wine Industry Growing Rapidly ... in Quantity and Quality**

*Napa Valley Register*

February 8, 2007

Imported wine sales continue to grow in the U.S., and soon some wines may be coming from another source, closer to home than Australia, South America and Europe.

The wine industry in Mexico is growing rapidly, but more importantly, the quality is improving, and if the wines offered at the recent Wines, Cuisine & Art of Mexico at Copia are any indication, some of them can challenge many of the imports currently making their way into this market.

More than 400 people crowded into Copia for a taste of wines from two dozen wineries and food samples from some of Mexico's top restaurants, and to watch cooking demonstrations and tour an art exhibit.

But it was the wines that attracted most of the attention.

Prior to the tasting, Hugo d'Acosta, winemaker for Casa de Piedra, talked briefly about the wines of Mexico, concentrating primarily on those produced in Baja California, an area that accounts for about 90 percent of all Mexican grape production.

Baja's wine country is similar in climatic conditions to Napa Valley, particularly the Guadalupe Valley, about 25 miles from the Pacific Ocean, and ocean breezes produce cool nights and warm days, although d'Acosta called it more like the Mediterranean area, with rainy winters and hot dry summers.

Nearly 6,200 acres are planted to grapes in Mexico. Principal white grapes include chenin blanc, chardonnay, sauvignon blanc and viognier, and reds include all five Bordeaux varietals plus grenache, tempranillo, dolcetto, syrah and petite sirah.

D'Acosta identified the primary grape producing regions in Baja as Guadalupe Valley, San Antonio de las Minas Valley, Santo Tomas Valley and San Vicente Valley, all relatively close to Ensenada.

U.S. grape growers are becoming more conscious of organic and biodynamic farming, and d'Acosta said that there is a strong movement toward organic farming among Baja growers, as well.

Information about the Mexican wine industry can be found on the Web site of the Asociacion Nacional de Vitivinicultores, A.C., which apparently is the industry's promotional organization, but the Web site (\www.uvayvino.com) is entirely in Spanish, with no indication of an English translation.

While the domestic market is important to Baja vintners and is growing, the export market is also appealing. "We would like to put our wine anywhere people enjoy wine," d'Acosta said, and when asked what are plans to export wine to the U.S., he smiled and said simply, "We're here."

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

**7. Culver: Tobacco Tax Rise is About 'Life and Death'**

By Meghan V. Malloy, Staff Writer – *Des Moines Register*

February 16, 2007

Gov. Chet Culver said Thursday that his proposal to raise the cigarette tax was a matter of "life and death" for Iowans, and one that affects his own family.

Culver's wife, Mari, is a smoker.

"She's trying to quit," the governor said at a conference at Broadlawns Medical Center in Des Moines.

"The first lady is no different than anyone else when it comes to trying to quit smoking," Culver said.

The current tax per pack of cigarettes, ninth-lowest in the country, is 36 cents. The proposal would raise the tax by $1 per pack, as well as raising the tax on other tobacco products.

Culver and Lt. Gov. Patty Judge — a former smoker herself — said if the proposal passes, up to 20,000 lives could be saved by Iowans kicking the habit, and 40,000 people could be prevented from ever taking it up. "Those are the facts," Culver said Thursday. "They can't be disputed."

He said he received those projected figures from a study by Iowa's Health Initiative in September 2005.

Broadlawns Medical Center, a hospital that is known for treating patients in Polk County without medical insurance, endorsed the proposed increase. Culver has proposed applying part of the estimated $135 million raised annually by the tax increase toward expanding health insurance programs.

Culver said Thursday that he hopes to have the proposal debated in the Legislature in the next two weeks, and have a decision by March 1. If passed, the tax would go into effect April 1.

"By raising the tax, we are saving lives," Judge said.

The last tax increase on cigarettes was in June 1991, when former Gov. Terry Branstad was in office.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070216/NEWS10/702160396/1001/NEWS>

**8. Bar, Restaurant Owners Uneasy About Fire Code**

By Colin Burke - *The Daily Iowan*

February 12, 2007

All downtown liquor establishments may need some costly upgrades to their sprinkler and fire-alarm systems - much to the dismay of their owners.

The Iowa City Board of Appeals will hear from local bar and restaurant owners during a Tuesday public meeting about possible changes to the city's fire code.

Among the proposed alterations include mandatory fire sprinklers and voice-alarm systems. Specifically, city officials are calling for bars and eateries that can hold more than 300 customers to install automatic sprinklers and widen door widths to allow two-thirds of a crowd to exit in an emergency.

If passed, those requirements must be met in five years.

Businesses holding 100 to 299 customers would be required to implement the entrance/exit mandates and the sprinklers within 10 years.

Fire Chief Andy Rocca said these ideas will promote public safety and preserve the property for future use.

During an emergency, people tend to ignore a standard fire-alarm system but are more responsive to spoken warnings, Fire Marshal Roger Jensen said. For example, the devices could play a recorded message alerting customers, or a bar staffer could announce over a microphone that a fire had been discovered and tell patrons where to exit.

As for sprinklers, the extinguishers have prevented life loss in restaurants, bars, and nightclubs, Jensen said. Meanwhile, the entrance/exit widths are necessary because customers usually leave buildings the same way they came in, the fire marshal said.

But one downtown businessman feels the sprinkler recommendations should apply to all businesses, not just those serving alcohol.

Jim Mondanaro, the owner of Givanni's, Micky's, and Joseph's, cited past downtown fires that started in other establishments but were reported by Micky's.

He said the owners aren't reckless.

"We're responsible business people," he said. "We don't have fires that erupt during the course of operations."

Installing sprinklers in Micky's and Givanni's would cost $25,000 and $27,000 respectively, Mondanaro told the Board of Appeals during a Jan. 18 meeting.

He added that even if sprinklers were set up, they wouldn't protect his businesses from fires that started elsewhere.

While Jensen confirmed that the systems would not stop spreading flames, other deterrents were in place, such as structure walls between the businesses.

City staffers would favor installing sprinklers across downtown establishments, not just singling out those that serve alcohol, he said.

"We would certainly support and endorse that initiative," he said.

 Yet what the Fire Department is focusing on is a higher likelihood of fires and the potential for a loss of life at such establishments.

City Councilor Bob Elliott said he's taken interest in the code changes but is still undecided about the issue.

He noted the city has a responsibility to public safety, but also to be fair with city businesses. He mentioned possible incentives for the businesses could include tax breaks.

"I'm hoping that there will be some common ground," Elliott said.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/02/12/Metro/Bar-Restaurant.Owners.Uneasy.About.Fire.Code-2712114-page2.shtml?sourcedomain=www.dailyiowan.com&MIIHost=media.collegepublisher.com>

**9. Shelter Director: Help Given to Those With Substance Abuse Problems**

By Deb Hicklay – *The Globe Gazette*

February 13, 2007

MASON CITY – The director of the Northern Lights Homeless Shelter said men who come to the shelter under the influence of drugs or alcohol cannot stay at the shelter – but they do receive help.

“We take care of our people,” said Joey Van Zomeren said today.

Where the homeless sleep has come under scruntiny in recent weeks, following the death of a Cedar Rapids man, who had been turned away from a Cedar Rapids shelter because he’d been drinking.

He died from what authorities said was hypothermia, with alcohol and cocaine intoxication as contributing factors.

The tragedy sparked the creation of an outreach team in Cedar Rapids, which will review the condition of people who show up at shelters intoxicated.

People will either be sent to the hospital for treatment, to jail if they are a threat to themselves or others, or to a motel room paid by the Salvation Army.

Van Zomeren said Cedar Rapids’ newly-adopted procedure has long been the practice at Northern Lights.

“We can’t take anyone in who has been drinking, or is on drugs, but we help them. We have a great partnership with others in the community to help them,” she said.

The same policy would be in effect at the women’s shelter, which opens March 1, she said.

Few men have come to the shelter intoxicated but “it has happened occasionally.”

“Most who come to us are very respectful; no one wants to be homeless,” she said, adding the shelter’s rules regarding no alcohol or drugs are well known.

While intoxicated men cannot stay at the shelter, they may be directed to the Salvation Army, who may give them a voucher for a motel room or the police may be contacted. Others may be sent to Mercy Medical Center-North Iowa.

Once sober, the men are welcomed to the shelter, she said.

“We would always find a way so that they would not be in the cold,” she said. “I think the incident in Cedar Rapids was isolated; we aren’t exactly sure how that happened.

“But what happened (in Cedar Rapids) would never happen here.”

<http://www.globegazette.com/articles/2007/02/13/latest_news/doc45d21c46e90be522899000.txt>


# 10. Students Ask County for Keg-Registration Ordinance

*Britt-News Tribune*

February 13, 2007

Student representatives from three Winnebago County high schools spent their Tuesday morning doing a little politicking at the Board of Supervisors meeting.

Emma Christianson, Lake Mills High School; Stephanie Tjaden, Forest City High School; and Laura Evest, North Iowa High School, addressed the supervisors to present keg registration information and to request a county ordinance.

Although the board was unanimously in favor of passing an ordinance, upon recommendation of Winnebago County Attorney Robert Cooper, board members decided to wait to see if the ordinance would pass at the state level first. Cooper said a county ordinance of this type has never been tested and he believes it would fail because precedence does not exist.

Cooper said it is important to get legislators to pass a state law and the Winnebago County Board of Supervisors could best show their support by sending a letters to area representatives.

<http://www.forestcitysummit.com/articles/2007/02/13/latest_forest_city_news/latestnews05.txt>

**11. Problems Resolved at Drinks**

By Rachel Gallegos *– Iowa City Press-Citizen*

February 14, 2007

**Neighborhood pub gets yearlong liquor license**

By meeting with his neighbors, Drinks neighborhood pub owner Shawn Krantz got what he's been waiting for -- a yearlong liquor license.

The bar was granted only a six-month, non-renewable liquor license in September, after the North Liberty City Council heard multiple complaints about noise coming from the bar's parking lot.

Since September, Krantz, city officials and residents met as a committee six or seven times to work through each side's concerns.

"I think the city's objective with the six-month (license) was for me to get together with my neighbors and try to get along," Krantz said.

Because of the progress, and eight conditions the committee agreed to, the city council has unanimously approved a yearlong liquor license for Drinks.

Some of the conditions include the bar's outdoor beer garden will be open only from 2 to 8 p.m.; the neighbors and city will be contacted a minimum of two weeks in advance of special outdoor events, not to extend past 6 p.m.; and the bar will continue to have security in the parking lot from 9 p.m. to closing Thursday to Saturday.

Krantz also installed a 10-foot tall wooden fence to help block Juniper Court residents from seeing and hearing people in the Beaver Kreek Centre parking lot.

From this experience, Krantz said he learned sometimes it is better to deal with an issue on his own, without legal representation getting in the way of people coming to talk to him directly.

"It's more of a good neighbor policy where we're working together and not complaining all the time," he said.

Juniper Court resident Suzanne Mitchell said that coming up with an agreement helped alleviate the concerns she had about the noise coming from the bar.

"I feel confident that (Krantz) knows what the options are now and what the requirements are," she said.

"I think eventually, we did get to where we needed to be," Mitchell said. "I do believe if there is a problem, it won't be as long lived as previously."

"With the lines of communication being open, we feel more comfortable now," she said.

The six-month, non-renewable liquor license didn't hurt business, Krantz said, but it did create a lot of uncertainty.

"It was getting old answering questions all the time," he said.

And even though the last six months have been stressful, "maybe it was a blessing in disguise because it made me look at things I didn't look at before," Krantz said.

"I couldn't be happier. I'm going to continue to meet with the neighbors," he said. "I want to continue to get together with them before there is ever a problem again."

<http://www.press-citizen.com/apps/pbcs.dll/article?AID=/20070214/NEWS01/702140303/1079>

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

**12. Panelist Calls Texas Liquor Regulation 'Corrupt' System (Texas)**

Source: *Associated Press*

February 9, 2007

AUSTIN - A citizen member of the state's Sunset Advisory Commission wants the Legislature to dismantle what he calls the "corrupt system" of alcoholic beverage regulation that he says protects wholesale distributors.

Austin attorney Howard Wolf, in a scathing position paper, criticized the relationships among lawmakers, wholesale distributors and the Texas Alcoholic Beverage Commission.

The paper, delivered Thursday to the Sunset Commission, comes less than two weeks after state reports showed groups representing wholesale liquor distributors donated more than $1 million to the campaigns of at least 150 state officials, including most legislators and Republican Gov. Rick Perry.

Made up of legislators and citizens, the Sunset Advisory Commission regularly reviews state agencies and programs to recommend whether they should be continued by the Legislature.

Wolf wants his comments included in the panel's final report on the Alcoholic Beverage Commission that's to be presented to the Legislature soon.

That decision will be left to commission Chairman Kim Brimer, the Republican senator from Forth Worth who has discouraged Wolf from publicly voicing his criticisms.

Wolf said the alcoholic beverage lobby did everything in its power to keep the Sunset Commission, which periodically reviews state agencies' performance, from conducting "an objective, critical review" of how the industry is regulated.

"Poised like lions on a patch of high ground in the Serengeti, occasionally swishing their tails so their presence would be noted, the lions of the lobby watched at hearings to ensure that no Republican elephant or Democratic mule would dare stray from the prescribed path," Wolf wrote of the Sunset Commission hearings in December.

Representatives of the alcoholic beverage distributors have said the campaign contributions served as a prelude to an effort to pass a law requiring restaurants and bars to buy their liquor solely from distributors.

Businesses that sell liquor by the drink have been required, since 1971, to buy from package stores. The more than 600 package stores licensed to sell to bars and restaurants buy much of their liquor from wholesale distributors.

Wolf does not assert wrongdoing on the part of anyone, but the report contends that the system of regulating alcohol in Texas thwarts the free market and protects the industry at the expense of consumers.

So powerful is the liquor lobby in the Legislature that the Texas Tax Reform Commission, led by former state Comptroller John Sharp, dismissed the suggestion that a tax increase be imposed on alcoholic beverages, the first since 1984.

The commission recommended, and lawmakers later imposed, a $1-a-pack tax increase on cigarettes that took effect Jan. 1.

Wolf, who also served on the Tax Reform Commission, wrote that Sharp "advised the members that the alcoholic beverage industry has a controlling influence with the Legislature, and inclusion of increases of taxes on the industry would probably prevent approval of any tax reform legislation."

Wolf called it evidence of a fundamental corruption.

Sharp said Thursday that it was proof only that there was no legislative support to raise alcohol taxes.

"Whether you call it a controlling interest or not, they have sent a message that they had the controlling votes to defeat that kind of tax," Sharp said.

**13. Consumers May Get Smashed in Liquor Fight (Texas)**

Source: Editorial Board - *Austin American Statesman*

February 09, 2007

An effort by the state's wholesale liquor distributors to take over sales to bars and restaurants from package stores should be rejected by the Legislature. Given what the distributors have in mind, there's little reason to think that consumers would benefit.

But that doesn't mean the system governing the sale of alcohol in Texas is fine as it is. The Sunset Advisory Commission staff in November suggested the Legislature create a joint interim committee to consider a complete overhaul of the current regulatory system, and lawmakers ought to do it.

Today, bars and restaurants in Texas cannot buy their liquor from wholesalers. They are required to purchase it from retail package stores, just like ordinary consumers, though in considerably greater quantities. That quirk in the law is a product of political maneuvering in 1971, when sales of liquor by the drink were made legal.

The arrangement is quirky because it's an exception in the state's highly regulated three-tier structure, in which liquor manufacturers sell to licensed wholesalers who in turn sell to licensed retail package stores. About 600 of the state's package stores have special permits to sell liquor to 9,000 bars and restaurants.

A lot of money is at stake: The state's restaurants and bars sold about $3.6 billion in mixed drinks and paid more than $500 million in mixed beverage taxes last year, as Mark Lisheron of this newspaper reported on Monday.

The Texas Alcoholic Beverage Commission has regulated the liquor, beer and wine industry since the end of Prohibition during the Depression.

"The system that has been in place since 1935 is under pretty serious attack right now," says Lou Bright, general counsel for the commission.

The Internet has made it easy for buyers to find and order wines directly from wineries, even across state lines. In 2005, the Legislature allowed wineries to ship directly to consumers and Texans to buy wine directly from out-of-state wineries. Now the state faces a federal lawsuit in Dallas to allow package stores to use delivery services such as FedEx to send wine across the state, rather than require a customer to pick it up, and out-of-state retailers want the same opportunity.

In an age of deregulated airlines, trucking, electric sales, telephone services and more, legal pressure continues to grow against the three-tier system, which is as much about protecting profits as protecting the public.

In Washington state, the discount chain Costco has challenged in federal court significant parts of that state's three-tier system on Sherman antitrust and interstate commerce clause grounds, winning at the trial court level. The case, with implications for Texas and other states, is on appeal.

It's not surprising that licensed distributors in Texas want to sell directly to bars and restaurants. The two biggest distributors, Glazer's and Republic Beverage, turned a lot of heads by giving $1.38 million to state officials in campaign contributions late last year.

But the distributors aren't just trying to elbow their way up to the bar. They want the bar to themselves, forcing the package stores out - and that could force at least some of them out of business. The distributors claim consumers would see lower prices, but frankly, we find that hard to believe.

Rather than confirm that $1.38 million is the going rate for getting legislation passed, lawmakers ought to leave the law alone. Although the Sunset Commission, on a 5-5 vote, did not take its staff's advice to recommend an interim committee to review the state's regulatory structure for alcohol sales, the Legislature should do just that. The state should push for more competition, not reduce it.

**14. Hospitality Group Sides With Wholesalers (Texas)**

By Mark Lisheron – *Statesmen.com*

February 12, 2007

The first word from businesses who sell liquor by the drink on where they'd like to buy their booze is actually a video, and it debuted on YouTube.

If, and this is a big if, the video speaks for a consensus of restaurants, bars and clubs, those businesses want to buy their liquor the same way they buy their beer and wine, from a wholesale distributor. Coincidentally, or maybe not, the wholesale liquor distributors have been donating millions in discretionary profits to most of the folks who make up the executive and legislative branches of our state government. Oh, and by the way, the wholesalers would like the law the video complains about flipped so that a business selling liquor by the drink would have to buy liquor only from a wholesale distributor.

Billions of dollars of booze business is at stake.

The 3 1/2-minute video was produced by Nancy Sieflen for a group that calls itself the Texas Hospitality Association. On its website, the association describes itself as a coalition of restaurants, bars and clubs with a "mission to repeal the archaic Texas law that requires distilled spirits to be purchased only from a retail package store."

The video is a paint-by-numbers exposition of the goofiness of this 1971 law. A distributor's truck driver makes a stop at a restaurant on his route. He drops off four cases of wine. The restaurant employee laments that he can't also drop off the case of tequila on the truck. He can't by law. Instead, he takes the case on to a retail package store, where the case is reloaded onto the retailer's van and brought back to the restaurant. On the way, a second markup, the retailer's, is added to the case.

Hard to disagree with the video narrator that the system, which operates in only two other states, makes any sense. When the Statesman began running stories on the law two weeks ago, a few brave restaurant owners expressed what makes common business sense. And when the middle man is eliminated, cost savings will follow.

But in the world of politics, logic is slippery. Yes, cutting out the package stores might save money, but some wondered if it was such a good idea to turn the whole business over to a couple of wholesale distributors who were throwing contributions around like drunken sailors and who already control the vast majority of the Texas liquor business. Maybe it was worth paying a little more to keep the package stores in the game.

The flaw in that thinking is that, so far, both sides are treating this as an either/or battle, either the package stores get the restaurant, bar and club monopoly or the distributors do. Neither side has proposed that the law be changed so the two sides would truly compete. And why should they settle for an open market? In 1971 when restaurants, bars and clubs finally mustered enough influence to win liquor by the drink, the package store owners convinced the Legislature they'd lose their shirts unless the liquor-by-the drink crowd was forced to buy only from them.

Problem is, the package stores already buy all of their liquor, wine and beer from the wholesale distributors who have been guarding their government-granted booze distribution monopoly for twice as long as the package stores have guarded theirs. The distributors have gone all free market in arguing that a middle man should be cut out of the formula. As long as it's the other middle man.

The wholesale distributors will not admit it, but they are worried about other retailers challenging their particular brand of open market logic. In the state of Washington, where the legislature has been bought up for years by the liquor lobby, the courts have sided with Costco, the giant discount retailer. Costco wants to buy beer and wine directly from the people who make it and cut out their middleman, the wholesale distributor. The courts, all the way up to the Supreme Court, have so far agreed with Costco.

And if it's good enough for Costco, why not any enterprising retailer? And if it can happen in Washington, why not Texas?

Why not Texas? Ask the wholesale distributors with all that campaign money. Or maybe the Texas Hospitality Association.

**15. WSWA’s Wolf: Call to Eliminate Wholesalers ‘Naïve, Misguided’ (Texas)**

*Beverage News Daily*

February 14, 2007

“Naïve and misguided” is how Craig Wolf, president/ceo, Wine & Spirits Wholesalers of America, yesterday described a proposal by Howard Wolf, a Houston lawyer and public member of the Texas Sunset Commission, to allow any licensed supplier to sell direct to any licensed retailer in Texas.

Wolf made his proposal in a position paper prepared for the Commission.  Wolf’s paper was extensively reported in yesterday’s Beverage News Daily.

“It is dangerous to advocate for unregulated sales of alcohol—period,” WSWA’s Craig Wolf said.  “To do so would lead to the dismantling of important public policy that restricts where, when and to whom alcohol can and should be sold.  Smart regulation is in everyone’s best interest—including the alcohol industry.

Local Market Expertise

“In addition to Howard Wolf’s disregard for sound public policy, his comments demonstrate a lack of basic understanding about how the system works from a business proposition,” Craig Wolf said.  “Manufacturers rely on sophisticated distribution networks to ensure their products reach local communities small, large and everywhere in between.  Wine and spirits wholesalers have tremendous local market expertise to not only suggest what sells but also where certain products will succeed and how to best market them.  Without distributors, consumers would suffer from fewer choices and unreliable availability locally.  The model is successful and thriving.”

The WSWA executive agreed that “change has happened since Prohibition was repealed.”  But, he said, “market pressures are as great today as they have ever been.  Why now would we seek to deregulate and thereby encourage unscrupulous practices?”

Prescription Drugs Need Tighter Regulation

As for Howard Wolf’s assertion that alcohol beverages should be treated like prescription drugs, WSWA’s Craig Wolf responded:

“The last time I checked, Americans were calling for a return to regulation of prescription drugs, once considered the ‘gold standard’ with sales from producer to wholesaler to retailer, just as it is today with alcohol.  We don’t need less regulation or exceptions for certain players.  We need a level playing field.”

**16. Liquor Joins Sunday Sales Push (Georgia)**

By James Salzer - *The Atlanta Journal-Constitution*

February 10, 2007

**Spirits lobby's support sought: Senate bills may bolster efforts to drop state ban on beer, wine.**

Backers of Sunday beer and wine sales tried to placate the spirits industry Friday by filing new bills to let voters decide whether to allow stores to sell liquor on Sundays, too.

Sen. Seth Harp (R-Midland) said he filed the bills in part because of complaints that liquor store owners would be put at an unfair disadvantage if Sundays were opened only to beer and wine sales.

The liquor lobby flexes a powerful muscle at the Statehouse, and its opposition would make passing a Sunday sales measure extremely difficult.

"Very obviously, what we are trying to do is build a coalition," Harp said.

Harp said Sen. David Shafer (R-Duluth), chairman of the Regulated Industries Committee that the bill has to go through, "asked me to cover all the bases and to try to be inclusive of all the concerns we have heard."

Shafer has objected to allowing voters to decide only Sunday beer and wine sales in part because he thought it unfair to the liquor industry.

Harp filed two bills Friday. In both bills, alcoholic beverages could not be sold before noon on Sundays.

In one bill, Senate Bill 137, local voters would decide on allowing beer, wine and hard liquor. In the other, Senate Bill 138, local voters could vote to allow all three, or just beer and wine.

Grocery and convenience stories aren't legally allowed to sell hard liquor. But their lobbyists said they did not object to Harp adding it as an option on his bills.

Harp, chairman of the Senate Higher Education Committee, said, "In listening to my constituents, most of them who came to me said, 'Why are we just going with beer and wine?' Overwhelmingly, what I heard is that this is the 21st century, let's quit fiddling around and get all of it in."

He said the noon starting time for sales was "an obvious consideration for the people who go to church on Sunday."

State Christian conservative groups, such as the Christian Coalition and Christian Alliance, oppose Sunday sales, as does Gov. Sonny Perdue.

Jim Beck, president of the Georgia Christian Coalition, said, "What do we want this session to become known for -- 'Buddy can I have a drink?' I find it hard to believe the most pressing issue of this state is to make sure somebody can get in their car and go buy a beer."

National spirits industry officials support the new effort, however, and the Georgia Chamber of Commerce is backing Harp's attempts to legalize Sunday sales.

Jay Hibbard, vice president of the Washington-based Distilled Spirits Council, said, "Now that the bill includes spirits, it's the right bill for Georgia. When it passes, it will allow the overwhelming majority of Georgians who favor Sunday sales the opportunity to decide for themselves."

Harp hopes the new bills will get the issue moving in Shafer's committee.

"He indicated to me he would have a hearing on it," Harp said.

But Shafer would not comment Friday, and Lt. Gov. Casey Cagle said he didn't think the changes Harp made to his original proposal strengthen the bill itself.

"There is a very strong lobby against it," Cagle said.

**17. Kentucky Wholesalers, WSWA to Appeal Shipping Ruling (Kentucky)**

*Beverage News Daily*

February 9, 2007

Kentucky's attorney general may not defend the state's new direct shipping law, but Wine & Spirits Wholesalers Association of Kentucky and Wine & Spirits Wholesalers of America will.

A federal judge ruled in late December that the new state law on direct shipping is unconstitutional because it required a customer to visit a winery in person to order a shipment by mail. The state decided not to appeal the ruling.

But Craig Wolf, WSWA president/ceo, said yesterday the Kentucky wholesalers' association will appeal, and WSWA will be filing an amicus supporting that appeal,

"While we believe the court ruled correctly on the gallonage cap and case limits, we believe the ruling was inconsistent with Granholm and dormant Commerce Clause precedent on the face-to-face requirement," Wolf said, adding the decision was "certainly inconsistent with rulings in Delaware and Maine."



# 18. Underage Drinking on Private Property Banned (New Jersey)

*NorthJersey.com*

February 10, 2007

The City Council has adopted an ordinance that makes underage drinking illegal on private property.

Police will still need a warrant or an exception to the warrant requirement to enter a private residence to search for underage drinkers.

Exceptions may include consent to enter the premises, an emergency situation, or if the officer observes an underage drinker in plain view -- if the officer is otherwise lawfully on the premises, said Matthew Priore, city attorney.

Current state statute prohibits underage drinking on public property, but not on private property.

The ordinance goes into effect in about 10 days, said Al Greco, city manager. The maximum fine for a first offense is $250.

Exceptions to the law include minors consuming alcohol for religious purposes, or minors consuming or possessing an alcoholic beverage on private property in the presence of and with the permission of a parent, guardian or relative who is over 21, according to a copy of the ordinance.

<http://www.northjersey.com/page.php?qstr=eXJpcnk3ZjczN2Y3dnFlZUVFeXkzNTcmZmdiZWw3Zjd2cWVlRUV5eTcwNzM4ODcmeXJpcnk3ZjcxN2Y3dnFlZUVFeXkz>


# 19. Opponents Of Liquor Permit For Sam’s Club Seek Hearing (Arkansas)

*Arkansas News Bureau*

February 15, 2007

LITTLE ROCK — Opponents of a permit that would allow a planned Sam’s Club in Fayetteville to sell alcohol asked the Arkansas Court of Appeals on Wednesday to reverse a circuit judge’s decision and allow a full hearing on the issue.

Pulaski County Circuit Judge Ellen Brantley ruled last year that the Arkansas Beverage Retailer’s Association did not have standing to appeal the Alcoholic Beverage Control Board decision to recommend the permit.

The judge rejected the group’s argument that allowing Sam’s Club to sell alcohol would hurt other liquor stores in the area financially.

The appeals court did not rule on he case Wednesday.

State statutes prohibit the ABC board from denying a permit based on what economic impact the new store will have on others in the area.

“Financial status is irrelevant to granting or the denial of a license,” Sam’s Club attorney Mike Shannon said in oral arguments before the appeals court.

“If the only interest you have is irrelevant for the ABC to consider, how do you have a right to appeal?”

Charles Singleton, attorney for the retailer’s association, argued the case law sited by Brantley in her decision last March had nothing to do with standing. He said statutes concerning the Administrative Procedures Act allow the appeal.

Singleton also argued that a decision allowing the Sam’s Club to sell liquor would open up the sale of liquor at grocery and sporting stores.

“The Legislature decided that these (liquor stores) should be stand-alone businesses that would only focus on selling alcohol and not other items, like razor blades or tires,” Singleton said.

Shannon said the Sam’s Club liquor store would have separate cash registers and a separate entrance.

Employees also would be separate from the Sam’s Club, he said.

“You’re not going to have a bottle of Jim Beam right next to a gallon of milk,” Shannon said, adding that the “real issue here is they are upset about who got the permits.”

He argued that the issue before the Court of Appeals was not whether the appeal should have been granted, but whether the retailer’s group has standing to appeal.

<http://www.swtimes.com/articles/2007/02/15/news/news10.txt>

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# 20. City Wants to Limit Liquor Licenses (Oregon)

*Statesman Journal*

February 10, 2007

Salem's failure to prevent the state from issuing liquor licenses -- even when neighbors complain about a bar or nude club and the city asks for a denial -- has city councilors demanding change.

The Oregon Liquor Control Commission seeks community opinions when it considers a liquor license application, but the state agency makes the call on who gets a license. The Salem City Council wants clout to sway the outcome.

"It's not about morality, or about liquor, or any of that stuff," said City Councilor Dan Clem at this week's council meeting. "It's all about this is our city."

"We know what is adverse to our community and we need to make that known," said Councilor Bruce Rogers.

Frustrated by the OLCC's ultimate control in handing out liquor licenses, the City Council has ordered staff to send a letter to the agency asking it to change its rules.

The goal is to give communities new tools to restrict liquor-serving establishments Clem made a motion to petition the OLCC, and it was passed with several amendments. :

# The council wants the OLCC to have broader interpretation of what constitutes an "adverse impact" to the community. Local governments can place restrictions on liquor licensees if they can demonstrate the business is a nuisance. That's now a difficult requirement.

# The council recommends the OLCC prohibit new liquor licenses from being issued to establishments within 1,000 feet of a park or childcare facility. Current rules specify a 500-foot separation, and the rules are only applied in limited circumstances when the liquor-serving business is shown to have a harmful effect.

# Salem City Councilor Rick Stucky wants the OLCC to open its administrative hearings to the public. The closed hearings are held when a liquor license is denied and the applicant requests a hearing, or when sanctions are being considered. Stucky also wants the hearings to be conducted in the community of the where the liquor-serving establishment is located.

Liquor license applications have sometimes caused an uproar in Salem. In October, state liquor regulators annoyed South Salem residents by approving a liquor license for Presley's Playhouse Cabaret, a nude dance club planned for a site on 3803 Commercial St. SE.

Despite angry neighbors and the city's recommendation to deny the liquor license, the OLCC commission approved it by a 5-0 vote. OLCC officials said they had no grounds to deny Presley's license.

Nude entertainment is protected free expression in Oregon. Last year, the OLCC was compelled by two Oregon Supreme Court decisions to do away with language defining lewd activities for nude performers, such as person-to-person touching or sexual activity. The OLCC can only intervene if those activities are linked to a crime, such as prostitution.

The OLCC's intake form has a section where prospective bar or club operators specify what type of entertainment they intend to feature, including nude entertainment.

But Councilor Clem isn't satisfied with the OLCC's forms. He wants to make it city policy to verify the representations made by those seeking liquor licenses. City staff should ask license applicants if nude dancing is part of their business plan.

"I want to make sure we positively know one way or the other," Clem said.

Paul Nolte, an attorney with the League of Oregon Cities, said he wasn't aware of any community in the state that has successfully regulated nude entertainment although many have studied their options.

The city of Grants Pass, however, has passed a rule that prevents any business that is off-limits to minors from opening within 500 feet of a school, he said.

Nolte, a former city attorney for Ashland, said the OLCC is good about asking the community what it thinks, but rarely do neighborhood concerns stop a bar from opening.

<http://159.54.226.83/apps/pbcs.dll/article?AID=/20070210/NEWS/702100334>

**21. Teens Die in Horrific Crash (Illinois)**

By Jeff Long, Jack McCarthy and Andrew L. Wang – *Chicago Tribune*

February 12, 2007

**8 teens in one car. A 24-year-old driver charged with DUI. 4 dead. And the people of Oswego left seeking answers.**

**Photo gallery**



[4 teens killed in Oswego crash](http://www.chicagotribune.com/news/local/chi-021107oswego-photogallery%2C1%2C1562899.photogallery?coll=chi-news-hed&?track=sto-relcon)

Four white crosses jutted from snow-covered ground along a road in Oswego, each bearing the name of a teenager killed there early Sunday in the crash of a car filled with nine young people.

Andrew Allseitz, 15, visited the makeshift memorial by Illinois Highway 31 to pay respects to the girl who last week had asked him to her high school's "turnabout" dance. Jessica Nutoni, 15, never got to give her date the gifts she had bought: a chocolate heart, a teddy bear and a Valentine's Day card.

Allseitz received the gifts Sunday morning through Nutoni's family, said his older brother Matt, "but he hasn't been able to open the card yet."

On a cold, gray Sunday, dozens of teens--eyes full of tears, hearts heavy with grief--stopped to stand vigil before the crosses, one of which was affixed with the photocopied text of the 23rd Psalm.

Meanwhile, authorities charged the car's driver, Sandra Vasquez, 24, of Aurora, with drunken driving in connection with the crash, which claimed the lives of four Oswego High School students and left five people, including Vasquez, severely injured.

The crash made the weekend the third one in a row in the Chicago area in which multiple teenagers have died in violent auto accidents. On Feb. 4, three male teens were killed and another injured on Chicago's West Side when their speeding rental car slammed into an elevated train support. Six teens died the previous weekend in separate accidents in Riverside and Blue Island.

Oswego police said the 2001 Infiniti sedan with nine people inside was headed south on Illinois 31 at 2:20 a.m. As the car approached River Run Boulevard, it went out of control, veered across the northbound lane and struck a pole on the east side of the road, police said.

The four teenagers killed were all pronounced dead at the scene. In addition to Nutoni, they were identified as Katherine Merkel, 14, Tiffany Urso, 16, and Matthew Frank, 17, said Kendall County Deputy Coroner Jacquie Marcellis.

Autopsies were not conducted because the cause of death--ruled multiple blunt force trauma--was apparent, she added.

Police did not release Vasquez's blood-alcohol level, though she was tested "and the results were high enough to charge her," said Oswego police Detective Rob Sherwood.

He said the drunken-driving charge is a misdemeanor, but the Kendall County state's attorney's office is investigating the accident to determine if felony charges are warranted.

Vasquez and four other Oswego High students ranging in age from 14 to 16 were taken to Advocate Good Samaritan Hospital in Downers Grove or Loyola University Medical Center in Maywood, police said.

Vasquez's father, Jesus, said he felt "real bad for the families" of the teens involved in the crash.

He said he did not know where his daughter was headed Sunday morning or why she was with the teenagers.

"As far I know, she was just giving them a ride home," he said, standing in the doorway of his Aurora home. He said his daughter graduated from East Aurora High School and worked as an aide at a nursing home.

He said he spent most of the day in the hospital with his daughter but on doctors' orders did not talk to her about the crash.

"They said ... she is going to make it," her father said, but "they don't know about internal injuries."

Authorities said Sunday that the accident was still under investigation. Still unclear was whether any of the occupants were wearing seat belts.

"With nine kids there could have been only five that were wearing seat belts," Sherwood said.

Police said the car's passenger side struck the pole first, and the impact caused temporary power outages in the area.

**22. Scalia's Daughter Charged with DUI (Illinois)**

*The Associated Press*

February 14, 2007

WHEATON, Ill. -- U.S. Supreme Court Justice Antonin Scalia's daughter was arrested this week and charged with driving under the influence of alcohol and child endangerment, officials said Wednesday.

Ann S. Banaszewski, 45, of Wheaton, was arrested Monday evening while driving away from a fast-food restaurant in the suburb 20 miles west of Chicago, police said. Three children were inside Banaszewski's van when someone called police to report a suspected intoxicated driver, said Deputy Chief Tom Meloni.

Meloni would not release Banaszewski's blood-alcohol level. He also declined to give the children's ages or say whether Banaszewski had a previous record.

She was released on a personal recognizance bond. The DuPage County Circuit Court had no information Wednesday about a whether a court appearance had been scheduled.

A message left at Banaszewski's home was not immediately returned and Meloni did not know whether she had an attorney.

Scalia, who began serving on the Supreme Court in 1986, has nine children.

<http://seattlepi.nwsource.com/national/1110AP_Scalia_Daughter_DUI.html>

**23. Raise Alcohol Tax (South Dakota)**

Editorial - *Aberdeen News*

February 13, 2007

To the editor - It is time to raise the tax on alcoholic beverages. The cost of the misuse of alcohol is staggering. We have seen the toll of alcohol abuse firsthand too many times. If one only considers the suffering emotionally and financially from alcohol-related traffic accidents, it's mind-boggling. Then take into consideration court-appointed attorney fees, incarceration expenses, costs associated with domestic violence, medical expenses of the uninsured, alcohol rehabilitation facilities costs ...the list goes on and on.

Many of the above expenses take a considerable portion of county budgets. The only recourse at the present time to meet these expenses is to raise property taxes. With the underfunding of our schools, wouldn't it seem like good fiscal sense to place an additional tax on alcoholic beverages at the wholesale level? These taxes should go to county government to pay for the costs of alcohol misuse.

We respectfully urge all citizens to contact their legislators and the governor and urge them to raise the tax on all alcoholic beverages, with these monies being designated for all alcohol-related expenses incurred by the counties. This most certainly would free up tax dollars for the education of all our children without having to raise property taxes.

Ronald Morrow Retired Douglas County Sheriff

Carter Wiese Retired Douglas County Coroner

<http://www.aberdeennews.com/mld/aberdeennews/news/local/16686599.htm>


# 24. Buying or Not, Take ID to Liquor Store (Utah)

*Salt Lake Tribune*

February 12, 2007

Here's another hurdle for residents or tourists picking up a bottle of alcohol at a state liquor store, hotel or resort. You cannot buy alcohol if you take along an adult who looks underage and doesn't have an ID - even if you're the only one trying to purchase it.

That's the ruling of the 10th U.S. Circuit Court of Appeals, which tossed out a lawsuit brought by A. McReynolds, 21, who alleged that a clerk refusing to sell him alcohol caused him to be "stigmatized, embarrassed" and branded a criminal.

"Contrary to the plaintiff's hyperbole, he was not accused of a crime," stated the three-judge panel. "He was merely refused service because he entered a liquor store with a companion who, lacking proof of age, gave [the clerk] a reason to believe an illegal purchase could be in the offing."

Circuit Judge Wade Brorby also said in the unanimous ruling that if denying service because someone lacks identification were tantamount to a criminal accusation, "the proper enforcement of liquor laws would generate a mountain of defamation cases against conscientious liquor store clerks around the country."

Shortly after the lawsuit was filed in February 2005, the Utah Legislature tightened state liquor laws, turning a policy into a statute that requires companions or groups to have a proper ID when entering one of the state's 36 liquor stores or 100 alcohol package agencies in small towns, hotels and resorts.

"The change was a direct outgrowth of the lawsuit," said Earl Dorius, director of licensing and compliance with the Department of Alcoholic Beverage Control. "It gives our sales clerks who have a reason to suspect someone in a store is attempting to purchase alcohol for a minor to require both parties to produce an ID showing they are of age."

The ruling, released Friday, upholds a decision by U.S. District Judge Dale Kimball, who said McReynolds had other options to buy liquor that day in 2005. The plaintiff could have asked his companion to retrieve his identification and return to the same Salt Lake City state-controlled liquor store. Or he could have come back to the outlet without his companion.

But attorney Brian Barnard, representing McReynolds, said the higher court's ruling does not take into account the cultural importance of adults' ability to purchase liquor in Utah, where a tenet of the predominant Church of Jesus Christ of Latter-day Saints is to abstain from drinking alcohol.

"Someone refused service, say in California, will not take it as personally as someone in Utah would," said Barnard. "Here, it's a statement of one's identity."

The federal appeals court in Denver, however, said carding liquor store patrons "is an effective means both to protect the public interest and to afford patrons and their companions a fair and reasonable opportunity to demonstrate that an intended liquor purchase is consistent with the law."

<http://www.sltrib.com/ci_5215661>


# 25. Panel Approves Minor Changes to Utah Liquor Laws (Utah)

*Deseret News*

February 15, 2007

A Senate committee Thursday recommended approval for a lengthy bill containing numerous but largely technical changes to Utah's liquor laws, such as permitting Yellow Page listings for state liquor outlets and tightening controls intended to prevent underage drinking.

Under SB205, sponsored by Sen. Pete Knudson, R-Brigham City, all minors who commit alcohol-related crimes — including underage drinking — could lose their drivers' licenses. Current law does not cover drivers 18-21 years old.

The bill also clarifies what sexually oriented businesses with liquor licenses can and can't do, spelling out in the liquor laws, for example, that lap dances and total nudity are banned.

And it also changes the way liquor is taxed but in a way that won't affect the bottom line. No longer will there be a school lunch tax included in the price of liquor sold by the state. Instead, the Department of Alcoholic Beverage Control will provide 10 percent of its revenues to the school lunch program.

But the bill, approved by the Senate Business and Labor Committee, does not deal with another change to the liquor laws that the senator had said he'd raise this session, to allow wine to be served at art gallery openings and other cultural events.

Knudson said he couldn't find enough support this session for that change and decided against introducing a bill. However, he said he intends to try again in the 2008 legislative session.

SB205 now goes to the full Senate for action.

[http://deseretnews.com/dn/view/0,1249,660196095,00.html](http://deseretnews.com/dn/view/0%2C1249%2C660196095%2C00.html)

**26. Booze Barons Drying Up Support for Shea Flinn's Sunday-Liquor Bill (Tennessee)**

Source: *Memphis Flyer*

February 14, 2007

State Senator Shea Flinn, trying to break new legislative ground despite owning only an interim appointment, is being undermined in his effort to legalize liquor sales on Sunday in Tennessee. The culprits? "Golden Goose" Tom Hensley and other traditional spokesmen for the booze industry on Capitol Hill.

Nashville lobbyist Sean Braisted reports that Hensley and Jack Hooper, chairman and CEO of Tennessee Wine & Spirits, are actively resisting passage of the measure, which would also liberalize Tennessee statutes regarding the everyday sale of beer, wine, and liquor - expanding the eligible venues for each.

Flinn was appointed by the Shelby County Commission late last year to occupy the Senate seat of Steve Cohen, now a U.S. congressman, and will serve until either Democrat Beverly Marrero or Republican Larry Parrish is elected in next month's special election.

**27. Don't Let Beer-Banning Bill Die in Committee (New Mexico)**

*The Observer*

February 15, 2007

When the 48th annual Legislature convened just over a month ago, on the plate of just about every lawmaker were tougher laws regarding drunken driving.

Two bills have advanced quickly: A House committee recently unanimously endorsed bills to count out-of-state drunken-driving convictions when determining who must install an ignition interlock in their car and to make tampering with such devices a misdemeanor.

One bill, however, seems to have stalled.

The House Consumer and Public Affairs Committee has tabled a bill to ban the sale of refrigerated, packaged alcohol other than beer kegs that are at least five gallons.

Despite state Sen. Joe Carraro's, (R-Bernalillo, Sandoval-23) intentions this week to keep pushing that bill to stop gasoline stations from selling alcohol, he hasn't had the votes to get the bill out of committee.

That's unfortunate.

Not just for those lawmakers who truly want to see tougher DWI laws statewide, but to the many New Mexico families who have been affected by drunken driving - namely the relatives of the Las Vegas family who were killed in a November drunken-driving crash.

Gerald Collins said ending liquor sales at gas stations is the top legislative priority for relatives of those killed in the Nov. 11 wreck. Collins is the great-uncle of Arissa Garcia, sole survivor of the wreck. Five other family members died when their minivan was hit by a pickup driven the wrong way on Interstate 25 near Santa Fe by Dana Pabst of Tesuque. Pabst, who also died as a result of the collision, had a blood-alcohol level four times the legal limit at the time of the accident.

The Senate Corporations and Transportation Committee tabled Senate Bill 191 last month. Carraro had hoped to bring the measure up for another vote Monday. But he delayed that maneuver until at least Wednesday after it became clear he didn't have the votes to advance the legislation. The senator is trying to rally support for a package of anti-drunken-driving bills that includes the proposed ban on alcohol sales at gas stations. We wish him luck.

Other measures would:

Prohibit the sale of cold, packaged alcoholic beverages (SB 195).

Allocate $3 million to conduct a pilot project to study the feasibility of installing spikes on highway ramps to prevent motorists from driving the wrong way (SB 121).

Count prior felony DWI convictions for the purposes of enhancing penalties under the state's habitual-offender law (SB 451).

Giant Industries Inc. has agreed not to continue leasing a liquor license to the Bernalillo Chevron Redi-Mart, which has been cited for allegedly selling beer to Pabst after he had been drinking and possibly became intoxicated during an airline flight into Albuquerque.

That's a step in the right direction.

Gary Kilpatric, a lobbyist for Anheuser-Busch and Giant Industries, said Monday that both companies remain opposed to Carraro's bills to ban alcohol sales at gas stations and to prohibit the sale of cold, packaged alcohol.

"People who abuse alcohol,'' Kilpatric said, "are not going to worry about whether it's cold or hot.''

Maybe not. But maybe it's not about the temperature of the alcohol. Maybe it has more to do with the convenience of being able to walk into a redi-mart and pull a six-pack from the cooler. Maybe if it wasn't so readily available in convenience stores, members of that Las Vegas family might still be leading productive lives today.

We encourage Carraro to continue trying to get the support (votes) needed for a package of anti-drunken-driving bills.

Current legislation, if passed, of course isn't the panacea to end DWI accidents and fatalities in New Mexico, but it certainly will help. The Legislature has the power to make this happen. And they can't drop the ball now.

**28. Will Drunks Listen to Voice From the Porcelain? (New Mexico)**

*Associated Press*

February 15, 2007

New Mexico deploys talking urinal cakes to persuade drinkers not to drive

RIO RANCHO, N.M. - New Mexico is hoping to keep drunks off the road by lecturing them at the last place they usually stop before getting behind the wheel: the urinal.

The state recently paid $21 each for about 500 talking urinal deodorizer cakes and has put them in men's rooms in bars and restaurants across the state.

When a man steps up, the motion-sensitive plastic device says, in a woman's voice that is flirty, then stern: "Hey, big guy. Having a few drinks? Think you had one too many? Then it's time to call a cab or call a sober friend for a ride home."

Photo -Jake Schoellkopf / AP

A talking urinal cake is displayed in the men's room at

Turtle Mountain Brewing Company in Rio Rancho, N.M.,

on Monday, Feb. 12, 2007.

The recorded message ends: "Remember, your future is in your hand."

The talking urinal represents just the latest effort to fight drunken driving in New Mexico, which has long had one of the highest rates of alcohol-related traffic deaths in the nation. (The new tactic is aimed only at men, since they account for 78 percent of all driving-under-the-influence-related convictions in New Mexico.)

"It startled me the first time I heard it, but it sure got my attention," said Ben Miller, a patron at the Turtle Mountain Brewing Co. bar and restaurant. "It's a fantastic idea."

Jim Swatek, who was drinking a beer nearby, said: "You think, `Maybe I should call the wife to come get me.'"

Turtle Mountain Brewing owner Niko Ortiz commended the New Mexico Transportation Department for "thinking way outside the box."

 **‘We’ve got their total attention’**

Department spokesman S.U. Mahesh said the bathroom is a perfect place to get the message across. In the restroom, "guys don't chitchat with other guys," he said. "It's all business. We've got their total attention for 10 to 15 seconds."

Similar urinal cakes have been used for anti-drug campaigns in Colorado, Pennsylvania and Australia, and for anti-DWI efforts on New York's Long Island, said Richard Deutsch of New York-based Healthquest Technologies Inc., which manufactures the devices.

But Deutsch said he believes New Mexico is the only state to buy the devices.

New Mexico had 143 alcohol-related deaths in 2005, for the nation's eighth-highest rate per miles driven. The problem is blamed in part on the wide-open spaces that make it necessary to drive to get anywhere, and the poverty and isolation that can lead people to drink to relieve their boredom or misery.

Also, some have complained that the state has only recently begun to emerge from years of lax enforcement.

Gov. Bill Richardson led a successful push two years ago to require ignition locking devices for anyone convicted of DWI — a first in the nation — and each year the Legislature has agreed on tougher penalties for repeat offenders.

New Mexico also has started a toll-free "drunk buster" hot line, boosted DWI enforcement in problem areas and increased police checkpoints. The state also has a DWI czar.

<http://www.msnbc.msn.com/id/17171167/?GT1=9033>

**29. Too Many Buying Booze for Underage Drinkers (North Dakota)**

*KFYR-TV News*

February 12, 2007

Fifty-five people were arrested over the weekend after Bismarck Police cracked down on underage drinking. Police watched customers at alcohol stores on Friday night and Saturday morning to see who was buying what, and then went around to loud parties to see who was drinking. They caught adults buying alcohol for underage adults and minors at stores and dozens of underage people drinking at parties. Forty-four adults and 11 juveniles were arrested, and 64 charges were filed.

“These are higher than what we expected,” says Bismarck Police Lieutenant Dan Donlin. “Usually, we’re around the teens to 20s (in) amounts of people that would be charged, and then the charges would typically be in the 30s.”

The funds to conduct the alcohol sting came from an $8000 grant from the Office of Juvenile Justice and Delinquency Prevention.

<http://www.kfyrtv.com/News_Stories.asp?news=5101>

**30. Big Voice Defends Small Bars (Missouri)**

By Hearne Christopher Jr. – *Kansas City Star*

February 14, 2007

**Sunday-closing rule hurts small bars and restaurants**

K*now this about KC’s small fry bars and restaurants: They’re mad as heck and don’t want to take it anymore.*

Like Mike Devine, owner of Mike’s Tavernon Troost: “I fell victim to the housecleaning of Sunday licenses,” Devine says.

About 40 bars and restaurants have lost their Sunday licenses in the last two years, according to KC Liquor Control.

*To be open Sundays, this type of business must do 50 percent annual gross sales or $200,000 in food (not liquor). Or else have combined gross sales of $250,000 a year and occupancy of 300 or more. Those requirements make it tough for smaller operators who don’t sell much food.*

“It seems really random to me,” Devine says. “It totally discriminates against smaller bars and restaurants — it just doesn’t make sense to me.”

KC Liquor Control head Vic Cooksays he’s just enforcing the law. If Devine or others want those laws changed they should appeal to the new city council and mayor.

*Devine has another take:* “It just lends credence to the rumor mill that the city wants to close down smaller businesses so the big places downtown that are open will get more business,” he says. “It hurts (being closed on Sunday), especially during football season. It hurts my pocketbook.”

Cook’s take on Devine’s conspiracy theory: “Nobody has ever come to us and said we want you to crack down on the Sunday licenses. We just started enforcing ordinances that we didn’t have the manpower to enforce before.”

In anticipation of downtown’s new entertainment district, Liquor Control was granted four more inspectors, raising its staff total to 10 (they’re a man down at present).

*Then there’s the quasi-religious remnants of so-called “blue laws” dating from colonial times that limited business and some social activities on the Sabbath, Devine notes.*

“It seems … so antiquated,” he says. “It’s like the separation of church and state — it’s just ridiculous.”

That’s a community-standards issue, Cook says.

“Fifty years ago, practically no business could be open on Sunday. I agree a ‘300 capacity’ (requirement) may be pretty arbitrary. But I think even in our society today most citizens think there’s a relationship between alcohol and undesirable activities and that alcohol is something that should be regulated.”

<http://www.kansascity.com/mld/kansascity/entertainment/columnists/hearne_christopher_jr/16689807.htm>

**31. 12 Wineries Allegedly Sell Wine to Teen (Colorado)**

By Le Roy Standish -*The Daily Sentinel*

February 14, 2007

Twelve local wineries were caught selling alcohol to a minor during a recent sting operation by the State Department of Revenue’s Liquor Enforcement Division.

The sales to the minor occurred Jan. 5. An undercover teen operative was sent into 14 local wineries. Two of the wineries did not sell wine to the youth, but the other 12 sold the teenager alcohol. The individuals cited for the violations will have their first appearance in Mesa County Court on Friday.

“They never asked for an ID,” said Matt Cook, director of the Department of Revenue’s Liquor Enforcement Division. “Twelve out of 14 was a black eye, and I have worked very closely with those wineries, and I was very disappointed by that outcome.”

The possible penalties include fines, from $200 to $5,000, and suspension of liquor licenses, Cook said.

No one from any of the local wineries was willing to comment on the record for this story, but Doug Caskey, the executive director of the Colorado Wine Industry Development Board, a 100-percent taxpayer funded organization that promotes the Colorado wine industry, did comment.

“They found a real glitch,” Caskey said. “Part of the issue was that in the sting operation the underage person did not taste wine, but only went to purchase it.”

Caskey went on to say that a typical teenager, as opposed to one working undercover for law enforcement, would have been caught.

“Had this person come up to the bar and said I would like to taste some of your wine, as a real underage person would have done, they would have been carded,” he said. “We have got to card people who are buying wine bottles as well.”

Despite the poor performance by the local wineries, Caskey said they have worked hard in the past to prevent underage drinking.

“I would say I am very concerned that so many wineries failed to card this person,” Caskey said. “I know for a fact that is not standard operating procedures at these wineries.”

To help curb any future sales to minors, Caskey said he has been told the Rocky Mountain Association of Vintners & Viticulturists may do a seminar, but he could not say when or if those classes would take place.

“The industry is working on scheduling some seminars to help close those holes,” he said.

As of last year, across Colorado, noncompliance of state law banning the sale of alcohol to minors was 19 percent.

“We received a national award for that,” Cook said.

Just a few years earlier, in 2000, Colorado had a 39 percent noncompliance rate, he said.

The sting operation conducted in January was one of many done routinely across the state and here on the Western Slope. Each year, law enforcement checks the compliance of several thousand of the more than 12,500 liquor-licensed establishments in the state.

“We had done hundreds (of compliance checks) in the area, but never done any of the wineries,” Cook said.

In January, they sent in a 19-year-old girl who was dressed to look like she was 15, Cook said. On such operations, an officer either accompanies the youth, is in the store with them or very nearby, he said.

Only two wineries refused sale to the undercover minor. They asked for an ID, and she said she didn’t have one, and they refused to sell to her,” he said.

Colorado Cellars was one of the wineries that passed.

“They came here. We weren’t busted,” Richard Turley said. “We carded the individual. We made sure we verified their age as we do everyone.”

Cook vowed that his agency would return to the Grand Valley to keep tabs on the wineries and their compliance with state liquor laws.

“Is it indicative of a problem? Absolutely it is. Is this something we will pursue to ensure compliance? I am sure we will,” he said. “Underage drinking has been a problem for many, many years, and the only way it is going to be solved is if we get the industry we regulate involved, parents and the community as well.”

<http://www.gjsentinel.com/news/content/news/stories/2007/02/14/2_14_1A_winery_sting.html>

**32. Beer Tax for College Towns? (Ohio)**

*The Associated Press*

February 14, 2007

COLUMBUS - College towns where students tend to party a little too hearty are looking at ways to defray the costs of keeping them in check. One idea: a 4-cent-a-bottle beer tax to help pay for police and fire services.

"Being a college town, we have tremendous financial outlays on alcohol-related events, such as house parties that are out of control, littering, Dumpsters and couches set on fire," Kent City Councilman John Kuhar said.

A Kent lawmaker is considering introducing a bill that would allow voters to decide on such a sin tax for safety forces. Officials in other college towns, such as Athens and Oxford, are watching.

"There would have to be enabling legislation. It would have to be statewide. We can't write a law for one city," said state Rep. Kathleen Chandler, a Democrat. She's also looking at other options such as an entertainment tax or higher fees for liquor licenses.

Columbus Auditor Hugh Dorrian remembers the last time city officials proposed something similar. It was a food and beverage tax about 10 years ago to pay for sports facilities.

"There was very, very heavy lobbying against the proposal. It never resurfaced," Dorrian said.

Last month, Ohio University said it plans to start charging overnight dorm visitors $25 during the city's annual Halloween bash to help cover the cost of keeping it from getting out of hand. At last year's party, the school spent $91,443, including $38,686 in overtime for dorm security. Athens spent $75,000 on police and clean up costs.

Overtime for Columbus safety forces for the Ohio State-Michigan game last year ran to $562,416.

In Kent, such expenses also strain that city's budget.

"It seems like a logical conclusion to allow municipalities like Kent to tax the items that cause a portion of the need for municipal safety forces," Kent Law Director James Silver wrote Chandler last month in a letter asking about a tax on alcohol.

Kuhar, who came up with the beer tax, said there has been no study on how much it would raise. He proposes taxing beer sold at bars and stores, with the money going to safety forces.

<http://news.enquirer.com/apps/pbcs.dll/article?AID=/20070214/NEWS0102/702140340>

**33. Legislators Introduce Bill to Allow Wine Sales in Minnesota Grocery Stores (Minnesota)**

*PR Newswire*

February 15, 2007

ST. PAUL, Minn., Feb. 15 /PRNewswire-USNewswire/ -- Senator Linda Scheid (D - Brooklyn Park) and Representative Phyllis Kahn (D - Minneapolis) introduced the Wine With Dinner bill at the Capitol today. The bill would allow consumers to buy wine at full-line grocery stores in Minnesota.

"Consumers don't understand why they can buy a bottle of wine with their other dinner items at supermarkets in 33 states, including Wisconsin,

Iowa and South Dakota, yet they can't do it here," said Sen. Scheid, lead author of the bill in the Minnesota Senate. "Wine With Dinner will give

Minnesotans the convenience, choice and lower prices that consumers in other states have enjoyed for years."

**34. Sunday Sales Vote Urged (Alabama)**

*Tuscaloosa News*

February 15, 2007

Two organizations charged with promoting tourism and new business are urging the Tuscaloosa City Council to endorse a public vote for Sunday alcohol sales.

“The right to vote is a human right," said Robert Ratliff, executive director of the visitor’s bureau. “We encourage you to request this [to the state Legislature] so we can end this once and for all."

Jim Harrison III, the 2007 chairman of the chamber of commerce, expressed similar sentiments in a letter he read to the City Council.

The convention bureau said allowing Sunday alcohol sales is vital to the city’s economic growth and welfare.

“We’re supposed to extend a welcome mat to all the visitors of our city," Ratliff said. “Tourism is not a six-day-a-week operation. It’s a seven-day-a-week operation."

Tuscaloosa City Council has endorsed referenda for Sunday alcohol sales in the city since at least the late 1990s, with each effort meeting the same end at the state level.

Tuscaloosa voters in 1998 said no to Sunday liquor sales in a non-binding city referendum, prompting Sen. Phil Poole, D-Moundville to say at least five years should elapse before another vote be considered.

He has opposed every bill introduced in the Senate since then.

In 2001, the state Legislature rejected a bill introduced by former Rep. Bryant Melton that would allow residents in Tuscaloosa and Gadsden to vote on Sunday sales.

The following year, which also was an election year, a bill to authorize sale of liquor, beer or wine between noon and 10 p.m. on Sundays -- except when Dec. 31 fell on a Sunday -- also died without a full vote of the Legislature.

2003 also saw another attempt to put the decision to a vote of the residents, but that bill died a sudden death in the Legislature when Gov. Bob Riley called for a special session, ending the regular session three weeks early.

In 2004, then-state Sen. Charles Steele of Tuscaloosa introduced another Sunday liquor sales bill to authorize the city councils of Tuscaloosa and Gadsden to allow sale of alcoholic beverages on Sundays either by ordinance or after a successful referendum.

The state House eventually blocked this bill, allowing it to die days later with the end of the regular session.

By contrast, this same session of the Legislature passed a Sunday liquor sales law for Greenetrack, which later was adopted by the Greene County Commission and enacted.

State Sen. Bobby Singleton was a leader in the effort for a Sunday liquor sales vote in 2005, introducing a bill to allow referendums in cities that didn’t have legal alcohol sales. The cities that would have been affected were Alexander City, Anniston, Athens, Decatur, Dothan, Enterprise, Florence, Gadsden, Ozark, Selma, Sheffield, Sylacauga, Talladega and Tuscaloosa.

This bill, too, eventually died.

In 2006, the Tuscaloosa City Council didn’t try to get a bill passed.

In recent years, several other cities and counties across Alabama, including Florence, Muscle Shoals and Colbert County have been granted the option to vote on Sunday alcohol sales

[http://www.tuscaloosanews.com/article/20070215/NEWS/702150365/1007/dateline&cachetime=3&template=dateline](http://www.tuscaloosanews.com/article/20070215/NEWS/702150365/1007/dateline%26cachetime%3D3%26template%3Ddateline)

