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

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| *March 9, 2006* | |

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

**1. Underage-Drinking Report Calls for Voluntary Alcohol Ad Cutbacks**

**U.S. Surgeon General Urges Reductions in Outdoor Ads, End to College Event Sponsorships**

By: Ira Teinowitz   
*Advertising Age*March 6, 2007

WASHINGTON (AdAge.com) -- In a call to reduce underage drinking, the acting U.S. surgeon general today urged alcohol marketers to cut back on outdoor ads and end any remaining college-newspaper advertising. He also suggested colleges eliminate event sponsorships by alcohol marketers.

**No new laws**

Dr. Kenneth Moritsugu, the acting surgeon general, notably didn't urge the passage of any new laws, instead suggesting colleges, media and the alcohol industry should act voluntarily.

Although the report's guidelines go beyond current voluntary codes for outdoor advertising and college sponsorships, alcohol-industry associations said many marketing practices it cites are already barred or severely restricted by those codes. They also said that despite the new warnings, government statistics show teen alcoholism is dropping.

The report says too many people view teen drinking as a "rite of passage" when new research indicates it could have potentially serious long-term effects.

**'Disturbing research'**

"Alcohol is the most widely used substance of abuse among America's youth," Dr. Moritsugu says in the report, adding that far more teens drink than smoke tobacco or use drugs. "I have issued this [report] to focus national attention on this problem and on new disturbing research which indicates that the developing adolescent brain may be particularly susceptible to long-term negative consequences from alcohol use."

Instead of turning to legislation, the report urges the media, alcohol marketers, and colleges and universities to work to lower teen alcoholism. The entertainment and media industries should be sure movies, TV shows and video games do not "glamorize underage alcohol use," the report says. They should also avoid "gratuitous portrayals of alcohol abuse in films and TV shows in which children are a major audience."

The report also suggests alcohol marketers have a "public responsibility" to make sure their messages "do not disproportionately expose youth to messages about alcohol" and that websites and web advertising "do not especially attract or appeal to adolescents."

**Marketing codes**

The Beer Institute and the Distilled Spirits Council of the U.S. said their marketing codes ban college-newspaper ads, prohibit rite-of-passage ad appeals and limit some outdoor signs. College sponsorships are banned for spirits makers and limited for brewers to venues with mostly adult audiences. Brewers ban outdoor signs within 500 feet of a school or playground.

"We already have placement and content guidelines that include no sponsorship on college campuses for distilled spirits that have been in place for years," said Frank Coleman, senior VP, Distilled Spirits Council of the U.S.

Beer Institute President Jeff Becker said brewers "wholeheartedly agree" that advertising should be directed toward legal consumers and cited the industry's requirement that ads be placed in media where 70% of the audience is 21 or older and requiring that ad creative aims at that audience.

<http://adage.com/article?article_id=115414>

**grapes**

# 2. 9th Circuit Hears Alcohol Case

*Seattle Post-Intelligencer*

March 8, 2007

Saying the state of Washington has imposed restraints on competition, a lawyer for Costco Wholesale Corp. asked the 9th U.S. Circuit Court of Appeals on Thursday to uphold a landmark ruling that could lead to lower beer and wine prices.

David Burman said the Issaquah-based cash-and-carry retailer isn't asking the court to strike down the entire alcohol regulatory system. Instead, Costco wants the court to affirm U.S. District Judge Marsha Pechman's ruling last year that threw out numerous state regulations that she said were in violation of federal antitrust law.

Washington Attorney General Rob McKenna, who viewed the proceedings in downtown Seattle before a three-judge panel, said the case is being watched closely throughout the country. At least 30 other states or jurisdictions have filed briefs in support of Washington.

At issue is Pechman's ruling, which said Washington could no longer force producers and distributors to each mark up alcohol products 10 percent.

The ruling also struck down the state's ban on high-volume discounts, central warehousing and credit sales to retailers, as well as its requirement that beer and wine distributors and producers post and hold prices for a month.

Her ruling was stayed until May 1, and the state asked the appellate court Thursday for an extension of that stay.

If Costco wins, opponents say the nation's largest wholesale club could call into question other states' so-called three-tier systems, which support beer and wine wholesalers across the country. Opponents of Costco say the systems control alcohol consumption and safeguard the collection of taxes.

A ruling on the appeal isn't expected for up to six months, McKenna said after the hearing. Judges Diarmuid O'Scannlain, Wallace Tashima and Marsha Berzon heard the arguments.

McKenna believes that either side would appeal the 9th Circuit's decision to the U.S. Supreme Court. Burman declined to answer questions after the hearing.

Costco, which filed the suit in February 2004 against the state Liquor Control Board, has said the restrictions have kept the company from using its buying power to offer beer and wine at low prices to its members. The company has said it's only trying to get the best deal for its customers, who pay an annual fee to shop in the massive warehouses.

But Assistant Attorney General Martha Lantz, who argued before the panel, said in an interview that selling alcohol is different from other bulk items. She said the 21st Amendment, which ended Prohibition, gives states wide power to regulate and sell alcohol.

"For gum and candy and mattresses and tennis shoes, that is fine, but with alcohol it's different," she said. "What all of the states have said after adopting the 21st Amendment is regulation of alcohol needs to be different than regulating other consumer goods."

She also said it's the state's goal to get the ruling reversed so decisions regarding liquor control are left to the Legislature and not the federal courts.

<http://seattlepi.nwsource.com/business/306695_costcocourt09.html>

grapes

**3. The First Successful Upscale Light Beer**

By: Jeff Ostrowski   
*Palm Beach Post Staff Writer*  
March 5, 2007

Two years ago, Bob Posten discovered something beer marketers had overlooked: Affluent young professionals wanted an upscale light beer and would pay a premium for it, so long as the brew projected a debonair image and didn't taste as watery as the top sellers.  
  
Until then, the marketing world had relied on the stereotype of light beer drinkers as frat boys and Al Bundy types who slouch on the couch with hand firmly planted in waistband.

The low-calorie beer market long has been dominated by Bud Light, Miller Lite and Coors Light, brands whose advertising and pricing appeal squarely to the middle market.

[](http://www.palmbeachpost.com/business/content/business/epaper/2007/03/05/c1bz_beer_0305.html##)But aside from the success of Corona and Corona Light, attempts to sell light lager to upscale customers and to add a little international flavor fell flatter than day-old beer. Brands such as Beck's Light and Amstel Light never quite took off.

Posten, co-chairman of Landis Strategy & Innovation, a consulting firm in Palm Beach Gardens, helped launch Heineken Premium Light, the surprise hit that has shaken up what was a moribund market for imported light beers.

Heineken hired Landis to help define and position its new light beer. From late 2004 through early 2006, Posten and a group of his employees hosted dozens of focus groups throughout the country and traveled to Heineken NV's headquarters in Amsterdam.

The conclusion reached by Landis and Heineken? Sure, the frat boys and Al Bundy-types like light beer. But educated thirtysomethings do too, if it comes in the right package.

"The misconception is that there's only one light beer customer," Posten said last month from his office near PGA Boulevard.

Heineken launched its Heineken Premium Light brand in the United States last March, and it has sold well in an otherwise-stagnant beer market.

Heineken said last month that its 2006 profit soared 59 percent to $1.6 billion, thanks in large part to the success of Heineken Premium Light. Perhaps more telling, Anheuser-Busch has blamed the Dutch import for cutting into its light-beer sales.

"This is the first daring line extension we ever made for Heineken," Chief Executive Jean-François van Boxmeer said. "Definitely Heineken Light reignited our growth in the USA."

Heineken expects to sell 1 million barrels of Premium Light in 2007. That's a drop in the keg compared to the 40 million barrels Anheuser-Busch's Bud Light sells every year, but the sales volumes have been enough for Heineken to recapture the glory days it enjoyed in the 1980s.

Landis doesn't get a bonus for helping to set the stage for Heineken Premium Light's success, Posten said. But it does get the satisfaction of finding a gap in the beer market and filling it.

"We created a new segment of light beer," Posten said. "It's called luxury light beer, and that didn't exist before."

Heineken Premium Light comes in bottles only — cans, at least in terms of market positioning, are for the cheap swill that's dismissed by snobs as "lawn mower beer."

And the price is steep. Publix sells a six-pack of Heineken Premium Light for $8.19, compared to $5.63 for Bud Light bottles, $5.39 for Miller Lite and Coors Light and $3.59 for Natural Light.

As Landis launched into its consumer research, Heineken's brewmeisters came up with a dozen possible recipes for Premium Light. Landis presented the concoctions to focus groups and helped hone in on exactly what consumers wanted, and Heineken tweaked its recipe to match their advice.

In the end, Heineken said, it created a drink that's distinct from its fuller-bodied regular product and lighter than Amstel Light, another Heineken brand.

Now that Heineken has hit a home run with its light beer, observers are calling the brew a natural move for Heineken, the No. 2 import in the U.S. after Corona. Harry Schumacher, editor and publisher of Beer Business Daily in San Antonio, says Heineken Premium Light was a "no-brainer."

"A lot of people like Heineken, and they also want to watch their calories," Schumacher said.

Posten bristles at the suggestion that launching a new product in a saturated beer market is easy.

"When it does look easy, it means we did a good job," Posten said.

He notes that Heineken pointedly never mentions calorie counts or carbohydrate totals in its TV ads. Instead, a sleek green bottle sweats while the Pussycat Dolls' hit Don't Cha blares. Another spot features Beautiful by Snoop Dogg and Pharrell Williams.

Schumacher calls the ads — created by an ad agency, not Landis — "pitch-perfect," especially in contrast to the sophomoric spots used by Budweiser and Bud Light.

"You juxtapose a commercial that's kind of sexy with a Budweiser ad that shows a farting horse and you can see where your upscale customer wants to be," Schumacher said.

As for the calorie count, Posten said, "Nice to know, but that's not why people are buying it."

Posten likes to say that features don't sell products. That's why Heineken Premium Light focuses on creating an image of luxury and cachet while ignoring the nutritional details.

For beer enthusiasts like Dan Oliver, a board member of the Palm Beach Draughtsmen Home-brewing club and beer columnist for the Palm Beach Post, the focus groups are about sales.

"I'm not a big fan of marketing and research," Oliver said. "I don't think it's led to better beer."

But in the high-stakes world of mass beer sales, insights like Landis' can mean the difference between a hit and a flop. Heineken brand director Andy Glaser said Landis' research helped find a niche in the growing light-beer market.

"What Bob and his team helped us to do was to understand the subsectors that were emerging," Glaser said.

Posten freely admits that drinkers buy beer based as much on emotion as on the quality of the liquid in the bottle.

That's why Landis' research delved into the deep-seated motivations of beer drinkers. Posten said Heineken Premium Light drinkers are persuaded by price, packaging and advertising, even if that influence is subtle.

If they're drinking at home, Heineken Premium Light consumers are rewarding themselves with a little bit of opulence, Posten said. If they're drinking in a bar, they're using the bottle as a signal that's every bit as important as their clothes or hairstyle.

"It's an expression," Posten said. "It's an accessory that's helping a person define to someone else who they really are."

**The Associated Press contributed to this story.**

Heineken attributes its 59% increase in profits last year largely to the debut of Premium Light.

Heineken expects to sell 1 million barrels of Premium Light this year. Anheiser-Busch sells 40 million barrels of Bud Light each year.

The price of a six-pack of Premium Light is $8.19 at Publix.

The price of a six- pack of Bud Light is $5.63.

<http://www.palmbeachpost.com/business/content/business/epaper/2007/03/05/c1bz_beer_0305.html>

grapes

**4. Ernest Gallo, 97; Influential Co-Founder of Winery**

By: Martin Weil  
*Washington Post*March 7, 2007

Ernest Gallo, 97, who with his brother Julio reaped riches from California grapes, shaping the drinking habits of a nation and creating a wine fortune from a small investment, died March 6 at his home in Modesto, Calif.

A reticent man who was seldom interviewed, Mr. Gallo was the dynamic, hard-driving sales and marketing chief of what became the E&J Gallo Winery, one of the biggest wineries in the world. (Julio, who made the wine, died in a car crash in 1993.)  
  
At 96, Mr. Gallo was No. 283 on Forbes magazine's list of the 400 wealthiest Americans. A self-made man with a high school education, he had a net worth of $1.2 billion.

The company began with inexpensive products (such as Thunderbird and Ripple) but eventually moved into the middle levels and high end of a market that Mr. Gallo did much to create. Although little was known of the two brothers and their lives and personalities, the labels on their bottles brought their names into households, conversations and celebrations across the nation.

Behind the story of the creation of their empire of alcohol was a tragic tale. The Gallo brothers had toiled in their youth with their immigrant parents on a small California vineyard, growing and selling grapes. But in 1933, in the face of Depression-era economic reverses, their father killed himself and his wife.

According to published accounts, that event unleashed the determination, energies and initiative of Ernest and Julio. The brothers decided to make and sell wine. They borrowed $5,900.23, bought used equipment on credit and set about studying a pamphlet from the Modesto public library titled "The Principles of Wine-Making."

If there is a gift for sales, Mr. Gallo had it. As a 17-year-old, he had traveled by train to Chicago to sell grapes from his parents' vineyard. When the brothers began making their own wine, Mr. Gallo turned a $30,000 profit in the first year, according to a profile published by the James Beard Foundation, which gave him its lifetime achievement award in 2001. He sold 177,847 gallons of red table wine that first year, the profile said.

It described Mr. Gallo, a native of Jackson, Calif., as a merchandising whirlwind, perpetually negotiating with bankers, buyers and suppliers and crisscrossing the nation to bargain with bottlers. A few years after starting up, the Gallos were selling 3 million gallons of wine a year.

Wine was once described as a small business; Mr. Gallo was seen as the man who made it a big one. He bought out failing bottlers, designed his own bottles and labels, and adorned them with recipes requiring wine. He created display racks for his bottles and hired a sales force to sell only Gallo products.

If some Americans were uncertain about placing a bottle of wine on their table or of opening one at their parties, Mr. Gallo allayed their fears and stimulated their desires with his advertising, using billboards and later television. From 1948 to 1955, Gallo sales grew almost fourfold.

The brothers' winery, which began with a staff of three -- Mr. Gallo, his wife, Amelia, and his brother -- grew to have more than 4,600 employees and a presence in more than 90 countries, according to a statement last night from the Gallo public relations organization. (A third brother, who operated a cheese business, died this year.)

Mr. Gallo and his brother Julio worked on separate floors of their headquarters, according to a Fortune magazine article. Julio, it said, strove to produce more than Mr. Gallo could sell, and Mr. Gallo aimed to sell more than his brother could produce. Mr. Gallo was said to be active in the business until he died.

A firm believer in family ties, Mr. Gallo once called Julio the ideal partner, the one person "willing to work as hard and as long as I did."

Survivors include Mr. Gallo's son, Joseph, five grandchildren and three great-grandchildren. His wife died in 1993.

"My father died knowing that he had lived life to its fullest," his son said in a statement.

<http://www.washingtonpost.com/wp-dyn/content/article/2007/03/06/AR2007030601793.html>

grapes

**5. Gallo's Death Could Fill U.S. Coffers**

*USNews.com*   
March 8, 2007

Two events this week -- the death of wine mogul Ernest Gallo at 97 and a Capitol Hill appearance by software mogul Bill Gates -- coincidentally brought to front and center the debate over the future of the estate tax.

The Gallos have been one of 18 very wealthy families that, according to Public Citizen and United for a Fair Economy, have been behind efforts to permanently repeal the tax. Under current law, the tax, which runs at about 45 percent for the value of estates of more than a few million, will be repealed in 2010.

But the following year the tax will revert to the 40 percent-plus range and with a much lower minimum threshold. Among the families not on the List of 18: the Gateses. Bill Gates himself told the Senate Health, Labor and Pensions Committee that he supports the estate tax. His father, Bill Gates Sr., has spearheaded action to retain the tax.

Gallo's death, meanwhile, could have relatively quick ramifications for the federal budget. While wealthy people can leave an unlimited amount of money tax free to their surviving spouse, Ernest Gallo's wife is already dead. If his net worth is the $1.3 billion that United for a Fair Economy says it is, then Uncle Sam could take a half billion or more of the estate (though this could be significantly cut depending on however much Gallo might have willed to charity; such gifts are not included in the taxable portion of an estate).

With no changes in federal law, had Gallo lived to 100 and died in 2010, the tax would have been zero.

<http://www.usnews.com/usnews/blogs/news_blog/070308/on_the_trail_gearing_up_for_th_1.htm>

grapes

**6.** **B-F Earnings slip, but Jack Daniel's still Firing**

*just-drinks.com*March 7, 2007

Brown-Forman's Q3 is hit by one-off comparisons, but its flagship brands continue to grow well

Jack\_Daniel’s owner Brown-Forman Corporation has reported a slip in its earnings per share for the third quarter, down 8% compared to the same period last year to US$0.90.

However, the US based wine and spirits group said yesterday (6 March) that the decline was driven by the absence of a net $0.14 per share benefit related to changes in its Australian distribution joint venture and a $0.04 per share gain on the sale of winery property, both recorded in the third quarter a year earlier.

Excluding these and other items, underlying earnings per share in the three months to 31 January were $0.89, up 12% from the $0.80 per share earned in the same prior year period. These results were driven by solid profit growth for Jack Daniel's Tennessee Whiskey, Southern\_Comfort, Finlandia, and the Jack Daniel's & Cola ready-to-drink product sold primarily in Australia, the company said.

Third quarter revenues grew 20% year-on-year to $755m. Gross profit was up 17% to $387m with growth coming from all of the company's premium brands. The company said that revenue comparisons to the prior year period also benefited from the changes to the company's distribution arrangements in Australia and a weaker US dollar, which accounted for approximately half the reported growth.

Brown-Forman said advertising expenses increased 11% to $94m in the quarter as a result of additional investments primarily behind Jack Daniel's, Finlandia, and Chambord, as well as a weaker US dollar.

It was another good quarter for the company's flagship brand Jack Daniel's. Global depletions of the Tennessee whiskey grew at a mid-single digit rate in the quarter, with volumes growing in the low-single digits in the US and at a double-digit rate internationally. Notable double-digit volume gains were recorded in several of the brand's key international markets such as the UK, Germany, South Africa, France, Australia, and Japan.

Global volumes for Southern Comfort grew at a mid-single digit rate in the quarter led by strong growth in the UK and South Africa, while the US advanced at a low single-digit rate. Finlandia volumes grew at a double-digit rate, fuelled by continued strong growth in Eastern Europe.

For the first nine months of the fiscal year, reported earnings per share were $2.66, up 3% from the $2.59 earned in the same period a year earlier. Underlying earnings per share, when adjusted for certain items, increased 10%.

"Year-to-date growth is being driven by strong performance from Jack Daniel's, Southern Comfort, Finlandia and Jack Daniel's & Cola in Australia, as well as the benefit of a weaker US dollar," a statement said.

Looking forward, the company said that, excluding the recent acquisition of Casa Herradura, and on a comparable basis with prior guidance for this year, it is narrowing the range of its full-year earnings outlook to $3.20 to $3.30 per share. This compares to the $3.14 to $3.30 per share guidance provided at the end of the second quarter.

This updated outlook, the company said, continues to include an $0.08 per share gain from the sale of the company's Italian winery and represents forecasted growth of 10% to 14% over adjusted prior-year earnings of $2.90 per share.

Brown-Forman said: "The revised outlook anticipates, in the fourth quarter of the fiscal year, an expected higher tax rate versus the prior year period, further increases in spending behind the company's premium global brands, higher grain costs, and expected further reductions in global distributor inventory levels."

<http://www.just-drinks.com/article.aspx?ID=89601&lk=dm>

grapes

**7. Pernod Ricard, Bacardi and Diageo in contact with Swedish Government over Absolut Sale**

*Associated Press*

March 8, 2007

Three of the world's top spirits makers - Pernod Ricard SA, Bacardi Ltd. and Diageo PLC - have told the Swedish government they are interested in buying the state-owned liquor group that makes Absolut vodka, a spokeswoman said Thursday.

The center-right government presented plans last week to sell the V&S Vin & Sprit AB liquor group as part of wider privatization plans. V&S owns several brands of liquor and wine, with Absolut its biggest moneymaker.

"We have received letters of interest from Bacardi and Pernod, and Diageo has expressed an interest orally," Jenny Didong, a spokeswoman at the unit handling the sellout, told The Associated Press.

Bacardi said earlier this week it was interested in the Swedish vodka brand.

Didong said the government had not received any formal letter from Fortune Brands Inc., the maker of Jim Beam and Sauza, which some analysts have tapped as a potential bidder for V&S due to their joint distribution deal.

Analysts said they expected V&S to sell for about 40 billion kronor (?4.3 billion, US$5.7 billion). It was not clear, however, if the government would opt for a direct sale or a stock market listing.

The government has given no timeline for the sale, but New York-based market research firm Gimme Credit said "there is a strong likelihood that Parliament will provide its approval before the summer."

Other companies the government said it planned to fully or partially privatize included banking group Nordea AB, telecom operator TeliaSonera, bourse operator OMX AB, real estate group Vasakronan AB and residential mortgage company SBAB.

The V&S product range includes brands such as Cruzan rum, Plymouth gin, several Scandinavian aquavits and hundreds of wines.

<http://www.signonsandiego.com/news/business/20070308-1153-sweden-absolut.html>

grapes

# 8. Ads Target NCAA-Liquor Marketing Link

*Associated Press*

March 8, 2007

CHICAGO - Full-page ads in college newspapers Friday call on university leaders, athletic conferences and the NCAA to “stop the madness” by banning alcohol marketing from college sports.

The ads, tied to March Madness and sponsored by the American Medical Association, were scheduled to run in college papers in six cities, in advance of the NCAA men’s basketball tournament.



The low-budget campaign placed $17,000 worth of ads in the Chronicle of Higher Education and student newspapers at Georgia Tech, University of Iowa, University of Wisconsin, Indiana University, University of Mississippi and DePaul University.

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The low-budget campaign placed $17,000 worth of ads in the Chronicle of Higher Education and student newspapers at Georgia Tech, University of Iowa, University of Wisconsin, Indiana University, University of Mississippi and DePaul University.

“The truly insane thing about March basketball is all the money universities get from alcohol advertising,” the ad reads. An illustration shows cheering sports fans holding signs reading: “STOP THE MADNESS.”

The ad claims that the alcohol industry spent more than $52 million to advertise its products during televised college sports in a recent year.

Spokesman Bob Williams said the NCAA limits alcohol ads to one minute per hour of broadcast, won’t allow ads for hard liquor and encourages “responsibility themes and messages” in the ads.

The beer industry maintains the NCAA tournament draws a largely adult TV audience, citing Nielsen Media Research figures showing that 89 percent of viewers of last year’s tournament were adults, with a median age of 48.

“Sports fans tend to be beer drinkers and therefore we’re going to try to advertise to that audience,” said Jeff Becker, president of the Beer Institute, a trade association.

Becker said the industry contributes money to campus programs that fight underage drinking, and banning beer ads from games would do nothing to solve that problem.

College policies vary. Chicago’s DePaul University accepts no money from alcohol manufacturers and gets no money from beer sales at Allstate Arena, where the Blue Demons play, said university spokesman John Holden.

Allstate Arena is not on the DePaul campus.

The University of Wisconsin receives $425,000 per year from Anheuser-Busch and Miller Brewing Co. in exchange for alcohol advertising in game programs, regional sports broadcasts and interview programs with its coaches, said Casey Nagy, executive assistant to UW-Madison Chancellor John Wiley.

“Wisconsin has a heritage associated with beer drinking,” Nagy said. “We haven’t had a lot of community sentiment that we should discontinue the alcohol partnerships we have.”

Wisconsin, however, took part in the decision to prohibit beer and alcohol ads from the Big Ten Channel, a new national sports TV network, Nagy said. “It’s a step,” he said.

The American Medical Association’s fight against alcohol ads during NCAA games isn’t new.

In 2002, the doctors’ group criticized ads funded by Anheuser-Busch featuring college team mascots, and in 2005, the group sent a letter to NCAA Division I board members requesting a ban on alcohol print and broadcast ads linked to sports events.

The AMA maintains that alcohol ads undermine efforts to prevent campus binge drinking and alcohol-related deaths, accidents and sexual assaults, said Richard Yoast, director of the Office of Alcohol and Other Drug Abuse for the American Medical Association in Chicago.

“Almost every college president would agree that heavy drinking is their major student health problem,” Yoast said.

Yoast applauded schools that have written sports broadcast contracts to exclude alcohol advertising. “The whole thing revolves around money,” Yoast said.

Yoast acknowledged an error in the AMA’s ad. The ad claims that alcohol industry spending of $52 million on college sports advertising in 2003 was “more than twice the amount spent on non-college programming.” Yoast said the ad should read “more than twice the percentage spent on non-college programming.”

He said the mistake was inadvertent and “doesn’t change the problem.”

<http://www.msnbc.msn.com/id/17525299/>

grapes

**9. Eyeing the Convenience Channel**

**C-stores may be in Wal-Mart’s future to counter Tesco’s entry into the U.S.**

*CSP Daily News*

March 5, 2007

BENTONVILLE, Ark. -- Rumors have floated around for years claiming that retail giant Wal-Mart was testing various convenience concepts in an effort to expand its reach, and that continued this past week as the Bentonville, Ark.-based retailer opened its 112th

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Neighborhood Market.

Now rumors are circulating that Wal-Mart Stores Inc. is mulling the launch of a smaller, convenience-type format in the United States that could conceivably counter Tesco's Fresh & Easy market entry planned for later this year, according to a report in Progressive Grocer.

So far, Wal-Mart has declined to comment on speculation of plans for a new format; however, Wal-Mart’s U.K. branch, Asda, is a major competitor to Tesco overseas.

Industry observers are pointing to the company's announcement that former Tesco executive David Wild has been named senior vice president of new business development at Wal-Mart’s U.S. division, according to the report. Wild, who joined Wal-Mart in 2004, worked in various executive positions at Tesco, including supply-chain director and chief executive of the company's central European operations. In the early 1990s, he was active in fresh food and nonfood, helping to expand the company's c-store operations.

However, as early as 2003, analysts were predicting that Wal-Mart would look into alternative formats to continue its U.S. growth, and to counter its competitors.

Retail Forward's Sandy Skrovan, for one, told Progressive Grocer in 2003 that "there’s a strong likelihood that Wal-Mart will explore rolling out their own drug chain and/or dollar-store chain, and will get more into the convenience/fueling station business." She reasoned that those formats would raise fewer red flags with local opposition in urban areas.

Such a format would presumably be smaller than Wal-Mart’s Neighborhood Market concept, which was established in 1998 and includes sites of about 40,000 square feet. The newest Neighborhood Market, a 47,000-sq.-ft. site, opened on February 28 in Lexington, Ky.

“Neighborhood Markets are designed to offer customers a smaller convenient place to shop for grocery, beauty and other everyday needs at the low Wal-Mart price,” store manager Jeff Singleton said in a press release. “It’s our mission for customers to feel that this is their neighborhood store, with friendly service and great values on items they need.”

The new site includes a full line of groceries, including a fresh bakery, frozen foods, meat and dairy products and fresh produce and variety of organic offerings throughout. It also features a full deli offering rotisserie chicken. Cosmetics, toiletries, pet products and hardware items are also available. It will be open to customers 24 hours a day, seven days a week and will include six full-service and six self checkout lanes. The store will also feature a pharmacy and a one-hour photo lab.

Meanwhile, Tesco is set to launch its convenience-oriented supermarket, Fresh & Easy Neighborhood Market, later this year. The stores, expected to be about 15,000 square feet on average, will be located on the West Coast in the Phoenix, Las Vegas and Los Angeles markets.

Tesco got a boost this winter when Warren Buffett’s Berkshire Hathaway Inc. increased its stake in Tesco Plc, according to a Bloomberg news report citing the U.S. insurance and investment firm’s annual letter to shareholders.

Berkshire Hathaway owns 229.7 million Tesco shares, or 2.9% of Britain’s biggest retailer, the new information shows. According to the previous regulatory filings, Omaha, Nebraska- based Berkshire had held a stake of 2%.

Buffett, the world’s second-richest man, first bought shares in Tesco last year after the Cheshunt, England-based retailer announced plans to open c-stores on the U.S. West Coast. The outlets will take on chains such as 7-Eleven Inc. and Trader Joe’s to win time-pressed shoppers in southwestern U.S. cities.

“Buffett is realizing that with Tesco moving into the U.S. with a fantastic format and great management, they are the ones to back,” Chris Gower, an analyst at Man Securities in London, told Bloomberg. “I wouldn’t be surprised if other investors start piling in. They look at Buffett as the shining light.”

<http://www.cspnet.com/ME2/dirmod.asp?sid=&nm=&type=Publishing&mod=Publications%3A%3AArticle&mid=8F3A7027421841978F18BE895F87F791&tier=4&id=B2A8DA9759A94C178FD039BAD596F156>

grapes

**10. Pernod Ricard Disappoints**

By: Chris Noon  
*Forbes Magazine*March 8, 2007

A hangover. That's the old chestnut for a poor financial performance from an alcoholic beverages company.

There will be a couple of sore heads at French company Pernod Ricard; its shares fell almost 5% on Thursday after it reported disappointing first-half profits.

The company, whose brand portfolio includes Stolichnaya vodka, Chivas Regal and Kahlua, said that operating profit rose 13.8% to 865 million euros ($1.14 billion) for the six months to December 31 on sales that grew 7.3% to 3.5 billion euros ($4.6 billion).

Pernod Ricard shares were the biggest loser on Paris' CAC-40 index, closing down 7.22 euros ($9.45), or 4.6%, to 149.40 euros ($196).

It said that unfavorable foreign exchange moves reduced growth in operating profit by 40 million euros ($52.5 million). It also said that the average interest charges on the debt it took on to buy Bristol, U.K.-based Allied Domecq in 2005 had risen to 5%. This acquisition made it one of the world's largest beverage groups, behind only InBev and Diageo by sales.

Pernod said its 15 "strategic brands" were the ones experiencing the fastest growth and that growth was even sharper for "super and ultra premium" segments, including aged Ballantines, Royal Salute, The Glenlivet, Martell and Perrier-Jouet Belle Epoque.

Pernod was reborn as a producer of the anise-flavored liqueur, Pastis following the prohibition of the production and consumption of absinthe in France in 1915. France never repealed that 1915 law, but in 1988 a law was passed to clarify that only beverages that explicitly call themselves "absinthe" are prohibited. The French now sidestep the law by calling their absinthes "wormwood-based spirits."

Pernod merged with its old rival Ricard to form Pernod Ricard in 1975.

<http://www.forbes.com/markets/2007/03/08/pernod-ricard-earnings-markets-equity-cx_cn_0308markets24.html>

grapes

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

**11. Athlete Drank, Appeals 1-year Suspension**

**Travis Childs of North Scott points out that state law permits what he did.**

By: Lynn Campbell  
*Des Moines Register*March 8, 2007

An Eldridge mother maintains she did the right thing last fall when she allowed her teenage son to drink beer at home with his stepfather. She said the family's openness about alcohol is the reason he doesn't sneak around to drink.



###### HARRY BAUMERT/THE REGISTER

Travis Childs, 18, a North Scott wrestler and football player, has been suspended from competition for violating the school’s good conduct policy. The matter is to go before the State Board of Education today. His mother, Tisha Bousselot, is at right at their home.

###### HARRY BAUMERT/THE REGISTER

Travis Childs, 18, a North Scott wrestler and football player, has been suspended from competition for violating the school’s good conduct policy. The matter is to go before the State Board of Education today. His mother, Tisha Bousselot, is at right at their home.

"It was in our home. He was not caught doing anything that he shouldn't have been doing," Tisha Bousselot said. "That's not to say we accept it, but I'd rather have my son alive and watch him wrestle for a wonderful university next year than to put him in the ground."

But North Scott school officials benched Travis Childs, 18, for the "three or four beers" he drank with his stepfather on Oct. 25. It was the three-sport athlete's third good-conduct violation in three years.

"This made a big blow because I couldn't get looked at or nothing my senior year," said Childs, a 280-pound wrestler who was ranked in the state. He also played football and participated in track and field. "This would be the year that all the colleges are looking at you."

The State Board of Education is today expected to rule on whether Childs should be sidelined the remainder of the year. The appeal, filed by Childs and his mother, points out that Iowa law allows what happened in October.

"It wasn't illegal at all," Childs said. "I didn't break one of those rules, and they still suspended me for a full year."

Carol Greta, an administrative law judge, acknowledges in her proposed decision that alcohol consumption at home with a parent's permission and presence is legal. However, she said, Childs' participation in sports means he agreed to comply with the school's conduct policy. She recommends that the state board uphold the one-year suspension.

Rick Wulkow, executive director of the Iowa High School Athletic Association, said, "I think we have to remember: Participation in athletics is a privilege, not a right. When you accept privileges, higher standards go along with those."

Drinking is prevalent among teenagers. Acting Surgeon General Kenneth Moritsugu on Tuesday called for Americans to do more to stop the nation's estimated 11 million underage drinkers from using alcohol and to keep other young people from starting. He said underage drinking is considered a "rite of passage to adulthood," but one that researchh shows can harm the developing adolescent brain.

Bousselot said, "Drinking is rampant in our school district and many of the others. It's going to happen. The parents who close their eyes to it, I guarantee you those kids are going to be out there who are probably the worst drinkers."

|  |
| --- |
| State law, district rule |
| **THE LAW:** Iowa Code 123.47 prohibits persons under 21 from the selling, buying or possessing of alcoholic liquor, wine or beer, "except in the case of liquor, wine, or beer given or dispensed to a person under legal age within a private home and with the knowledge, presence, and consent of the parent or guardian."  **THE RULE:** Each school has its own good-conduct policy. At North Scott High School, the student activity handbook states that the penalty for a first violation is to sit out either 11 percent or 22 percent of the sport season. A second violation is 44 percent of the season. A third violation is a one-year suspension from all activities.  **MERE PRESENCE:** The North Scott policy prohibits students in athletics and activities from being in the "mere presence" of alcohol or drugs. "Whether consumed or not is irrelevant," the handbook states. |

Iowa's legal drinking age is 21. However, 39 percent of 11th-graders said their best friends would feel it was "not wrong at all" for them to drink, according to the 2005 Iowa Youth Survey.

An example: Anthony Pritchard, 18, an all-star football player from Valley High School in West Des Moines, was arrested Saturday for drunken driving. The charge stemmed from a January police chase that ended in a crash. Police said Pritchard's blood-alcohol level exceeded the .08 legal limit.

Another is Nick Bisignano, 17, a student at Lincoln High School in Des Moines. He died in December 2004 when his car went out of control and hit a wall and utility poles. His blood-alcohol level was above the legal limit.

Childs said he drank with his stepdad after a rough week: His grandpa suffered a heart attack, and he broke up with his girlfriend after three years. He said he appreciates his parents' alcohol policy.

"It keeps me safe at home when a lot of the other high schoolers are out drinking and driving and stuff," he said.

School officials stepped in the next day after a teacher reported the smell of alcohol as Childs worked up a sweat lifting weights. He admitted that he drank a few beers at home the previous night. He was suspended from school for three days and benched from sports for one year.

It was his third good-conduct strike. His first offense was as a sophomore, when he drank beer at a party thrown by an ex-girlfriend. His second offense came during his junior year. On the night of a celebration party after a wrestling meet in Iowa City, another student had a backpack with beer and marijuana. Juvenile court officials dropped charges against Childs, but the school counted the incident as a second strike because he was in the "mere presence" of drugs or alcohol.

"A lot of people think we're a small town and stuff and people don't do that, but there's a lot more kids than people think that drink all the time," Childs said.

At least one survey by the Iowa High School Athletic Association showed improvment. Twenty-one percent of 4,025 student-athletes said they drank alcohol during the competitive season in 2003-04, down from 25 percent in 1990-91. Thirty-five percent of student-athletes said in 2003-04 that they used alcohol in the past year, down from 45 percent in 1990-91.

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=2007703080401>

**grapes**

**12. Board Upholds Athlete's Beer Suspension**

By: Lynn Campbell  
*Des Moines Register*  
March 9, 2007

A North Scott High School athlete who legally drank beer at home last fall with his   
stepfather will remain benched for the rest of the school year.

The Iowa State Board of Education today affirmed a decision by the North Scott school   
board to sideline Travis Childs, 18, of Eldridge for a full year.

The wrestler, football player and track and field athlete had "three or four beers" at home   
Oct. 25. Drinking alcohol is a violation of the school's good-conduct policy. However,   
Childs and his mother argued that state law allows minors to drink at home with the   
knowledge, presence, and consent of a parent.

"The primary reason for this appeal was the young man’s argument that because the   
activity was not a crime, then he shouldn’t be punished under the good conduct policy,"   
said Carol Greta, an administrative law judge.

But Greta told the board: “It’s a perfectly reasonable exercise of a school board’s authority to prohibit certain conduct, even if the conduct is not against the law, is not a crime."

Childs' case is similar to one about a decade ago which also had the same outcome.

In that case, Marshalltown High School student Scott Martin, 17, drank beer in the   
summer of 1998 on a non-school-sponsored trip to Germany, where the legal age to   
drink was 16. When he returned, he was suspended from extracurricular activities for a   
year. Martin participated in wrestling, cross-country and soccer, as well as other   
activities.

Martin's case went to the Iowa Court of Appeals, which said that it's "a  
reasonable exercise of the school board's authority" to prohibit the use of  
drugs and alcohol, even in cases where it's not illegal. Both Childs and  
Martin were punished after a third strike to their respective schools'  
good-conduct policies.

Gene Vincent, president of the State Board of Education, noted that comments  
posted about Childs' case on DesMoinesRegister.com largely favored the school   
district's decision to bench Childs.

<http://dmregister.com/apps/pbcs.dll/article?AID=/20070308/NEWS/70308016/1001>

grapes

**13. Senate OKs Cigarette tax Hike**

**The increase, to $1.36 per pack, was approved early today on a 34-14 vote.**

By: Jonathan Roos

*Des Moines Register*March 8, 2007

Smokers could soon be digging deeper into their pockets to pay a dollar-a-pack increase in the state cigarette tax.

A bill approved by the Senate early today would raise the cigarette tax from 36 cents to $1.36 a pack.

The tax proposal is a top priority of Gov. Chet Culver, who maintains the higher tax would discourage many Iowans from smoking while providing more money for health care programs.

Said Sen. Matt McCoy, a Des Moines Democrat guiding the legislation through Senate debate, "We know that significantly increasing the tax on cigarettes is the single most effective way to stop young people from being addicted to smoking."

The proposed tax increase, which could be debated by the House next week, would take effect as soon as Culver, a Democrat, signs the bill.

"We're going to try to do a one dollar cigarette tax increase," said House Speaker Pat Murphy, a Dubuque Democrat. "The one thing we've heard very clearly is they would like those dollars to go to health care, and that's the direction we're headed in."

Critics of Senate File 128 worry that nearly quadrupling the tax would hurt the competitiveness of Iowa businesses across the border from neighboring states with lower tobacco tax rates.

The bill was approved by the Senate on a 34-14 vote.

**Money's use debated**

Republicans raised questions during the night-time debate about whether the additional tax revenue - about $130 million annually - would be dedicated to health care programs as leaders of the Democratic majority promise, or whether the money would be used to fuel more state spending in general.

"We think it's very open to being scooped and used for other general fund purposes," said Sen. Larry McKibben, a Marshalltown Republican.

"This bill is about a significant growth in Iowa's governmental budget," McKibben said.

The Senate, on a vote that largely followed party lines, rejected an amendment that would have allowed merchants a much higher markup on the sale of cigarettes in lieu of the dollar-a-pack tax increase.

McKibben said the proposal would achieve the goal of discouraging smoking through higher cigarette prices without increasing government spending.

Critics said it would deny the state extra revenue to offset the cost of health expenses from smoking-related illness.

**Age amendment**

The Senate also rejected an amendment that would have raised the minimum legal age for buying cigarettes from 18 to 21. Sen. David Hartsuch, a Bettendorf Republican, said the proposal would limit teenagers' access "to this very dangerous drug."

Efforts by Culver and the Iowa Department of Public Health to pressure lawmakers to vote for a dollar increase in the cigarette tax have drawn complaints from Republican legislators. Those efforts involve Culver's use of postcards paid for with campaign money and the department's approval of newspaper ads.

Senate debate of the major tax bill began Wednesday morning but didn't resume until 9 p.m. so senators could attend scheduled committee meetings and take part in a dinner for Senate pages at a Des Moines-area restaurant.

<http://dmregister.com/apps/pbcs.dll/article?AID=/20070308/NEWS10/703080436/1001>

**grapes**

**14. Keg-Registration System long Overdue**

DI Editorial Board  
*Daily Iowan*

March 1, 2007

Current legislation before Iowa lawmakers would create a statewide keg-registration system. This issue is especially relevant for Iowa City, where underage alcohol abuse is a salient issue. Though this Editorial Board is wary of attempts to tackle the underage-drinking problem with unfeasible measures, we find this current proposal wise - and past due.

The first step to recovery is admitting the problem. We would be remiss if we whitewashed the prevailing unfortunate attitudes of UI students toward alcohol abuse. Many of the students pride themselves on over-imbibing - we need only to walk through the Ped Mall late at night to see this. The debate over the 19-ordinance is the most discussed issue regarding underage alcohol abuse. Sadly, the debate often stops there.

Though defenders of the 19-ordinance argue that house parties are more dangerous - which is probably true - they never propose suggestions to alleviate these risks. It seems convenient to attack "unsafe" places to drink; bar owners want the money underage drinkers bring in, and underage students want to consume alcohol illegally in a central location. It seems neither recognizes that a problem exists.

It is hard to mitigate the risks of house parties through enforcement. They are too numerous and widespread to properly regulate. Restricting their prevalence is a more tactical approach. State lawmakers have an opportunity to make it more difficult to throw house parties with a keg-registration program.

The bill before the House and Senate would require establishments providing kegs to attach a sticker before sale that reads: "It is unlawful to sell, give, or otherwise supply any alcoholic beverage, wine, or beer to any person under legal age. Any person who defaces this sticker shall be guilty of criminal mischief punishable pursuant to section 716.l6 and shall cause the forfeiture of any deposit, if applicable." The distributor must also retain the information of the purchaser (name, address, and number of either a driver's license, non-operator's identification card, or military identification card) for a minimum of 90 days.

Section 716.6 classifies criminal mischief in the fifth degree as a simple misdemeanor, punishable according to section 123.50, which allows for the suspension or termination of the licensee's liquor license. Clearly, it is in the interest of keg providers to strictly enforce keg registration.

We don't imagine keg registration will curtail the levels of underage UI students drinking alcohol. Students will still find older peers willing to buy kegs for them - even with the seller making all attempts to ensure cooperation with law enforcement in case of the keg's contents being consumed by underage individuals. But the registration could dampen high-school parties, where more irresponsible drinking is common.

This type of action is the best we can hope for. We will not magically stumble upon a panacea for curbing underage drinking - it will take gradual action to even dent the problem. But this is a start.

<http://media.www.dailyiowan.com/media/storage/paper599/news/2007/03/01/Opinions/KegRegistration.System.Long.Overdue-2750176.shtml>

grapes

**15. ER Nurse to Show Impact of Underage Drinking**

By: Chad Nation  
*ZWire.com*  
March 6, 2007

GLENWOOD - Everyone has seen a television show where emergency room doctors whirl around a patient in a dire life or death situation.

Now in a real-life demonstration of what can occur in alcohol poisoning or drug overdose situations, emergency room nurse Linda Dutil, R.N., shares a dramatic message with teens about the consequences of poor choices and the importance of developing healthy attitudes about life.

Dutil, an acclaimed educational speaker, will present "A Taste of Reality" to students on Thursday at 8:30 a.m. at Glenwood Junior High School. Dutil's eye-opening, interactive program includes demonstrations of ER procedures and emotional stories of real teens who have made bad choices about underage drinking and drug use.

Dutil's visit is sponsored by Doll Distributing, the local Anheuser-Busch wholesaler, as part of the company's commitment to help prevent underage drinking.

"We're pleased to bring Linda and her unique program to southwest Iowa. We hope students will remember her message when it comes to making smart, safe decisions," said McKenzie Hildreth, consumer awareness and education coordinator for Doll Distributing.

Over the past several years, Dutil has spoken to thousands of middle- and high-school students in the Northeast, before recently extending her reach to other parts of the country. Students, educators and law enforcement officials agree: Dutil's program provides an effective combination of real-world stories and responsible decision-making messages.

"My goal isn't to scare students, but to encourage them to consider the potential consequences of making poor choices," said Dutil. "Every day in the ER, I see the tragic impact poor decision-making can have on a teen's life. Through my stories about teens and their families, I encourage students to remember that they have options, and they don't have to be pressured by their friends into making what could ultimately be life-threatening choices."

During the program, Dutil tells several detailed stories about young people she's treated in the ER. The presentation includes slides of a stomach-pump procedure, as well as a hands-on look at the actual tubes, blades, intravenous equipment and charcoal solution used during emergency room treatments. In turn, Dutil offers teens effective skills for resisting peer pressure and for making smart, responsible choices.

"The emergency room is the last place anyone wants to visit," Dutil said. "Through my stories of real life in the ER, I hope to make a lasting impression in reminding teens that they have the power to make good decisions that will keep them safe."

<http://www.zwire.com/site/news.cfm?newsid=18044402&BRD=2703&PAG=461&dept_id=555106&rfi=6>

grapes

**16. TIPS Looks to Curb Underage Drinking**

By: Micholyn Fajen

*Des Moines Register*

March 2, 2007

Education programs for employees of local businesses will kick off this spring in an effort to curb underage drinking in West Des Moines.

The West Des Moines Police Department is offering those businesses that take part in the training one get-out-of-jail-free card during alcohol compliance checks.

The West Des Moines Police Department invites all businesses holding liquor licenses to one of two informational meetings to learn more about the TIPS program. Classes for employees, aimed at curbing alcohol sales to underage drinkers, will be held in April.  
WHEN: 7 p.m. Monday or Wednesday  
WHERE: West Des Moines Police Department, 250 Mills Civic Parkway  
REGISTER TO ATTEND: Contact Officer Tanya Zaglauer at 222-3333Send us your sports news  
E-mail your sports news to us at community@ dmreg.com or go to DesMoinesRegister.com.

The second city in the state to offer the Training in Intervention Procedures program, West Des Moines joined with the Iowa Alcohol and Beverage Division to train two officers this week as TIPS instructors.

The program launched five years ago in Iowa City, where reports showed 17 percent of University of Iowa graduates left the campus with criminal records, mainly due to alcohol-related offenses. Iowa City police officials said the program was adopted to educate those who serve alcohol in a push to reduce the number of criminal citations issued for non-compliance.

West Des Moines' compliance check program was established in 2002 and was the draw for state officials to approach the police department about starting the second TIPS program.

Police Chief Jack O'Donnell said the work to educate employees of businesses that sell alcohol was an incentive for his department to participate.

"Fifty-three percent of the citations issued last year were a result of not checking IDs, so there is a big education aspect there," he said. "It's a gap we want to close."

The program is a chance for the city's 138 business owners holding liquor licenses to train servers and employees on topics like how to spot a fake ID, signs of intoxication and how to intervene to avoid potential problems.

During compliance checks last year, 38 percent of businesses sold alcohol to someone under the legal age, up from 27 percent in 2005.

Jason Wittgraf, assistant city attorney, said every license holder is checked at least once a year and first-time violators are issued hefty citations. Non-compliant businesses receive a $500 fine or a 14-day license suspension and employees are fined $710.

Lt. Mike Ficcola, who is leading the alcohol training program, said, "We don't like hitting businesses in the pocket book, or ticketing employees who walk away from a violation with a criminal record. We'd rather avoid this altogether, starting with education."

The program promotes education and works to reduce those violations.

"The incentive of the programs is the affirmative defense," Ficcola said. "If a license holder who has participated in the training has a trained employee caught serving or selling to minors, they are given a 'get-out-of-jail-free' pass."

Ficcola said certified TIPS businesses are allowed one pass every two years only if the violating employee has attended the training.

The first round of TIPS training for license holders begins in April. Ficcola said two types of training will be offered: one for on-premises consumption businesses like bars and another for off-premises consumption such as grocers and convenience stores.

The TIPS program will be paid for with a $5,000 grant from the Iowa Governor's Traffic Safety Bureau.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070302/NEWS/703020321/1001/NEWS>

grapes

**17. She Pours Out Advice**

**Sheri Osborn knows which $2,000 bottle of wine goes perfectly with what you just ordered at 801 Steak and Chop House.**

By: Tom Perry

*Des Moines Register*March 7, 2007

Some stereotypes die hard.

From time to time at the 801 Steak and Chop House in downtown Des Moines, the following occurs:

A patron scans the extensive wine list, with prices that hit up to $2,000 a bottle, and realizes that an establishment of this caliber is likely to have a wine steward or, better yet, a certified sommelier.

"I'd like to ask the wine steward a question. Could you please send him over?" the patron asks.

"Certainly," the waiter or waitress says.

Enter Sheri Osborn, also the 801's general manager, with a smile and an offer to answer any questions about wine.

"Sometimes when I've walked up to the table, they kind of look at me and go, 'Uh-um,'" she said.

Osborn, 37, has been a certified sommelier since October 2003.

###### DOUG WELLS/THE REGISTER

Wine drinkers at 801 Steak and Chop House in Des Moines — whether experienced or novices — rely on sommelier Sheri Osborn, who takes another wine exam this fall.

###### DOUG WELLS/THE REGISTER

Wine drinkers at 801 Steak and Chop House in Des Moines — whether experienced or novices — rely on sommelier Sheri Osborn, who takes another wine exam this fall.

To earn certification, a sommelier must pass a rigorous written exam put together by a community of elite wine experts.

Although she's confident about her depth of knowledge and aspires to earn a master sommelier diploma, she's also unruffled by occasional gender assumptions. She knows the score: 74 master sommeliers in North America - only 13 of them women as of 2006, according to the Food Encyclopedia. When she took her sommelier test, only 15 of the 40 were women.

Osborn admits that sometimes she is even surprised she's a sommelier.



###### DOUG WELLS/THE REGISTER

A vivid red wine pours easily into delicate

stemware at 801 Steak and Chop House.

Sommelier Sheri Osborn will select a bottle

to fit diners' budgets.

###### DOUG WELLS/THE REGISTER

A vivid red wine pours easily into delicate

stemware at 801 Steak and Chop House.

Sommelier Sheri Osborn will select a bottle

to fit diners' budgets.

"Oh my gosh, there was a time when I hated wine," she said, recalling early experiences with "really gross" wines.

Although she would be in her 20s before she acquired and educated her taste for wine, her interest in the topic goes back to her childhood.

Her late father belonged to wine clubs and traveled to Napa Valley vineyards, she recalled.

Learning more about wine "was always in the back of my head," Osborn said.

Osborn moved from Ohio to Urbandale with her family when she was in middle school.

A marketing major at Iowa State University, she traces the roots of her restaurant career to the part-time job she landed at Embers on Merle Hay Road as a 15-year-old.

"I worked there all through high school and college," she said. "Then after I graduated from college I got a job at Friday's and worked there as a bartender for a while."

She was hired in 1994 at the 801 Steak and Chop House, where she enjoyed tending bar and eventually became the bar manager.

But after a while, she said, she couldn't see herself tending bar for the rest of her life.

That was 2002. A year later, she passed a 100-question written examination.

"They were questions mostly about Italian, French and German wines. They threw something in about Portugal, Spain and New Zealand, other places, but only one question about the United States," Osborn said.

She's one of thousands of certified sommeliers in the country. There is no nationwide registration to track exact numbers, according to the New York City-based Sommelier Society of America.

Up next for her is the five-day advanced sommelier training and exam, scheduled for October in San Francisco. Earning advanced sommelier status is a necessary step on the road to the master diploma.

One of the exams she will have to pass this fall is a blind tasting. She said, "They give you three reds and three whites and you have 25 minutes to identify all six wines by region, varietal and vintage."

Steve Gaucher of Wine Adventures, a West Des Moines-based importer and distributor of wines from small producers, said he's been impressed by Osborn's discerning taste.

"She has a very good palate," he said, explaining that she's skilled at selecting wines from the array he has offered for 801 to consider for its wine list.

While Osborn feels comfortable among the most sophisticated connoisseurs, she relates to people who are uncertain. Perhaps it is because there was a time when she "hated" wine that she encourages doubters to be more open-minded.

"When people tell me they don't like white wine or they don't like a certain wine, I always say you haven't had the right wine yet," she said. "It never fails, I can find something that they'll like."

<http://www.desmoinesregister.com/apps/pbcs.dll/article?AID=2007703070350>

**grapes**

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

**18. Wine Sales to Grocers gets 90-1 House OK (Arkansas)**

By: Daniel Nasaw, Michael Wickline

The Arkansas House of Representatives on Monday passed a bill that would allow small wineries, both within the state and outside of it, to sell their products in Arkansas grocery stores.

The bill, which now goes to the Senate for consideration, is an effort to bring state wine laws into compliance with a recent Supreme Court decision that prohibits states from giving preferential treatment to in-state wine producers over out-of-state wineries.

House Bill 1651 attempts to do so by allowing all wineries that sell fewer than 250,000 gallons of wine a year to skip the network of wholesalers and distribute their products directly to retailers.

<http://www2.arkansasonline.com/news/2007/mar/06/wine-sales-grocers-gets-90-1-house-ok/>

grapes

**19. Modesto Teen Dies from Apparent Alcohol Poisoning (California)**

By: Cornell Barnard   
*www.News10.net*March 6, 2007

Relatives of 19-year-old Sid Skibinski-Gonzales say the tragedy never should have happened. The young man was celebrating with friends Saturday night at a home on Reseda Lane in Modesto when he drank an entire bottle of Bacardi 151 rum.

Police say he passed out shortly after. But when friends checked on him the next morning, Gonzales was dead.

Police are investigating if a parent, 42-year-old Billy Smith, who was at home during the party, played a role in the incident.

"We're not sure if he provided the alcohol or knew the young man was only 19 years old," said Modesto Police Department spokesman, Craig Gundlach.

Detectives and the district attorney's office are examining the case for possible criminal charges.

Relatives say Gonzales was kind, talented, outgoing and excited about an upcoming move to Colorado with his mom.

"He was so excited about his band and all the things he was going to do. Now he's gone and I can't believe it," said Victoria Jackson, Gonzales' cousin.

<http://www.news10.net/display_story.aspx?storyid=25120>

grapes

**20. 4 teens Charged after Underage Drinking party at Mayor's Home (Connecticut)**

By: Lee Sawyer  
*Journal Inquirer*  
March 6, 2007

ENFIELD - Four teenagers have been charged with alcohol-related offenses connected to an underage drinking party at the home of Mayor Patrick L. Tallarita, from which a fifth teenager was taken to the hospital for an alcohol-related illness, police said.   
The mayor and his wife were not home at the time of the Feb. 24 incident during a teen party at their home, which was attended by at least one of their sons and other youths, according to police.

Tallarita said Monday that one of his sons was among the four youths cited for the alcohol-related offense last month, although he wouldn't say what the offense was.

Police Chief Carl J. Sferrazza on Monday also would not identify the type of charge lodged against the youths, except to say it was an alcohol-related offense.

Sferrazza also would not identify the youths who were cited because state law prevents him from releasing their names since they are under the age of 17.

Tallarita said the incident was being dealt with as a "family matter."

Police were called to the mayor's home at 1400 Enfield St. shortly after midnight on Saturday, Feb. 24, while the mayor's son and other youths were at the residence but he and his wife were away at a dinner party, according to the mayor and police.

One youth who had been at the gathering at the mayor's home was taken to the hospital for an alcohol-related illness and later released, police said.

Tallarita said that while he and his wife were not home their son and some of his friends gathered at the family's home and alcohol was present. Tallarita said he was unaware of the party until receiving a call from one of his children, whereupon he returned home immediately.

Police confirmed that the mayor and his wife were not involved in the incident and are not facing charges.

"Teenagers sometimes make bad decisions, and all you can hope for is that they learn from their mistakes," Tallarita said, adding that his son was grounded for "a long time" following the incident.

He said his son, who is an honors student and an athlete, has taken responsibility for his actions and is prepared to face the consequences.

"This was a lesson to be learned, and overall they're really good kids," Tallarita said of those involved. "My wife and I are involved parents with good children, and like other parents, we deal with these issues when they arise."

Sferrazza said the mayor and his family were not given any preferential treatment by police, and information, which did not include the names of the teens cited, was included in the department's incident log, which is available to the public.

<http://www.journalinquirer.com/site/news.cfm?newsid=18043858&BRD=985&PAG=461&dept_id=569427&rfi=6>

grapes

**21. Bill Targets Underage Drinking, not Drink Specials (Florida)**

By: Jack Stripling  
March 6, 2007   
*www.gainesville.com*

Lawmakers are pushing legislation that aims to curb binge drinking on college campuses, but the bill stops short of allowing local governments to crack down on drink specials that some say are key contributors to alcohol abuse among students.

Senate Bill 1954, which will be under consideration in committee meetings this week, would mandate that colleges and universities develop specific plans for dealing with underage drinking. The legislation would also require colleges and universities to compile annual reports about alcohol and drug abuse on campus for submission to the Legislature and the governor.

University of Florida President Bernie Machen, who has been outspoken in his concern about student binge drinking, lamented Monday that lawmakers opted against proposing legislation that would allow municipalities to regulate drink specials. Machen, who has seen several UF students die in alcohol-related incidents during his tenure, has been critical of drink specials like "bladder busters" that allow patrons to drink for free or at a discount until one patron finally has to use the bathroom.

"I'm disappointed that the drink special part was taken out (of the bill)," Machen said. "That was a significant local option that we would like to see in there."

Speaking with the Community Alcohol Coalition, a group Machen organized to help curb binge drinking on campus, Machen said the powerful alcohol industry was poised to kill the whole bill if the drink special provision was included.

"We've dealt with this lobby before," he said. "I think our chances of penetrating them are minimal."

State law already allows local governments some latitude in regulating alcohol establishments, such as limiting hours of operation, but city officials say they need additional authority from the state to regulate drink specials.

If there's resistance to granting local governments' authority to regulate drink specials, it's at least in part due to concern that vendors might be made to comply with a host of different regulations depending on the city or county of their operations, said Gainesville Mayor Pegeen Hanrahan. In light of that, Hanrahan suggested the coalition urge lawmakers to propose a statewide ban of drink specials that promote excessive drinking.

Treniss Evans, owner of Jewells Bar on S. Main Street, said he was open to the idea of a statewide ban because it would create a level playing field for all vendors. However, Evans said he was opposed to individual municipalities regulating drink specials because he believed it would inevitably send customers to outlying areas and arguably further endanger students in the process.

"You're going to see bars pop up on the outskirts," he said. "You're going to drive these students to the point that it becomes financially beneficial for these students to load up in a car with a bottle of booze (and drink at bars out of town)."

Another facet of the Senate bill would authorize vendors to confiscate a patron's license upon suspicion that the identification was used to misrepresent the patron's age. But what happens if a vendor wrongfully confiscates a valid ID? The bill says a patron can contact law enforcement to resolve the dispute, but the current language has some worrying that patrons who've done nothing illegal could be deprived of their driver's licenses for hours or days.

Sen. Dennis L. Jones, R-Seminole, said he shares concerns about the provision related to confiscating IDs. Jones said he could envision a scenario, for instance, where a student who was of legal drinking age had his license taken during Spring Break and subsequently couldn't drive home without his license, or book a hotel room or get on an airline flight.

"Even though that's still in the bill, that has been somewhat controversial," said Jones, who chairs the regulated industries committee that's putting the bill forward.

In a conference call Monday, UF's Community Alcohol Coalition opted to not give support to the legislation unless the Senate committee clarified that patrons could quickly retrieve their identification if it were wrongfully confiscated.

Sen. Anthony Hill, D-Jacksonville, is rolling out another bill related to alcohol. Among other provisions, his bill would mandate that the parents of underage students be notified if a student twice violated campus alcohol or drug policies.

<http://www.gainesville.com/apps/pbcs.dll/article?AID=/20070306/LOCAL/703060350/-1/news>

grapes

# 22. Hononegah Cracks Down on Underage Drinking with Own Breathalyzer Test (Illinois)

*WREX TV*

March 7, 2007

Eight Hononegah students are arrested after failing a breathalyzer test at a school dance.

The U.S. Surgeon General wants more Americans to help stop underage drinking. Some here in the stateline already are.

We all know underage drinking is illegal, but that doesn't stop millions of teens from doing it. That's why Hononegah says "enough is enough."

Surgeon General Dr. Kenneth Moritsugu says, "Nearly 20% of 14 year olds say that they have been drunk at least once. This needs to stop." It's the first call to action by the U.S. Surgeon General to stop underage drinking.

Hononegah Principal Judy Rigby wants it to end too. That's why her school has an on-campus breathalyzer. "Well we hope it sends the message that it's not appropriate for them to be using alcohol. The main thing is, it's against the law."

This past weekend eight students were arrested at the school's winter formal for failing a breathalyzer test. Each one is suspended for 10 days. Rigby says, "But we do believe that it's very important for a student to receive help if they need it. And so if they would go to Rosecrance and have an assessment done, which is free, then we will reduce that out of school suspension to 5 days."

Student Ashley Abb thinks the breathalyzer is a good idea. "I think that they should be allowed to be breathalyzed because it is on school property. And we shouldn't be drinking before school functions anyways. But I also think it should be more the parents' role than the schools." Parent Jadene Hindert says, "I support it. If the kids have probable cause where they're on school property and they're showing signs of being intoxicated, I think the police should be able to step in."

Principal Rigby says they don't give random breathalyzer tests, just when they think a student has been drinking. Since the beginning of the year, the school's had 37 students arrested and suspended for drugs or alcohol. Two of which happened last month, when dogs were brought in to search school grounds.

<http://www.wrex.com/News/index.php?ID=16216>

**grapes**

**23. High School Gymnastics Coach Suspended for Giving Alcohol to Athletes (Indiana)**

*www.wave3.com*   
March 5, 2007

A central Indiana high school coach has been suspended for allegedly giving alcohol to members of her gymnastics team.

Andrea Chestnut could also face criminal charges for providing alcohol to minors on her team at New Palestine High School a few miles southeast of Indianapolis.

She's likely to be dismissed at a March 12th meeting of the Southern Hancock School Board.

James Halik is the school district's superintendent. He says he's very disappointed with Chestnut's actions.

He says school officials found that nine students from the gymnastics team violated school rules against alcohol consumption. In recent years, New Palestine has been the only Hancock County school with a gymnastics team.

<http://www.wave3.com/Global/story.asp?S=6179438&nav=menu31_3>

grapes

**24. Hoosier Wineries, Wholesalers Locked in Legal, Legislative Battle (Indiana)**

By: Arthur E. Foulkes   
*Tribune-Star*  
March 3, 2007

TERRE HAUTE - Indiana's wineries and wine wholesalers are locked in a legal and legislative battle over how Hoosiers can legally buy wine in the state.

One recent casualty in this war was Rockville-based Terre Vin Winery, said the winery's owner, David Gahimer. Gahimer closed Terre Vin at the end of 2006. New legislation passed in Indianapolis last year was "almost 100 percent" of the reason the winery closed, Gahimer said.

The Indiana Legislature "cost us 42 accounts in one day," Gahimer said of a law passed last year that prohibited small wineries from skipping wholesalers and selling directly to retailers.

"The final [law] was not good for the industry," Gahimer said. "We cut our losses and quit."

The legislative battle between wineries and wine wholesalers, which had been simmering for years in Indiana and elsewhere, exploded across the country in 2005. In the spring of that year the Supreme Court ruled that states that allowed in-state wineries to ship directly to consumers had to allow out-of-state wineries to do the same. The court's decision was based on the Constitution's commerce clause, which prevents states from discriminating against out-of-state products. Indiana's Alcohol and Tobacco Commission (ATC), however, reacted to the court's ruling by banning all direct shipping to consumers, whether in-state or out-of-state.

"That [ATC decision] cost Oliver [Winery in Bloomington] a quarter-of-a-million dollars and two employees' jobs that day," Gahimer said.

"It's true," said Bill Oliver, president of Oliver Winery, although he said it may have really only been one and a half jobs that were lost.

An Indiana judge later overturned the commission's move, allowing the wineries to begin shipping again, but only after months of delay and a legal battle.

The ATC decision was not very damaging to Terre Vin Winery, Gahimer said. Rather, his business was harmed when the General Assembly essentially banned a winery's ability to sell directly to retailers.

The Legislature "completely took away our ability to wholesale," Gahimer said. His winery was selling wine in as many as 56 different retail outlets at one time, he said.

Distribution system lauded and loathed

Indiana's wine business, as is the case in many states, flows through what is known as the "three-tier" distribution system, something that has its roots in the era of alcohol prohibition, according to Compliance Service of America, an Oregon-based consulting firm that deals with beer, wine and spirits regulation.

Under this system, alcohol producers are required to sell their products to licensed distributors who then sell to licensed retailers who then sell to consumers. About 97 percent of all wine sales in the United States go through wholesalers before reaching consumers, according to the Wine Institute, a California wineries lobby group.

"You can see what happens to the price of wine" after going through this system, said Frank Siegler, a business consultant in Minnesota who is trying to end the three-tier system, which he calls "monopolistic."

The three-tier system "really makes it difficult for small producers," agrees Jim Butler, owner of Butler Winery in Bloomington.

But wine wholesalers, such as Monarch Beverage Co. and Olinger Distributing, both in Indianapolis, argue that the three-tier system helps state governments keep tabs on the sale and distribution of alcohol. They and other defenders of the system say it helps keep kids from getting alcohol, allows for reliable excise tax collection and prevents what the Wine and Spirits Wholesalers of America Inc. (WSWA) calls "illegal trafficking" of alcoholic beverages and "market manipulation."

"Every day there are retailers being suspended" or having their licenses revoked for selling to minors, being a public nuisance or not paying their licensing fees or taxes, said Jim Purucker, executive director of the Wine and Spirits Wholesalers of Indiana (WSWI). Wholesalers "are the gate-keepers," he said, allowing the state to efficiently enforce its tax and underage drinking laws. Opening up the system to 7,000 to 10,000 producers would make the job of collecting state excise taxes "enormous," Purucker said.

Not all agree 'three tiers' a buffer to illegal sales

The 21st Amendment, which ended prohibition in 1933, gave states the ability to regulate the import and transportation of alcohol within their borders. Some states created government-owned wholesaler and even retail systems; others, such as Indiana, adopted a three-tier system to control alcohol sales and distribution and to prevent what they feared would be monopolies in production, distribution and retail sales of alcohol.

"The system was designed to make it more difficult for the supplier to engage in anti-competitive practices . and makes it easier for the state to enforce" its laws, said Douglas W. Metz, managing director of the Wine and Spirits Wholesalers of America, speaking to a California legislative committee in 1996.

The three-tier system encourages "moderate, legal consumption" of alcohol, according to Indianapolis-based Olinger Distributing's Web site.

The ability of a winery to ship wine directly to a consumer seems particularly threatening to supporters of the three-tier system.

"It's a huge loophole around that three-tier system," Purucker said. The current system ensures "face-to-face" transactions between buyers and sellers of alcohol. "An unlicensed UPS man" delivering alcohol to a home amounts to "a huge breach of the confidence that's in the system today about underage access," he said.

"We don't buy . those arguments" about underage access or excise tax collection, said Allen Olson, a founder of VinSense, a new Indiana-based consumer lobby group fighting to loosen the state's wine distribution laws. He said about 34 states allow direct-shipping of wine and "none of them report any problem."

Olson and other opponents of the three-tier system say virtually all alcohol that reaches kids has already passed through the three-tier system. Young people get alcohol from their parents' liquor cabinet, have an adult buy for them or obtain it through shoplifting, they say.

"They want it now," said Russ Bridenbaugh, a wine journalist who filed the first lawsuit challenging the ban on direct shipping of wine. Kids are not going to order wine from a California winery and wait two weeks for it to arrive, he said.

"There's absolutely no serious research that indicates that teens will use the Internet to buy wine," Olson said.

Beverage groups lobby both sides of the aisle

Lobbyists are heavily involved in the wine battle in Indiana. One indicator of just how involved might be the level of campaign contributions given to Indiana politicians by wine and spirits wholesalers. According to the Indiana Secretary of State's Division of Elections, Monarch Beverage Co., the largest wine and spirits wholesaler in Indiana, has contributed nearly $89,000 to Indiana politicians, Republicans and Democrats, since 1997. Olinger Distributing has donated over $99,000 during that same time period and National Wine and Spirits Inc. of Indianapolis contributed more than $125,000.

Indiana's wineries, on the other hand, have donated a total of just more than $2,000 since 2001. The bulk of that came from Oliver Winery last year, according to Election Division documents.

"Wineries are not as well organized" as wholesalers, Butler said. Wholesalers are organized at a national level, he said.

Wine Industry sees resurgence

There were 33 commercial wineries in Indiana in 2006, according to the Indiana Wine Grape Council. Nearly 900,000 tourists visit Hoosier wineries annually, the council notes, contributing around $33 million to the state's economy.

Indiana also a has a rich history of wine making.

"Indiana was the first state to have a commercially successful vineyard," said Jeanette Merritt, marketing director of the Indiana Wine Grape Council at Purdue University. Prohibition "killed" that industry in 1920, she added, but it was reborn in the early 1970s when state law was changed to allow wineries to sell wine direct to consumers in winery tasting rooms. That legislation, an effort of William Oliver Sr., "was what re-started the industry" in the state, Merritt said.

Indiana law now allows wineries to have up to three tasting shops in the state; however, most wineries only operate a sales office at the main winery location, Merritt said.

"It's a growing industry," Merritt added. In 1989 Indiana wineries produced just 36,000 gallons of wine. In 2006 that had grown to three-quarters of a million gallons, she said.

Future sales could hinge on court decisions

There are around 5,200 wineries in the United States today, many of them are "mom and pop" operations, such as the former Terre Vin, said Minnesota-based consultant Siegler. Terre Vin produced about 6,500 gallons of wine each year, Gahimer said, compared with the state's oldest and largest winery, Oliver, which expects to produce 600,000 gallons of wine this year, according to Sarah Villwock, the winery's promotions director.

Indiana allows consumers to have wine shipped directly to their homes, but only after making an initial, face-to-face visit to the winery from which they plan to order.

"This [requirement] is obviously a burden" to a Hoosier wishing to order wine directly from California or other far away states, Bridenbaugh said. Wholesalers offer about 10,000 different wines, he added, but California has 100,000 different wine labels alone. "That leaves 95 percent of the wines out there that people can't get," he said.

Olson's VinSense, which launched its Web site, \www.vinsense.org, Friday in Bloomington, is like a number of other wine consumer groups that have emerged around the country in the years since Florida made direct-to-consumer shipping of wine a felony in 1997, according to the Arizona State University business school Web site.

The 2005 Supreme Court decision banning discrimination against out-of-state wineries was initially seen as a victory by the wineries and the consumer groups, but now battles are being waged in the different state legislatures - including Indiana's. Other challenges to the three-tier system, such as a federal lawsuit filed by retail giant Costco to allow retailers to buy directly from producers (skipping wholesalers completely), could bring about even greater change.

In Indiana, the General Assembly wrangled in 2006 primarily over two different bills, one favored by wineries and the other by wholesalers. The result was a compromise package of bills that left both sides "equally happy or unhappy," WSWI's Purucker said, although he said he was not sure what changes in the law Indiana's wholesalers would seek.

"In the art of compromise I think the Legislature did a pretty good job," Purucker said.

In addition to the Costco case, "a new crop of litigation is fermenting across the nation" regarding wine shipping laws and regulations, according to a recent article in the National Law Journal. One such case, filed in a federal disrict court in southern Indiana, challenges the requirement that customers wanting wine shipped to their homes first must go to the winery from which they want to order.

James Tanford, an Indiana University law professor who has brought more than 20 suits on behalf of wineries, argues that the in-person requirements for ordering wine discriminates against wineries in distant states, the National Law Journal reports.

Little legislative action is expected in 2007, observers on both sides of the debate have said, but wineries and consumer groups seem less happy with the status quo than the wine wholesalers.

"We have a system where we passed laws . at the end of prohibition [and] ever since [new laws] have been tacked on like Band-Aid on top of Band-Aid," Butler said. "It's a very convoluted system. Most of the legislators do not understand it."

The "web of confusion" created by the shipping requirements in the state have precluded shipping as a cost-effective option for Hoosier wineries, Bill Oliver said. "It's a tangled up mess right now."

<http://www.tribstar.com/news>

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# 25. Sunday Liquor Sales Could be Reconsidered (Kentucky)

*Richmond Register*

March 6, 2007

Many community members want it back on the table, according to Richmond Mayor Connie Lawson, but there is no certainty that the City Commission will reconsider a Sunday alcohol sales ordinance that was voted down 5-0 late last month.

City Hall was packed Tuesday, Feb. 27, when the ordinance came up for a vote that, if passed, would have allowed alcohol to be sold on Sunday in restaurants that seat 100 or more customers and derive at least 50 percent of their profit from food sales. The ordinance also required that alcohol only be sold in restaurants from 1 to 8 p.m. and would not pertain to bars and package liquor stores.

Most of the crowd rallied against the ordinance, many of whom were affiliated with local churches and other religious organizations.

William Davis, pastor of Faith Baptist Church, attended the Feb. 27 meeting where he urged the commission to “keep dignity in Sunday.”

Davis, 24, and others sternly told commission members that God would hold them accountable for their vote on the issue.

Richmond City Manager David Evans said he was “extremely disappointed in the angry attitudes of a lot of the people who spoke.”

“They spoke as Christians, but Christianity to me is about love and God is not an angry God,” Evans said. “There was an awful lot of judging at that meeting and the Bible tells us that for those without sin to cast the first stone. I feel there were personal attacks on our mayor and commission.”

Pastors Jason Carpenter and Joe Wood of the Madison County Community Church realized that some of the actions taken at the meeting were unnecessary and ran an advertisement in the March 4 edition of the Richmond Register apologizing to “those of (the commission) who were attacked personally and may have been slandered in the name of Jesus,” according to the advertisement.

“However, as we read the words of Jesus ... we find it important to hear from the mouth of God’s only Son, that Christ never gave this Gospel to anyone to use as a hammer or a prophetic license with which to threaten or accuse people,” the ad reads.

Those representing the Christian community at the meeting were pleased, but that was not the case for many local business owners and others interested in economic development and growth.

“Obviously we’re disappointed,” said Rob Rumpke, executive director of the Richmond Chamber of Commerce. “We’re going to re-group and our food and beverage association will talk about it again. The decision was not in the best interest of the economy and retail development.”

Many potential developers keep track of the alcohol sale ordinances in a city, he said.

“It’s awfully important that we do the right thing and develop the kind of retail economy infrastructure in our community that we desperately need,” Rumpke said.

Rocky DeToma, general manager of O’Charley’s in Richmond, and Anthony Mayer, managing partner of Outback Steakhouse in Richmond, said they have had customers leave their restaurants on Sundays and drive to Lexington when they learned they could not order alcoholic beverages.

Some ordinances can only be voted on again one year after the first failed reading, however, these are limited to the ordinances that refer to the zone change of property, Evans said.

The ordinance that would allow Sunday alcohol sales, using the same language, can come before the commission for a vote at any time.

<http://www.richmondregister.com/homepage/local_story_065120458.html?keyword=leadpicturestory>

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# 26. Report: Alcohol-Related Crashes Killed 197, Cost State $310 million (Minnesota)

By: Pat Minelli   
March 6, 2007

 ST. PAUL — A report on impaired driving in Minnesota shows there were 197 alcohol-related traffic deaths in Minnesota in 2005, which cost the state more than $310 million. In the same year, 37,002 motorists were arrested for impaired driving.

The report, issued by the Minnesota Department of Public Safety Office of Traffic Safety, showed that Scott County had one alcohol-related traffic death in 2005 and eight severe injuries due to impaired driving.

In Scott County, all alcohol-related deaths and severe injuries in 2005 cost $1,598,000, said the report. And it said the cost of all alcohol-related traffic crashes carried a price tag of $2,916,800.

Nationally, alcohol-related deaths were almost unchanged from 2004 to 2005: 16,919 in 2004 and 16,885 in 2005. However, in Minnesota alcohol-related deaths increased by 11 percent from 177 in 2004 to 197 in 2005.

For the five-year period 2001–2005, Minnesota averaged 216 alcohol-related traffic deaths and 34,033 impaired-driving arrests annually. In 2005, males accounted for 76 percent of all DWIs. Most violators were first-time offenders, yet almost 14,500 had two or more DWIs on record.

The average alcohol concentration among first-time offenders was 0.157 (the current legal limit of 0.08 became effective Aug. 1, 2005). Second or subsequent violators averaged 0.166 in 2005.

In all, 462,425 — or one in eight Minnesotans — have a DWI on their record. OTS reports that about 40 percent of those who incur one violation will incur a second DWI; one in 20 Minnesotans with a driving record have two or more DWIs.

The report shows that 83 percent of impaired-driving incidents on record included a criminal conviction for driving while impaired by alcohol or drugs.

Nearly half of the DWI arrests were made on Saturdays and Sundays.

The report also shows the Twin Cities’ metropolitan area and the 80-county greater Minnesota each accounted for about one-half of all 2005 DWI arrests. Yet two-thirds of alcohol-related traffic deaths occurred outside the Twin Cities’ metro.

In the seven-county metro in 2005, there were 164 traffic deaths and 49 (30 percent) were alcohol-related, whereas in 80-county greater Minnesota there were 395 total traffic deaths, of which 148 (37 percent) were impaired driving-related.

To view ***Impaired Driving Facts*** online, visit [*www.dps.state.mn.us/ots*](http://www.dps.state.mn.us/ots).

<http://www.shakopeenews.com/node/1660>

grapes

**27. Alert Cab Program Sets Record for Getting Adults Home Safely (Montana)**

By: Trevor MacDonald  
*Sandy Macs, Distributing, LLP*

For the last 17 years, Sandy Mac’s Distributing, Capitol Taxi and participating bars and restaurants have implemented a program in the Helena community that offers free cab rides home to those who want to get home safely. These businesses are proud to do their part in the fight against drunk driving.

Sandy Mac’s Distributing, Helena’s locally owned and operated distributor of Anheuser-Busch and Lewis & Clark Brewing beers, today announced its Alert Cab program set a record for the number of free rides offered by the program in 2006. Alert Cab is a program developed by Anheuser-Busch to give bar and restaurant patrons a free ride home to those that make the right decision about drinking and driving…the decision to be safe. The program provided over 3000 rides from participating venues, a 30% increase over 2005.

Senate President Mike Cooney, a Legislator from the Helena area, compliments Sandy Mac's Alert Cab Program, saying "Thanks to Sandy Macs implementation of this program, the streets of Helena are safer, and tavern patrons get home safely too. We can all sleep a little easier." He goes on to say, "I want to especially thank those taverns who have chosen to implement this program for keeping the community a safer place to live."

Alert Cab is a collaboration between Sandy Mac’s Distributing, Capitol Taxi and 33 local participating bars and restaurants in Helena. The program is simple. Capitol Taxi reduces its fares to Alert Cab 23-33%, depending on the time of day and location. 80% of the fare is paid by the participating tavern, with Sandy Mac’s paying the balance. Bartenders and servers use a confidential phone number to request a cab for those patrons that want to get home safely. The server then hands the taxi driver a coupon that gets the customer home.

“2006 continued a trend that has seen a dramatic rise in the use of the Alert Cab program the past three years,” said Trevor MacDonald, partner, Sandy Mac’s Distributing. “Alert Cab provided just over 900 rides in ‘03, 1200 in ‘04 and 2200 in ’05. The Helena community has embraced this program and I cannot tell you how much I appreciate Capitol Taxi and the participating taverns who have committed to keeping Helena’s roads safe.”

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**28. Ignition Interlock Bill Advances in New Mexico (New Mexico)**

*Beverage News Daily*  
March 8, 2007

Ignition interlocks would be required for convicted drunken drivers who move to New Mexico under a bill passed, 26-6, by the Senate on yesterday.

It's similar to a bill that already passed the House, and it's part of the Richardson administration's anti-DWI package this session. The proposed change would affect out-of-state residents applying for New Mexico drivers' licenses who were convicted of drunken driving in other states on or after June 17, 2005.

The measure goes to the House. The same bill has to pass both houses before it goes to the governor for his signature.

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**29. New Mexico Moves to Stiffen DWI Penalties (New Mexico)**

*Beverage News Daily*  
March 7, 2007

Repeat drunken drivers in New Mexico would be considered habitual offenders and face longer prison sentences under legislation approved, 30-3, yesterday by the New Mexico Senate.

The legislation would add a year to the prison sentence of a person with a fifth DWI conviction, four years for a sixth conviction and eight years for a seventh or subsequent conviction.

Under other legislation, a person would be presumed to be intoxicated if they had a blood- or breath-alcohol test within three hours of driving and it showed the individual had exceeded the state's 0.08 percent alcohol limit.

A court ruling last year prevented the use of the tests as evidence in drunken driving cases unless prosecutors presented expert witnesses to reconstruct what a defendant's level of intoxication was at the time of driving. – (AP)

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# 30. House Representatives Seek to Raise Tax on 12 Ounce Beers From Most Major Breweries by Nine Cents (Oregon)

*Vanguard*

March 7, 2007

Weeks after a tax increase on cigarettes, a bill is making its way through the state House that would increase the tax on a 12 oz. beer from less than a penny to around 10 cents for most major breweries.

The proposed bill would raise a projected $60 million in state revenues that would be used for prevention, treatment and enforcement of drug and alcohol abuse. The tax would raise the tax on all companies that sell over 125,000 barrels of beer annually.

Oregon is currently paying little for the problems relating to alcoholism and addiction treatment funding, according to sponsor of the bill and state Rep. Jackie Dingfelder (D-Portland).

"We spend $683 annually," said Dingfelder, about how much Oregonians pay for alcoholism treatment. "Current revenues cover one dollar out of every $39 of that cost. This should cover some of the costs of alcoholism."

The tax would also discourage underage drinking, Dingfelder said, a larger problem in Oregon than in many states.

"We have a problem with youth binge drinking," said Dingfelder. "If you raise the cost of cheap beer, it decreases the amount of underage drinking."

The tax is an incentive for people to drink less, according to Don Bishoff, the legislative assistant to Bill Morrisette, the bill's other chief sponsor.

"There's studies to show that problem drinkers use cheaper beer and 80 percent of beer sold in Oregon comes from larger breweries," said Bishoff. "Instead of society as a whole paying through higher income tax, a malt beverage recovery fee. If you're drinking from a large brewery you pay the tax, cans and bottles and kegs."

Because the tax specifically targets larger beer companies, Oregon microbreweries would not be affected, said Bishoff.

"There's an exemption for small breweries," he said. "In effect the bill says any brewery that sells less than 125,000 barrels would never have to pay the tax."

Currently the tax on beer in Oregon is one of the lowest in the nation, having not seen an increase since the 1970s.

<http://media.www.dailyvanguard.com/media/storage/paper941/news/2007/03/07/News/Beer-Bill.To.Increase.Tax.On.Major.Brews-2760895.shtml>

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**31. Liquor wars: Counteroffensive by Package Stores (Texas)**

*Dallas Morning News / Capitol Letters*  
March 9, 2007

Call it tit for tat.

Package liquor stores have persuaded Rep. Harold Dutton, D-Houston, to introduce a bill that would outlaw distillers from giving a wholesaler exclusive rights to sell a brand of booze in Texas. The bill, filed on Monday, would deny Glazer's Distributors of Dallas and Republic Beverage Co. of San Antonio their current control of most big-name brands.

The move comes after the two big wholesalers urged lawmakers to break up the monopoly that package stores enjoy in selling liquor to bars and restaurants. The wholesalers backed up their request with nearly $1.7 million in campaign contributions in the weeks leading up to this year's session. Their bill was filed last week by Rep. Pat Haggerty, R-El Paso.

<http://texaslegislature.beloblog.com/archives/2007/03/liquor_wars_counteroffensive_b.html>

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# 32. Spring break: TABC Cracking Down on Underage Drinking (Texas)

### Operation Road Trip will work to prevent minors from buying alcohol

By: Barry Halvorson   
*Victoria Advocate*

March 9, 2007

Spring break starts this weekend for many schools and colleges and the Texas Alcoholic Beverage Commission is doing what it can to make sure under aged drinkers are not sold alcohol.

Victoria TABC Sgt. Joe Cavazos said the effort has been dubbed Operation Road Trip and will be concentrating for the rest of the month along the main routes to the Texas coast, including the Interstate 35 Corridor and U.S. highways 59 and 77.

"We are operating along all the corridors that lead to South Padre Island starting with Sherman on the Red River border and all the way down to the Rio Grande Valley," he said. "We are doing minor stings to prevent minors from getting alcohol."

Cavazos said a minor sting involves sending someone 18 or younger into a store in an attempt to buy alcohol.

"We have certain criteria for those making the buys," he said. "We want then to look like a minor and not dressed up like they are trying to pass for older. The idea isn't to fool anyone. We want the clerk to realize the person being sold to is a minor. The buyers are told to be truthful and answer any question accurately. We also put an agent in the store to videotape the transaction so there is no doubt about what happened."

The TABC has already conducted one similar operation already this month along U.S. 59, and found four stores that sold to the minor.

"We stopped at 58 locations and there were four that sold," he said. "Which is a very, very good thing. And we want to keep the pressure on so that store clerks and owners know to keep an eye out. The name of the game for us is voluntary compliance. We don't want to make arrests or hand out fines. The more people complying with the law the easier our jobs get."

The numbers from that first operation are a significant improvement over last year, the first time TABC conducted such a large-scale operation.

"This is the second year that the agency has held a statewide minor sting corresponding with spring break," TABC administrator Alan Steen was quoted in a news release. "Last year, agents visited 368 retail locations in 22 counties across the state. Compliance ranged from a disappointing 78 percent in the Houston area to a promising 88 percent in the Dallas/Fort Worth region with an 85 percent compliance rate overall. We hope to increase the number of location visited, as well as the number of clerks who refuse to sell to our minors. We consider it a success when the clerks refuse the sale."

Cavazos said one of the best things storeowners and clerks can do is to slow down long enough to pay attention to each sale.

"Employees need to realize the one individual in front of them is the one they need to be concerned with at any moment. They need to watch the body language and how they act. Check their id and compare it with the person and make a conscious decision 'should I sell or should I not.' For example, if they see a pickup driving into the lot with a load of underage people in the back they need to decide if it's a good idea to sell to the driver, even if they are of legal age."

He said that tobacco and alcohol companies are doing their part to help enforce the law by providing clerks with calendars to help them identify ages. He said the TABC also provides free training at the request of businesses.

A store employee who sells alcohol to a minor faces criminal charges for a Class A misdemeanor which could lead to a fine of up to $4,000, or up to a year in jail or both. The business faces administrative charges that could result in fine, suspension or cancellation of their permit, according to then news release.

While not targeted as part of Operation Road Trip, Cavazos said that TABC agents will be looking hard at adults buying for minors and for minors in possession, particularly in the more active spring break locations such as South Padre or Port Aransas.

"We put more people in those areas to address those issues during the month," he said. "Say if we have five agents regularly working South Padre Island we might bring in 10 additional ones for the next several weeks. If we have 10 in Port Aransas, we'll send in 10 more."

Even with that extra help, Cavazos said that not every tragedy will be avoided. Cavazos, who is a nine-year veteran of the TABC, he has 13 years of experience in law enforcement overall and spent those years before as a police officer in the South Padre Island area.

"I've seen a lot of things happen," he said. "And I know why we want to discourage people from putting alcohol in the hands of minors. The consequence of having minor parties is that eventually someone is going to get killed."

<http://www.thevictoriaadvocate.com/428/story/27916.html>

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