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

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|  | e - NEWS |
| *March 16, 2007* | |

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

**1. 12 Steps to a Safe St. Patrick’s Day**

Press Release – *Iowa Alcoholic Beverages Division*

March 16, 2007

**DES MOINES (March 16, 2007)** – On the eve of St. Patrick’s Day, the Iowa Alcoholic Beverages Division would like to offer consumers 12-steps to a safe holiday. Specifically, for those revelers who plan to imbibe on the occasion, please consider the following whimsical facts:



1. There is nothing magical about green beer. It is just as intoxicating as beer that has not been dyed with food coloring.
2. A thimble or two is all it takes for a leprechaun to become inebriated, while the average adult male weighing approximately 200 pounds only requires 4 to 5 green beers to become similarly impaired.
3. The Celtic tradition of corned beef and cabbage will slow the absorption rate of alcohol into the bloodstream, thereby reducing the rate at which one becomes intoxicated.
4. Consumers shouldn’t rely on the luck ’o the Irish to get home safely on St. Patrick’s Day as it will take more than a four-leaf clover to redress an Operating While under the Influence (OWI) conviction. The estimated total cost of a first-offense OWI penalty in Iowa is $4,435.
5. Pints of Guinness, Irish Stout or Irish Ale all possess the same alcohol content – 12.5 proof (5% alcohol by weight).
6. The average Sons of St. Patrick’s Day parade lasts approximately one hour – the same amount of time required for an adult male to metabolize a single green beer.
7. Irish whiskey is 80 proof (32% alcohol by weight), while Bailey’s Irish Cream is 34 proof (13.6% alcohol by weight). A shot of Irish whiskey, therefore, contains more than twice the alcohol as a shot of Bailey’s.
8. An Irish Harp will surely make your soul weep. Alcohol, meanwhile, also causes dehydration so be sure to replenish your liquids throughout the day by drinking water as well.
9. Remember, March 17th is St. Patrick’s *Day*, not St. Patrick’s *Day and Night*. Most OWI offenses are the result of extended drinking sessions as the average person, again, only metabolizes one drink per hour.
10. Avoid a similar fate as Irish Playwright and Poet Brendan Behan, self-described as “a drinker with a writing problem,” who died of excess.
11. Those who kiss the Blarney Stone are said to receive the gift of eloquence. Those who fail to heed this advice may kiss the blarney porcelain instead and receive the gift of a hangover.
12. Remember on St. Patrick’s Day…Everyone is Irish!

The Iowa Alcoholic Beverages Division encourages everyone to have a safe, enjoyable and responsible St. Patrick’s Day.

Erin Go Bragh!



# 2. Ernest Gallo (1909-2007)

By Julia Flynn Siler – *The Wall Street Journal*

March 10, 2007; Page A4

# Brought Wine to American Mainstream While Encouraging Upscale Shift

Ernest Gallo helped change America from a nation that preferred cocktails and Coca-Cola to one that sipped chardonnay.

Starting as a purveyor of bulk wines and sweet, easy-to-quaff brands such as Thunderbird, the co-founder of E. & J. Gallo Co. later advertised heavily to encourage customers' shift to more-upscale brands such as Gallo Family Vineyards Chardonnay, sold in bottles with corks instead of jugs with screw-off caps.

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| [Photo] |
| Ernest, right, and Julio Gallo in a 1993 photo. |

In an oral history unsealed this week after his death March 6 at age 97, Mr. Gallo explained his populist philosophy of wine quality: "I simply judge a wine by pouring a glass and drinking it," he told a historian at the University of California's Bancroft Library in 1969. "If I feel like another glass and have a desire for it, to me it's a good wine."

He relied on his younger brother Julio, who was killed in a 1993 auto crash, to oversee winemaking, which still is centered in Modesto, Calif. Ernest's job was to sell the wine. And as the oral history makes clear, he did it with marketing genius and unsentimental toughness that sparked fights with foes ranging from farmworkers to family members.

The 1957 introduction of Thunderbird, which for many years was Gallo's top seller, triggered criticism that the Gallos were exploiting minority groups and the "misery market" by fortifying the wine with higher alcohol content and stressing its cheap price in ads that started, "What's the Word? Thunderbird!" In the oral history, Ernest Gallo describes how the company came up with the lemon-flavored wine after watching "black consumers dumping a can of concentrated lemon juice in a bottle of our white port...and thinking it's great!"

Born in the foothills of California's Sierra Nevada mountains to Italian-American immigrants, Ernest lived as a young child with his maternal grandparents in the fertile San Joaquin Valley. He experienced his first hangover as a five-year-old , after sipping wine from a tin cup that workers had left behind.

Coming of age during the Depression and Prohibition, Ernest traveled frequently to Chicago as a teenager, selling the grapes his family grew to home wine makers and bootleggers who collected a four-cent-per-box "hoodlum tax" on every box of grapes that left the railroad yard.

In 1933, about six months before Prohibition was repealed, their mother told Julio she didn't care what happened to her as long "as my boys get along always," according to the brothers' autobiography, "Our Story." The next day, Ernest and Julio learned their parents had died of gunshot wounds in what was ruled a murder-suicide.

Ernest was 24, Julio 23 and younger brother Joe 14. Using the initials of their first names, Ernest and Julio started a winery with $5,900 in start-up capital -- including a $5,000 loan from Ernest's mother-in-law, a member of another Italian-American grape-growing family, the Franzias.

Ernest Gallo played hardball with competitors, even when they were family. In 1989, Ernest and Julio won a court fight with their younger brother, preventing him from marketing cheese under the Joseph Gallo name.

His marketing team fought grass-roots battles store by store, using tactics such as moving rivals' bottles to bottom shelves. Mr. Gallo, whose oft-repeated goal was to make Gallo "the Campbell Soup Company of the wine industry," paid surprise visits to liquor stores, making sure Gallo products were prominently displayed and peppering owners about customers' tastes.

Mr. Gallo seldom backed down from a fight. In the early 1970s, Cesar Chavez's United Farm Workers union began picketing Gallo, after losing its contract with the company to the Teamsters. A national boycott of Gallo products cut as much as 30% of sales in some areas. Mr. Gallo was symbolically tried by University of California at Berkeley students for "crimes against the people." Mr. Gallo countered UFW suits that alleged unfair labor practices by seeking injunctions against the union. "We believe we have turned the other cheek too long," he told the New York Times in 1974. Mr. Chavez called off the boycott in 1978.

He also forged ties to politicians, including contributions to former U.S. Sen. Alan Cranston, who in 1978 helped push through a law -- dubbed the "Gallo amendment" -- that allowed Ernest's and Julio's heirs and those of other wealthy families to spread their estate-tax payments over a decade.

Gallo, with Ernest's son Joseph chief executive and 14 other family members in the business, always insisted the company remain privately held -- a position it reiterated after his death. Gallo sold an estimated 70 million of the 300 million cases of wine sold in the U.S. last year, according to Gomberg, Fredrikson & Associates, a wine-industry consulting firm.

But in an early 1970s exchange with Michael Mondavi, son of the famous vintner Robert Mondavi, Mr. Gallo suggested size was not his biggest priority.

"Do you know what I do?" Mr. Mondavi recalls Mr. Gallo asked him when they first met.

"Yes, you run the largest winery in the country," replied Mr. Mondavi, then in his mid-20s.

"No," Ernest corrected him. "I go out and visit customers in stores."

<http://online.wsj.com/services/article/SB117349084761632907-search.html?KEYWORDS=Ernest+Gallo&COLLECTION=wsjie/6month>



**3. A Smoking Cold Turkey Bashes Tobacco**

*AdAge.com*

March 13, 2007

[](javascript:popupWindow_middlecenter('/video/Player.php?s=Ojk5Mzo3ZWZmM2YyZDox',%20'AdAgePlayer',50,50,0,0,'toolbar=no,scrollbars=no,resizable=yes,location=no,status=no');return%20false;)

[**PLAY**](javascript:popupWindow_middlecenter('/video/Player.php?s=Ojk5Mzo3ZWZmM2YyZDox',%20'AdAgePlayer',50,50,0,0,'toolbar=no,scrollbars=no,resizable=yes,location=no,status=no');return%20false;) [Play](javascript:popupWindow_middlecenter('/video/Player.php?s=Ojk5Mzo3ZWZmM2YyZDox',%20'AdAgePlayer',50,50,0,0,'toolbar=no,scrollbars=no,resizable=yes,location=no,status=no');return%20false;)

[A Smoking Cold Turkey Bashes Tobacco](javascript:popupWindow_middlecenter('/video/Player.php?s=Ojk5Mzo3ZWZmM2YyZDox',%20'AdAgePlayer',50,50,0,0,'toolbar=no,scrollbars=no,resizable=yes,location=no,status=no');return%20false;)

Title:Cocktail, Dark Alley, Midnight

Marketer:WA State Dept. of Health

Brand:Anti-Smoking  
Agency:Wongdoody, Seattle

The central point of the Washington State Health Department's new ad campaign against smoking is that cold turkey methods rarely work. Humorously underscoring that point is the commercial's star: an animated cold turkey struggling unsuccessfully to quit cigarettes. But is the turkey so outrageous a character that it's likely to soon show up in YouTube parodies -- probably in favor of smoking?



**4. College Drug Use, Binge Drinking Rise Prescription Abuse, Pot Use Both Way Up**

**By Donna Leinwand, *USA Today***

**March 15, 2007**

Nearly half of America's 5.4 million full-time college students abuse drugs or drink alcohol on binges at least once a month, according to a new study that portrays substance and alcohol abuse as an increasingly urgent problem on campuses across the nation.

Alcohol remains the favored substance of abuse on college campuses by far, but the abuse of prescription drugs and marijuana has increased dramatically since the mid-1990s, according to the study released today by the National Center on Addiction and Substance Abuse (CASA) at Columbia University.

CASA, which called on educators to move more aggressively to counter intensifying drug and alcohol use among students, first studied students' drug and alcohol habits in 1993. Today's report - the center's second on the subject - involved a survey of 2,000 student and 400 administrators as well as analyses of six national studies.

The center found that "the situation on America's campuses has deteriorated" since 1993, CASA President Joseph Califano says.

The study found that college students have higher rates of alcohol or drug addiction than the general public: 22.9% of students meet the medical definition for alcohol or drug abuse or dependence - a compulsive use of a substance despite negative consequences - compared with 8.5% of all people 12 and older.

White students are more likely to use drugs and alcohol than minority students, and students at historically black colleges have much lower rates of substance abuse than other students, the study found.

School administrators have not done enough to curtail drug and alcohol abuse on campus, Califano says. In CASA's survey of administrators, two-thirds said responsibility for stopping drug abuse rests with students.

"It's not on the radar screen of college presidents. This is not a priority," Califano says. "We believe they have an obligation to protect the health and safety of their students."

Donald Harward, president emeritus of Bates College in Maine, says drinking and drug abuse are a symptom of students' disengagement from academic and civil life on campus. "I think a lot of presidents are aware of (increasing alcohol and drug problems among students), and they are struggling to come to grips with it."

Nearly half the students surveyed by CASA said they drank or used drugs to relax, reduce stress or forget about problems. Other findings:

Students who said they had abused painkillers such as Percocet, Vicodin and OxyContin during the past month rose from fewer than 1% of students in 1993 to 3.1% in 2005, a reflection of how the rising number and availability of prescription drugs has increased abuse.

The percentage of students who reported smoking marijuana heavily - at least 20 days during the past month - more than doubled, from 1.9% in 1993 to 4% in 2005.

The percentage of students who reported using illegal drugs other than marijuana, such as cocaine and heroin, in the past month jumped from 5.4% in 1993 to 8.2% in 2005.

Overall, the percentage of students who reported drinking alcohol at least occasionally was about the same: 68% in 2005, compared with 70% in 1993. Those who said they engaged in binge drinking - defined as having five drinks for male students and four drinks for female students at one "drinking occasion" during the previous two weeks - held steady at 40%.

However, the percentage of students who reported binge drinking three or more times during the previous two weeks increased from 19.7% in 1993 to 22.8% in 2001, the study found. In 2005, 83% of campus arrests involved alcohol, the study found.



**5. Alcohol Ads in NCAA Sports Targeted**

By Carla K. Johnson - *Associated Press*

March 8, 2007

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.

"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 (nyse: ALL - news - people ) 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 (nyse: BUD - news - people ) 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."



6. Pernod Ricard, Bacardi, Diageo Eye Absolut Vodka

*Eruo2Day - Associated Press*

March 9, 2007

http://www.euro2day.gr/pics/dot.gifSTOCKHOLM, Sweden - 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 ($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.euro2day.gr/articlesfna/30168589/>



**7. Diageo Says Would Look at Absolut if up For Sale**

By Ian MacKenzie – *Reuters*

March 14, 2007

EDINBURGH, March 14 (Reuters) - Drinks giant Diageo Plc (DGE.L: [Quote](http://www.reuters.com/stocks/quote?symbol=DGE.L), [Profile](http://www.reuters.com/stocks/companyProfile?symbol=DGE.L), [Research](http://www.reuters.com/stocks/researchReports?symbol=DGE.L)) would look at the acquisition of Sweden's state-owned Absolut vodka business, which the government wants to sell, Chief Executive Paul Walsh said on Wednesday.

The centre-right Swedish government has pledged to sell off Absolut's parent, the 90-year-old state-owned Vin & Sprit, and is looking at all options on how to conduct the sale, which analysts estimate may fetch around $5-6 billion.

Asked during a telephone interview with Reuters about Diageo's attitude towards Absolut, he said, "We will be looking at it as we look at all opportunities of that nature".

London-based Diageo, the world's largest alcoholic drinks company, currently owns Smirnoff, the world's top selling vodka, while Absolut is in second place.

Concerning possible competition problems if Diageo was to buy Absolut, Walsh said, "We believe that in any debate with competition authorities, solutions can be put forward. So with creative thinking solutions can become apparent".

Walsh was reluctant to discuss potential acquisitions, but noted the company had spent 1 billion pounds ($1.9 billion) on acquisitions in the past year, including Bushmills Irish whiskey, Ursus vodka, Californian wine group Chalone and it also took a stake in a Chinese spirits maker in December.   "These are in the territory of what I refer to as bolt-on acquisitions ... but nonetheless it's a track record we intend to build on," he said.

Last week, a Swedish government spokesman said France's Pernod Ricard (PERP.PA: [Quote](http://www.reuters.com/stocks/quote?symbol=PERP.PA), [Profile](http://www.reuters.com/stocks/companyProfile?symbol=PERP.PA), [Research](http://www.reuters.com/stocks/researchReports?symbol=PERP.PA)), privately-owned Bacardi and U.S. Jim Beam bourbon maker Fortune Brands (FO.N: [Quote](http://www.reuters.com/stocks/quote?symbol=FO.N), [Profile](http://www.reuters.com/stocks/companyProfile?symbol=FO.N), [Research](http://www.reuters.com/stocks/researchReports?symbol=FO.N)) have all expressed an interest in buying Vin & Sprit.

And Swedish Financial Markets Minister Mats Odell said on Tuesday he expects parliament to give its blessing in May to the sale.

Some analysts see Fortune, which bought Britain's Allied Domecq jointly with Pernod in 2005, as an early favourite to buy Absolut as it already distributes the brand in the United States, which accounts for around half of Absolut's volume.

Pernod's Chairman Patrick Ricard said last week his group could afford to buy both Absolut and also Russian vodka brand Stolichnaya if necessary, but only needed one of them.

Among the others, Bacardi has been reported in the media to be interested in buying Absolut, while Fortune is more cautious.

"In the spirits category we are interested in acquiring, under the right set of circumstances, but we are not commenting on Absolut," Fortune Chief Financial Officer Craig Omtvedt told Reuters last week.

<http://www.reuters.com/article/consumerproducts-SP/idUSL1448503920070314>



**8. Finally, A Costco Victory**

*Beer Business Daily*

March 13, 2007

One could go an eternity before hearing a victory for the beer industry three tier system in the Costco case against Washington State. But perhaps the tides have changed.

You'll no doubt recall that the Ninth Circuit Court of Appeals fast-tracked the appeal process, with oral arguments held last week in Seattle. The hearing allowed both sides to debate first whether the court should extend Judge Pechman's stay, which ends May 1, on her decision (which basically dismantles Washington state's liquor laws) or let the decision take effect while the appeal continues or the legislature creates a fix at the end of April.

Well, yesterday evening the Ninth Circuit Court of Appeals apparently understood the disruption that could happen and issued a stay of Judge Pechman's ruling.

What does that mean? It means the Washington State Legislature doesn't have to quickly come up with a half-assed liquor control law to replace 70 years of Washington liquor laws, which Judge Pechman basically had dismantled.

So yes this is a victory for three-tier advocates and for small brewers, but it remains to be seen what will happen in the actual appeal. We'll see.



**9. Change Comes to Anheuser-Busch**

By Christopher Tritto - *St. Louis Business Journal*

March 12, 2007

A new attitude is brewing at Anheuser-Busch Cos. Inc. Call it A-B 4.0, as in August Busch IV. Just three months into his job as chief executive, Busch IV already is signaling change is under way at One Busch Place.

Company executives are striking deals that some industry observers doubt would ever have happened under previous CEOs Patrick Stokes or August Busch III. Busch IV is forging new relationships and cooperative agreements with an outstretched hand. He describes Anheuser-Busch as a beverage and distribution business, not just a beer company.

Although the $16 billion giant remains the dominant player in the United States and the second-largest brewer worldwide, Anheuser-Busch faces several strategic challenges, including shifting consumer tastes and consolidation within the global beer industry.

"In today's world, where the consumer is really setting the agenda for change, we know Anheuser-Busch must change as well," Busch IV told an audience Feb. 26 at the annual Beer Business Daily Industry Summit in Scottsdale, Ariz. "We must evolve. We must be more consumer-focused and more innovative than ever before."

"The Fourth," as he is called, seeks input from all corners of the company to achieve his goals. In addition to regular meetings with senior executives, every manager at Anheuser-Busch is available by BlackBerry and cell phone as needed. Conventional office hours don't exist.

"August IV is an individual and has his own leadership style," said Francine Katz, vice president of communications and consumer affairs at Anheuser-Busch. "He is very collaborative and likes to gain diverse points of view when he is considering something. No one or two people stand out. He takes a team approach."

His A-team is Anheuser-Busch's Strategy Committee, a group of 16 senior executives responsible for setting the company's direction and objectives. They advise both the chief executive and the board of directors.

A few new members joined the roundtable when Busch IV, 42, became CEO. Others rose to their positions under Stokes and Busch III. All have deep roots in the company. They bring voices of stability and the credibility to advocate change.

"It's invaluable," said Joseph Sellinger, who served on the committee until his Nov. 30 retirement as head of Anheuser-Busch's packaging subsidiary. "It's a collection of people with significant experience and good business judgment. They represent all the employees of the company."



**10. Anheuser CEO Busch IV Got $12.8M In 2006**

*Dow Jones Newswires*

March 12, 2007

Anheuser-Busch Cos. (BUD) Chief Executive August Busch IV received executive compensation valued at $12.8 million during 2006, according to a regulatory filing Monday.

His father, August Busch III, was paid $37 million in pension benefits he earned over 49 years with the company, according to the filing. Since retiring, he has also received $27.8 million from nonqualified deferred compensation accounts.

Busch III retired Nov. 30, 2006, one day before his son August Busch IV became chief executive of the firm. The nation's biggest brewer reported profit of $1.97 billion last year, up from $1.74 billion in 2005.

The current CEO, Busch IV, received a base salary of $973,000, a bonus of $1.2 million, an estimated $10.4 million in stock options and stock awards, $158,900 in pension and deferred compensation, and $137,000 in all other compensation through Dec. 31, 2006, according to the company's annual proxy filing with the Securities and Exchange Commission.

Anheuser-Busch President and Chief Executive Patrick Stokes also retired last year.

Stokes received executive compensation valued at $6 million. He received a base salary of $1.4 million, a bonus of $3 million, $1.4 million in pension and deferred earnings, and $231,000 in all other compensation through Dec. 31, 2006, according to the proxy filing.

Both Busch III and Stokes will be retained as consultants with Anheuser-Busch and they will remain on the company's board, according to the filing.

Busch III won't be paid for his consulting services, but the company will pay $950,000 annually to give him an office, use of a company jet and other expenses associated with the consulting.

Busch III will remain a consultant until Dec. 1, 2012.

Stokes will be paid $750,000 for his consulting work and Anheuser-Busch will pay $300,000 annually for his office and transportation costs associated with the work.

Stokes will remain a consultant until Aug. 31, 2009, although he and the company will have the right to terminate his contract beginning March 1, 2008.

Busch III has already received a lump sum payment of $37 million in pension benefits, according to the proxy.

Busch III, who is 69 years old, has been a director since 1963. He was chairman of the board from 1977 until his retirement. He was president of the company from 1974 until June 2002.

In addition to the $64.8 million he has already received in retirement benefits, the company will pay him $1.6 million in retirement benefits in June and $255,000 in remaining benefits over the next four years.

While Anheuser-Busch has remained profitable, the company has struggled since 2005 to boost sales as consumers increasingly turn to wine and hard liquor. By far the market leader, Anheuser-Busch controls roughly 50% of the U.S. beer market.



**11. Miller Takes Message Of Value National**

***Associated Press***

March 14, 2007

MILWAUKEE: As Midwestern customers embrace new ads for Miller High Life and swap trendiness for value, Miller Brewing Co. is taking its promotion of the lower-priced beer nationwide.

Sales of Miller High Life in the past year have been down 2 percent and 3 percent in core markets such as Milwaukee and Chicago, but in the past three months they've been up 5.6 percent, said Randy Ransom, chief marketing officer for Miller, owned by SABMiller PLC.

The spike is partly the result of a series of ads, which debuted throughout the Midwest in November, Ransom said. In it, a delivery man goes into highbrow establishments, is shocked by high prices, then hauls away cases of Miller High Life.

Other beer ads may appeal to affluent drinkers who want the finer things in life, but Ransom said the Miller High Life ads resonate with customers tired of paying $5 for a cup of coffee.

"We're seeing a potential trend, as people trade up and you see things getting more and more expensive, some people are starting to say, 'Wait a minute. What's going on with that?'" Ransom said.

The ads, by the Crispin, Porter & Bogusky advertising firm of Miami, will appear nationally starting next week during the NCAA basketball tournament. A second series of ads showing consumers enjoying Miller High Life will debut in regional markets in the next few weeks.

Milwaukee-based Miller, the nation's second-largest brewer, is investing heavily in advertising for core brands like High Life and Miller Lite amid sagging domestic sales across the industry.

In the last three months of 2006, sales of Miller's brews were up 4.3 percent, but that was largely on growth of the brewer's two new niche brands, including caffeinated alcoholic beverage Sparks, while sales of mainstay brews declined nearly 1 percent.

Christy Brinnehl, a beverage analyst with Mintel Customs Solutions, said the expansion shows Miller's ads are making lower-priced brews a novelty, something appealing to many drinkers.

"It's putting a spin on it -- making it more humorous, which then makes it more attractive," she said.

<http://adage.com/article?article_id=115591>



**12. U.S. Wine Exports Jump 30 Percent To $876 Million**

*The Wine Institute*

March 14, 2007

SAN FRANCISCO: U.S. wine exports, 95 percent from California, totaled $876 million and 404.5 million liters in 2006, an increase of 30 percent in value and 4.0 percent in volume compared to 2005. In Europe, where the U.S. ships more than half of its sales abroad, exports surged 48 percent by value. Wine exports to Canada grew 29 percent by value.

"The dramatic sales growth in 2006 must be placed in perspective as it follows a decrease in 2005 compared to the 2004 shipments," stated Joseph Rollo, Director of the Wine Institute International Department. "Nonetheless, the long-term trend of California wine exports shows steady expansion in all major markets and growth in new, undeveloped markets. The 2006 number represents a 59 percent increase in exports by value in the last decade."

"The growth is impressive considering the trade barriers that California wineries face in markets worldwide, such as protectionist tariffs, distribution restrictions and competition from foreign producers who receive production subsidies from their governments. The recently signed U.S./EU wine agreement gives California wineries assurance that the EU market will remain open to California wines and that trade requirements will be consistent, providing producers in both markets a stable environment for trade," said Robert P. (Bobby) Koch, Wine Institute President and CEO.

According to United Kingdom retail statistics, U.S. wines grew by value 8.0 percent off-premise and 18 percent by value in on-premise accounts. The growth in volume at off-premise was greater than any other major country origin and amounts to a market share of 16.0 percent, compared to France at 16.4 percent. Australia leads at 22.3 percent in market share volume, but grew only 4.2 percent in 2006.

"California wineries are producing wines that suit the international palate and are leaders in the rose category, a growing segment in Europe that has become a year-round drink," stated John McLaren, Wine Institute UK Director.

California exports to Europe have grown steadily as wineries have adjusted to the challenge of an increasingly price-sensitive consumer. Many California wineries now ship finished wines to Europe for bottling and distribution in other EU member states in order to reduce the freight costs of shipping bottles. Thus, an explanation of sales trends in specific countries becomes difficult, if not impossible to ascertain. However, there is no question that the overall sales within the Common Market of Europe are expanding for California wines.

Exports to Canada are once again in a growth mode. Hurt by the strong dollar several years ago and the emphasis on other new world wines, California was challenged to maintain its market share. Steady growth in 2005, plus an increase of 29 percent by value in 2006, demonstrates that the California segment is strong.

"The liquor boards across Canada are again looking to California for exciting new brands and adding premium wines to their specialty portfolio," stated Rick Slomka, Wine Institute Canada Director. "The growth in Quebec, a difficult market for us for years, has been significant the past two years, following an increased promotional campaign and successful market entries by many California brands," he added.

Other major growth markets outside of Europe and Canada include: China, up 53 percent by value; Singapore, up 68 percent by value; and Hong Kong, up 19 percent by value.

"China's increased growth rate is significant because of the market's huge potential -- the country's economic growth and the number of consumers who can afford imported wine continue to grow. Our trade missions have brought new brands to the market, and our participation in trade shows and retail promotions have been successful in increasing the sales of brands active in China," said Eric Pope, Wine Institute Manager of International Winery Programs. "In addition, Hong Kong has again become a growth market and should continue to increase now that the import tariff of 80 percent has been cut in half," he added.



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

**13. Are These Clothes Inappropriate?**

By Tim Paluch, Staff Writer – *Des Moines Register*

March 13, 2007



The boys know the dress code.

Pants tight on the waist. No sagging. Not too baggy. No T-shirts past the pants zipper. No short sleeves past the elbow.

To get into Energy, A Saturday night 21-and-under dance club in West Des Moines, 17-year-olds Neil Issa, Aaron Jordan and Brandon Brown can’t dress the way they normally do. They won’t get in.

But they say even when they do adhere to the club’s rules, doormen still hassle them, often forcing them back to the parking lot, where they sometimes have a few more outfits to try in the car, hoping the next one will get past security.

They’re unfairly targeted, they say, because they’re black, while white customers in similar clothes walk right in.

“That’s what they do,” Jordan said. “They find excuses to keep us out.”

A little more than seven years ago, 26-year-old Charles Lovelady died after a fight with two white bouncers over a Des Moines nightclub’s dress code. His death was supposed to change things.

Club owners faced discrimination lawsuits. Lawmakers passed legislation permitting cities to force clubs to train their bouncers in restraint techniques and civil rights awareness. But in reality, not much has changed.

###### RODNEY WHITE/THE REGISTER

Neil Issa, left, and Aaron Jordan of Des Moines say

they get hassled at nightclubs for wearing certain

clothes. Dress codes can include: • Not too baggy,

• No short sleeves past elbow, • No t-shirt past pants

zipper, • no sagging pants

The state law has no teeth. Only one city in Iowa – Des Moines – attempted to even acknowledge the law. Yet no bars in Des Moines have proven that their bounders received training.

Meanwhile, some teens and adults still believe discriminatory dress codes, and their skin color, keep them out of certain clubs.

Death at dance club leads to new law

The date is Feb. 16, 2000. The bar is Graffiti’s, a dance club near Merle Hay Mall. Lovelady, a college student with aspirations of becoming a firefighter like his father, is allowed in the club, but is later tossed out after allegedly threatening a waitress who confronted him about his hooded sweatshirt. Two bouncers, both former football players, both white and both larger than Lovelady, placed him in a chokehold. One drives a knee into his back. Lovelady loses consciousness. He dies.

An all-white jury acquitted the bouncers of involuntary manslaughter eight months later.

After his death, state legislator and Lovelady family friend Rep. Wayne Ford, D-Des Moines, proposed legislation, which passed, that allowed local governments to require nightclub bouncers be trained.

Only Des Moines opted to pass its own ordinance after the state law passed, requiring security staff to learn mediation techniques, safe restraint methods and civil rights awareness.

Few Des Moines bars use bouncers, though neither police nor city officials could say exactly how many.

City Manager Rick Clark said the ordinance was “working well,” but isn’t sure how, or if, it was being enforced. Des Moines Police Sgt. Todd Dykstra called the ordinance “complaint-driven,” and said his department hasn’t received any.

If a bar uses security, it must indicate that on its liquor license renewal form, then prove its employees have been properly trained. Police would then verify the information and pass on the renewal form to the state. But Assistant City Attorney Dough Philliph said no bars have done this. There’s not even a place for it on the renewal form.

Larry Smithson, who owns several downtown bars that employ security, said he wasn’t sure if his club complied with the city ordinance. In addition to security staff roaming the dance floors, Smithson often uses uniformed, off-duty Des Moines police officers to work the doors at this clubs.

“They’ve got all the training that is needed,” Smithson said.

In 2005, the state law was updated to close a loophole that exempted bars that subcontract their work to private security firms. Des Moines never closed the loophole in its ordinance, and officials say the bars in town known to use bouncers all hire outside security.

Ford proposed a change last month that would force local governments to require all bouncers to be trained in order for a bar to renew its liquor license. An amendment added Monday limits the bill to cities with populations of more than 25,000.

An opponent of the legislation is Doni Denucci, president and chief executive of the Iowa Restaurant Association, a nonprofit trade organization and lobbyist group. If communities had problems, she said, they’d deal with it under the old law.

“Now they’re forced to spend resources to impose the mandate, plus the businesses would be forced to spend resources to comply,” Denucci said.

In 2000, the Iowa Restaurant Association (then the Iowa Hospitality Association) created a statewide training program specifically for bouncers. No one ever used it.

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

<http://nl.newsbank.com/nl-search/we/Archives?p_action=doc&p_docid=117DFE6C2E081A78&p_docnum=1&p_theme=gannett&s_site=desmoinesregister&p_product=DMRB>



**14. Program Educates Retailers to Comply With Tobacco Sales Regulations**

By Nicole Weis, Staff Writer – *Daily Nonpareil*

03/12/2007

CARTER LAKE - The Carter Lake Police Department is doing its part to help increase the statewide tobacco compliance rate.

In partnering with the Iowa Alcoholic Beverages Division, the CLPD has provided, and will continue to offer, free classes to educate local retailers on Iowa's tobacco laws through the Iowa Pledge Program.

In a recent compliance check of five local establishments in Carter Lake, all refused tobacco sales to minors. Reserve officer Mike Dargy credits the Iowa Pledge program for the 100 percent compliance rate.

"It teaches (clerks) about the laws regarding tobacco, and the repercussions of the laws for them and the business," Dargy said. "It also teaches clerks what to look for when somebody presents an ID and how to refuse a sale."

The Iowa Pledge Program has helped increase the statewide tobacco compliance rate from approximately 50 percent to 90 percent since it began in 2000. The administrator of the Iowa Alcoholic Beverages Division, Lynn Walding, is hoping to continue the upward trend with the more Iowa Pledge retailer certification classes.

"The ultimate overall goal of the program is compliance," he said. "We feel education is the best way to get there."

According to Dargy, approximately 50 percent of completed sales to minors are situations in which the minor presents an ID of someone who is not of age, but the clerk still sold the tobacco product.

"Just because a minor gives you an ID doesn't necessarily mean it's them, and it doesn't mean they're old enough to purchase," Dargy said.

Not only does completion of the program prepare retailers for minors attempting to purchase tobacco, it also gives them one "get out of jail free" card.

"The business gets a one time freebie, so to speak, on having to pay a fine (if an illegal sale is made) because a clerk attended the class," Dargy said.

While the clerk will still be cited, the retailer does not incur a penalty, Walding said, adding that most employees - with training - won't make illegal sales.

Criminal penalties for selling tobacco to a minor include a $100 fine for the first offense, a $250 fine for the second offense, and a $500 fine for third and subsequent offenses. Handing out citations, however, is not the intent of the Iowa Pledge Program.

"No. 1, (the program) helps keep tobacco products out of the hands of minors, and obviously helps clerks by preventing them from running into trouble being cited for selling to a minor," Dargy emphasized. "It also helps business from incurring any types of fines."

Though compliance checks are part of the program, Dargy said they are performed in a fair and reasonable manner.

"The program has some guidelines to make sure it is fair," he said. "We try not to send someone in who looks like they're older than they appear. We try not to fool anybody.

"If the clerk asks for ID, it is that person's ID; and it's going to show they're underage," he continued. "They can check the date easily, and see (the minor) is not old enough."

Dargy added that a lot of the information discussed in the class can also be used when it comes to alcohol sales.

The next class offered by the CLPD will be held in April.

<http://www.zwire.com/site/news.cfm?newsid=18068898&BRD=2703&PAG=461&dept_id=555106&rfi=6>



**15. WDM Police Train Businesses to Stop Underage Alcohol Sales**

By Micholyn Fajen, Correspondent – *Des Moines Register*

March 13, 2007

Training to prevent underage alcohol sales will help the community of West Des Moines as well as businesses and their employees, said leaders who took part in a session last week.

Representatives of Bonefish Grill, which opened in January, were among the estimated 50 business owners and employees who participated in the training offered last week by the West Des Moines Police Department.

Jeffrey Sarver, managing partner of the restaurant at 650 S. Prairie View Drive, employs more than 60 servers. Sarver has been affiliated with similar training in Nashville, Tenn., Atlanta and Baton Rouge, La., and said Bonefish Grill's policy is to check the identification of anyone who looks younger than 35.

"This is nothing but a positive for Bonefish Grill to be a part of, not only for the impact it will have on our restaurant, but how it will help with employee training," Sarver said.

The new Iowa Alcoholic Beverages Division-sponsored program, called Training for Intervention ProcedureS (TIPS), provides free training to all liquor license holders and their employees in West Des Moines. The program educates servers and sellers on how to prevent underage sales and sales to intoxicated patrons, as well as how to understand Iowa identification.

Offered to 136 West Des Moines businesses that hold liquor licenses, the program grants businesses a get-out-ofjailfree option if a TIPS-trained employee is later cited for serving a minor. Servers and employees cited for selling alcohol to those under the legal age face a criminal violation that can total $710 after court fees and surcharges, along with a criminal record and potential loss of employment.

Lt. Mike Ficcola, spokesman for the TIPS program, said the certification makes workers more marketable to other employers and provides the necessary education to protect them from a violation.

Officer Jeff Hartshorn, one of two TIPS-trained instructors for the police department, told participants how some employers respond to the police department's annual compliance checks.

"Tonic Bar rewards their employees $500 on the spot for passing compliance checks, other businesses that don't pass sometimes fire their employees on the spot," he said.

The $5,000 grant making the West Des Moines program possible is provided by the National Alcohol and Beverage Control Association. The police department is using the money to train two officers as instructors, limiting the number of training sessions offered to six this spring and possibly more next fall.

"We can accommodate up to 40 employees each session," Ficcola said. "We want to make sure we get as many businesses involved as we can."

Larger businesses are interested in bringing training on site.

Philip Rivera, a supervisor for Costco, said the police department already taught tobacco compliance training to employees at the store and he hoped that same option would become available for alcohol sales.

Hy-Vee employee Bruce Rayner attended the meeting with handfuls of other Hy-Vee managers and employees. Rayner is employed at the Hy-Vee gas station at Jordan Creek Parkway and University Avenue in West Des Moines.

"Being a gas station we see lots of alcohol sales at our location. Though I haven't encountered a lot of underage people attempting to buy alcohol, I want to learn more about the tips they have to avoid it."

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070313/NEWS/703130356/1001/NEWS>



**16. Culver Signs Bill Raising Tobacco Tax**

By Jonathan Roos & Jennifer Jacobs Staff Writers – *Des Moines Register*

March 16, 2007

**A cigarette pack will cost a dollar more in Iowa, helping increase state revenues.**

The price of cigarettes is climbing by a dollar a pack in Iowa as a result of a tobacco tax increase signed into law Thursday by Gov. Chet Culver.

The new law raises the cigarette tax from 36 cents to $1.36 a pack. The minimum markup that retailers must charge for cigarettes is going up, too.

The legislation that Culver, a Democrat, signed at a Statehouse ceremony took effect immediately. State revenue officials are waiting until today to implement the cigarette tax increase contained in Senate File 128. The legislation also raises taxes on other tobacco products.

Iowa’s cigarette tax, which was 42nd lowest in the nation, now jumps to 17th in ranking.

Culver said the higher taxes will prod thousands of Iowa smokers to kick the increasingly expensive habit while raising money to expand health care programs. The new law will increase state revenue by nearly $130 million annually.

We are sending a bold message…around the nation that Iowa takes the health of its people, especially its kids, seriously,” the governor said. “We will now be in a position to prevent the deaths of at least 20,000 Iowans, to help 20,000 people quit smoking and help prevent nearly 40,000 younger Iowans from taking their first puff of a cigarette.”

The bill-signing was cheered by 18-year-old Mackenzie Lowry of Clear Lake, an American Cancer Society intern whose father – a long-time smoker – died of lung cancer four years ago.

“Since then it has been a deeply personal fight for me and my family,” said Lowry, who has lobbied legislators on the issue, written a radio commercial, done surveys and coordinated the efforts of other volunteers.

“I’ve worked to make sure that this never has to happen to anybody else, and with this bill being signed into law, I’m confident that it will reduce the number of families that have to go through what I went through,” Lowry added.

The tax increase fulfills one of Culver’s campaign promises and cements the health spending plans that he and the Legislature’s Democratic majority are pushing to make a part of next year’s state budget.

<http://desmoinesregister.com/apps/pbcs.dll/article?AID=/20070316/NEWS10/703160395/1001/NEWS>



**III. OTHER STATE NEWS.**

**17. Proposal for Sin Tax Hike Draws Fire (Michigan)**

*Michigan Daily*

March 9, 2007

A pack-a-day-smoker in Michigan pays about $730 a year in state cigarette taxes.

Polish off a $22 bottle of vodka once every two weeks or so with some friends, and that costs roughly $65 in state liquor taxes each year - not counting the state's general sales tax, which would push the total closer to $100.

Michigan's liquor and cigarette taxes tend to be higher than those in many neighboring states, and the price tag soon could go up. Increases in those markups are part of Gov. Jennifer Granholm's plan to shake state government out of its ongoing financial doldrums.

Some Michigan drinkers and smokers already feel they shoulder too much of the burden for the state's budget woes. Bar and restaurant owners aren't happy about the proposed increases, either, saying the higher taxes and license fees would drive away business, or at least raise their costs.

Profit margins already are slim at some places. Many small northern Michigan establishments, for example, are coping with a sluggish economy and a low-snow winter that cut into business.

"When times are good, we don't mind sharing. But times aren't good," said Richard Smith, owner of Leo's Lounge in downtown Petoskey. "The cost of everything is up. Heat is up, insurance is up, gas is up. Adding this we would look at that as a slap in the face."

The Granholm plan to balance the state's books, unveiled last month, includes an increase to the liquor tax that could raise shelf prices by about 5 percent, adding roughly $1 to the cost of a $20 bottle. Beer and wine products have escaped the proposed tax hike.

The extra money from the so-called sin tax would be earmarked for the state's school aid fund. It could raise an additional $28 million for schools each year as the state tries to wiggle out of a budget deficit projected at more than $900 million for the fiscal year that began last October. The markup was last raised in 1993.

Some bars and restaurants could see the cost of their liquor licenses triple under Granholm's proposal. The last time those rates were raised was 1976.

<http://media.www.michigandaily.com/media/storage/paper851/news/2007/03/09/NationalInternational/Proposal.For.Sin.Tax.Hike.Draws.Fire-2770528.shtml>



**18. Beer Company Gives Univ. of Miss. $300K to Combat Alcohol Abuse (Mississippi)**

Source: *Rolla Daily News*

March 11, 2007

OXFORD, Miss. (AP) - Anheuser-Busch have given the University of Mississippi $300,000 to combat alcohol abuse on the Oxford campus.

The money would continue a "social norming" research project begun more than three years ago, officials said Friday.

Jeff Hallam, director of the Ole Miss Center for Health Promotion, said social norming research and education emphasizes that perceptions among college students that most of their peers drink heavily are inaccurate.

"Most universities could not operate if all of their students went out and drank on Thursday, Fridays and Saturdays," Hallam said. "It is actually a small percentage of students - creating the impression that everyone is binge drinking."

Ole Miss Chancellor Robert Khayat said: "Given the success the social norms approach has shown in educating and empowering students to make responsible decisions about drinking, we believe it is an important component to any comprehensive education program."

Tupelo physician Dr. J. Edward Hill, past president of the American Medical Association, frequently warned against partnering with the alcohol industry when he headed the Ole Miss Alcohol Task Force from October 2006 to January 2007.

He said social norming advertising is popular with alcohol companies in part because it has often shown to boost their market share.

He called the Anheuser-Busch grant "extremely disappointing."

Hill said he would rather see the money go to "tried and true" strategies in combating underage drinking - including mandatory alcohol education for all freshman, stricter enforcement of alcohol laws and omitting alcohol advertising for campus events and reducing the easy availability of cheap drink specials.

The announcement of the grant comes about six weeks after the task force wrapped up its studies and turned in recommendations. Hallam said he would implement the campaign at the start of the fall semester.

"We are very grateful for this grant that will allow us to continue and strengthen our programs," Hallam said.

<http://www.therolladailynews.com/articles/2007/03/12/state_news/state03.txt>



**19. Winery Bill Extends Liquor Sale Hours (West Virginia)**

*Herald Dispatch*

March 10, 2007

CHARLESTON -- Consumers would get an extra two hours to buy a fifth of whiskey or other liquor under legislation passed 84-13 Friday by the House to the Senate

Delegates agreed to extend the Monday-through-Saturday sale hours for liquor from 10 p.m. to midnight, in a bill (SB712) that responds to a U.S. Supreme Court ruling addressing farm winery regulations.

The proposal would not change state law barring retail liquor sales on Sunday, Christmas and election day.

The bill also increases the annual license fee charged to breweries from $250 to $1,500.

The nation's high court struck down laws in New York and Michigan that barred wine shipments from out-of-state while allowing them from in-state wineries. The 2005 decision has required perhaps half the states to revise their laws to treat wineries equally.

West Virginia would address the ruling in Friday's bill by requiring annual, $150 licenses for suppliers, retailers and several other categories of winery. The bill also offers wineries an all-inclusive license for $300 per year.

Among its other provisions, the bill would limit licensed wineries to shipping two cases of wine per month and per customer. It would also require shippers to ensure their customers are of legal drinking age.

The Alcohol Beverage Control Administration would also share some of the fee revenue with the state tax commissioner's office to cover the costs of enforcing the new rules.

Fans of wine argue the move to deregulate the market would promote Internet sales and lead to lower prices and greater choice. State officials warned against encouraging underage drinking through unregulated sales.



# 20. Direct Shipping Bill Passes West Virginia Congress (West Virginia)

*ShipComplianat Blog*

March 14, 2007

In May of 2005, in the case of Granholm v. Heald, the United States Supreme Court effectively invalidated the practice of reciprocity because it discriminates against wineries in non-reciprocal states. At that time, there were 13 reciprocity states. Today, there are only seven reciprocity states left (Oregon, New Mexico, Iowa, Missouri, Wisconsin, Illinois, and West Virginia), and at the end of 2007 there may be only two as Oregon, New Mexico, Missouri, Illinois, and West Virginia have legislation pending that would move their states into the “limited direct”, or permit state category.

West Virginia may be the first reciprocal state to change in 2007. Senate Bill 712 recently passed the West Virginia Congress and is expected to be signed by the Governor. This bill would create a permit system where in-state and out-of-state wineries can apply for and receive a license to ship up to two cases of wine per month directly to adult residents. Permitted wineries would be responsible for reporting monthly excise tax (beginning July 1, 2007), sales tax, and a schedule of shipments made in the previous month. The permit would cost “One hundred fifty dollars per year for a direct shipper’s license for a licensee who sells and ships only wine and two hundred fifty dollars for a direct shipper’s license who ships and sells wine, nonfortified dessert wine, port, sherry or Madeira wines” plus a brand registration fee of $100 per brand for three years. Common carriers shipping into WV would be required to collect an adult signature upon delivery of wine packages.

One thing to note about this bill is that it would level-down on self-distribution, meaning that in-state wineries would lose their privilege to ship wine directly to retailers. There are also some requirements that are a bit gray as they are written, but will hopefully be sorted out and clarified after the bill is signed by the Governor and the rules are promulgated by the Alcohol Beverage Control Commissioner.

<http://shipcompliantblog.com/blog/2007/03/14/direct-shipping-bill-passes-west-virginia-congress/>



**21. House Bill Would Allow Bars, Restaurants to Sell Liquor on Sunday in Lexington (Kentucky)**

Staff Report – *Herald-Leader*

March 12, 2007

Bars and restaurants in Lexington could sell alcohol by the drink on Sundays under a measure approved by the House on Monday.

An amendment to House Bill 138 gives the Lexington-Fayette Urban County Government the power to decide the hours when distilled spirits and wine may be sold by the drink on Sundays.

The bill primarily deals with the sale of alcoholic beverages at historic sites. It was approved by the Senate last week, and it now goes to Republican Gov. Ernie Fletcher for his signature. The House approved the measure 56 to 40, but Republicans and Democrats voted against the bill.



**22. Session Comes Down to the Wire With Tougher DUI Bill Still Alive (Kentucky)**

*Grayson County Gazette*

March 13, 2007

FRANKFORT - The House Judiciary Committee has reported favorably Senator Ray Jones' bill that strengthens Kentucky's DUI laws.

"The number of arrests for driving under the influence of a controlled substance are rapidly increasing, and may soon surpass alcohol-related DUIs," said Jones, D-Pikeville.

"This bill will substantially strengthen Kentucky's DUI law to allow these individuals to be successfully prosecuted."

Senate Bill 67 will establish a per-se offense for driving with any controlled substance (both prescription and illegal drugs) in a person's system.

However, if the person driving has a valid prescription from a practitioner acting in the course of his/her professional practice, and comply with the dosage and any drug related restrictions they will not be charged with driving while under the influence of a controlled substance.

According to the National Transport-ation Safety Administration, drugs other than alcohol are involved in nearly one out of every five motor vehicle driver deaths. Alcohol is involved in more than one out of ever three.

"These statistics cannot be ignored. This problem is not just a national problem, it's a Kentucky problem as well," Jones said.

"We need to make sure law enforcement has every tool available to protect the citizens of Kentucky from drugged drivers."

Kentucky Crash Data for 2006 reports that more than twenty percent of vehicle accidents involved drugs.

The Kentucky State Police Lab reported that, in 2006, 63 percent of all DUI cases sent to the KSP Lab for drug tests tested positive for controlled substances.

Thirty-nine people died in drugged driving related collisions in 2006, and nearly 1,000 were injured.

"This bill will close the loophole that allows drugged drivers to avoid conviction," said Jones, who serves on the Senate Judiciary Committee.

"Prosecutors and judges now have a tool to get drugged drivers into treatment, rehab or drug court," he said.

Senate Bill 67 passed the Senate by a vote of 29 to 1 and moved to the House Judiciary Committee, where it was reported favorably to the floor Monday (3/6).



**23. Alcohol Sales Maintain 10 Percent Growth (Kentucky)**

*News-Enterprise*

March 12, 2007

Alcohol-related revenue’s steady climb of about 10 percent a year continued in 2006, with more than $3.3 million in alcohol sales at 26 establishments.

Those facilities, which include one golf course, had combined gross sales of $32 million last year.

The city collected $173,839 in basic and regulatory fees and fines from those sales, said Tom Reynolds, Alcoholic Beverage Control administrator for the city of Elizabethtown.

A basic fee of $1,200 is charged up front for a year’s license. Each quarter, the businesses are to give the city 5 percent of their alcohol sales, but $300 — a quarter of the basic fee — is subtracted as a credit from whatever amount they owe. For example, if 5 percent of the establishment’s sales were $500, the restaurant would pay the city only $200 for that quarter. If the amount owed is $300 or less, they pay no additional quarterly regulatory fee, but do not receive a refund.

Reynolds collected $624.76 in fines. Fines were assessed to three restaurants that filed their quarterly returns late.

One fine was assessed because the restaurant — Bunbaker’s Black Angus Grill — did not meet the requirement of having at least 70 percent in gross sales from food at a block party celebrating the premiere of the film “Elizabethtown.”

“If it’s more than 2 percent (off), they get a fine,” Reynolds said. “We try to be fair about it.”

The 70-percent rule in state law and the local ordinance help ensure that “limited” alcohol sales are indeed secondary to a restaurant’s business.

“No bars allowed,” Reynolds said. “That’s what we try to emphasize to all of them when they come in — you have to be a restaurant No. 1.”

**Trouble times**

DUI arrests increased only slightly to 328 in 2006 compared with the jump from 252 to 320 between 2004 and 2005. In 2003, the first full year alcohol sales were allowed in restaurants here under the current ordinance, there were 223 DUI arrests in the city, according to Elizabethtown Police Department.

The number of collisions with alcohol as a factor, including those with injuries and fatalities, has fluctuated some but showed no trends in the past few years, according to KSP records.

The number of people injured dropped from 87 in 2000-2002 to 72 for the next three-year period, when the ordinance was in effect. There have been two fatal crashes, each with one death in the four full years the ordinance has been in effect. That compares with 10 collisions with 12 deaths in the three prior years.

Reynolds said most alcohol-related crashes were on major thoroughfares such as Interstate 65 and parkways, and there’s no way to know whether the travel originated in Elizabethtown or the vehicle was just passing through.

City police made 45 DUI arrests and linked eight to the restaurants in 2006.

The state ABC’s Operation Zero Tolerance sends underage people into establishments to see whether they will be allowed to purchase alcohol, and Reynolds said no underage person on the team was able to make a buy last year.

“They passed the test with flying colors,” city Finance Director Steve Park said.

“The majority of the places are abiding by the law, but you have a few that are trying to push it,” Reynolds said.

The total number of calls for service and related stops documented by Elizabethtown Police Department had increased dramatically from 2004, when there were 55, to 99 in 2005. One of the two restaurants that topped the list had opened the previous fall, and the other opened at the beginning of 2005. In 2006, the number of calls and stops dropped to 74. Reasons for calls ranged from loud music to large fights.

Embattled restaurant Phatzoes closed at the first of December, but in its 11 months of operation still had 29 calls/ stops — surpassing the 26 it had in 2005. Phatzoes topped the list both years it was open.

The place was cited several times as a disorderly premise, including once after a parking lot brawl, and questions arose over whether a buffet fee that had to be paid to enter the place really was a cover charge. Hearings had been scheduled and postponed. In the meantime, business owner Curt Blakely made changes to try to remedy the perception that he was operating a bar rather than a restaurant but was notified the city did not intend to renew his license at the end of the year. Then he reached an agreement on a lawsuit with his landlords that led to closure.

Reynolds said all pending citations were dropped.

“One thing we’ve learned since we started this is that anybody that’s not first and foremost a restaurant is a failed business model. It’s not going to work,” Park said.

It may seem like it’s going to be all right for a year or two, but it won’t be for long, he added.

3 Putt Willie’s at Pine Valley has been in the top three on the calls/related stops list for the past three years, although the number has decreased from 24 in 2004 to the midteens the last two years.

Winker B’s Sports Grill and Bar opened in October 2004, and was second on the list the next year. In 2006, it was No. 3, with about half the number Phatzoes had, but has had half a dozen so far this calendar year. Two of those and one last August are listed as “fight/owner.”

“I wasn’t involved in any of them,” said co-owner Paul Cecil. “I was accused of being involved in them.”

He strives to abide by state law and city ordinance, he said, including the rules that say you should cut someone off when they’ve had enough.

“A lot of times where the trouble comes from is people coming in intoxicated, and when you’ve got someone in there who wants to argue with you and fight, I’m automatically the bad guy,” he said.

That’s the sort of thing that happened on the most recent occasion he was accused of being in a fight, he said. The man came in at almost closing time already impaired and became angry because he was denied service.

“He hit me in the face for no reason at all,” Cecil said. “This guy was big — he was twice my size.”

A security worker tried to restrain the would-be patron.

Park and Reynolds said “bouncers” normally are not seen in restaurants.

Cecil said the ordinance requires he provide security for his customers.

The other eight restaurants on the list had fewer than five calls for service or related stops, and most of them had only one.

Winker B’s has been cited this year, once for not meeting the 70-percent rule for the fourth quarter of 2006 and once for disorderly premise.

Hawk’s opened in early autumn and had two DUI arrests in November connected with it, officials said. So far this year, it has had six calls for service/ stops, one of which was a complaint from a neighboring hotel about loud music, and in four cases, the business called police.

Reynolds said the city encourages businesses to call law enforcement when problems arise.

<http://www.newsenterpriseonline.com/articles/2007/03/12/news/news01.txt>



**24. Liquor Bottles Pile up at Airport (Florida)**

**By Thomas Frank, *USA Today***

**March 11, 2007**

Thousands of pounds of contraband items have been intercepted from passengers at Miami International Airport, but they're not guns, bombs or knives.

They're bottles of booze.

The Transportation Security Administration (TSA) says it collected more than 9 tons of oversized bottled items at the airport - mostly alcohol and perfume - from October through January.

Hundreds of airline passengers each week returning from Caribbean vacations are trying to go through Miami's security checkpoints carrying bottles of alcohol only to be told their spirits threaten security. So much is accumulating that the airport has convened emergency meetings of transportation and tourism officials.

"It's a problem for tourism in South Florida," airport security director Lauren Stover said. "We don't want people to come down here and have a wonderful vacation, and then have their alcohol taken away when they're flying home."

The problem stems from a TSA policy adopted last summer that limits passengers to carrying only small bottles of liquids in airplane cabins. The restriction took effect after authorities disrupted an alleged plot by British terrorists to blow up U.S.-bound jets with liquid explosives.

In Miami, tourists continue to haul large bottles of alcohol to checkpoints hoping to carry them on flights. The items are typically bought at duty-free stores in the Caribbean, but travelers run into trouble in the Miami airport when they try to make connecting flights and get to security carrying bottles that exceed the TSA's 3-ounce limit, Stover said.

"I'm not aware of any other airport that has this issue," TSA spokeswoman Ellen Howe said. "It's a combination of the cruise-ship volume and international flights." Duty-free shops, which can be found in airports, at seaports and on cruise ships, entice travelers because they don't impose taxes or customs duties.

The problem is bewildering because travelers can take bottles of liquor on flights by packing them in checked luggage. "I don't know why people aren't doing that," said Tim Wagner, a spokesman for American Airlines, which carries 68% of Miami's passengers.

Michael Payne, executive director of the International Association of Airport Duty Free Stores, said travelers may not understand a fine point of security: It's OK to carry liquor bottles bought in overseas duty-free shops on board U.S.-bound planes. But when travelers get to the USA and change planes, they can't carry the bottles on those flights.

"The rules are new for some people," Payne said.



**25. Sunday Liquor Sales Could Expand (Washington)**

By David Ammons - *The Associated Press*

March 11, 2007

Washington's experiment with Sunday liquor sales might get another boost. The state Senate on Saturday voted to more than double the number of state-run stores that open their doors on Sunday afternoons.

For the first time since Prohibition ended and the state "blue laws" forbade sales on Sunday, lawmakers voted two years ago to allow 20 state-run stores plus contract stores run by private vendors to open between noon and 5 p.m. on Sundays.

The state Liquor Control Board, which oversees the state monopoly, said the experiment is a big hit, with sales exceeding expectations and causing no apparent problems or falloff of sales on other days. The original sales estimate was $10 million by July 1. Actual sales are expected to top $15 million.

The state has 161 state-run stores and 158 contract stores run by the private sector, typically in rural areas. The board, which also licenses over 14,000 drinking establishments, chose 20 high-traffic stores for Sunday sales and 38 of the contract stores opted in.

The Senate legislation, sponsored by the head of the budget panel, Margarita Prentice, D-Renton, would allow 29 additional stores to have Sunday hours.

The board would pick the locales by September.

Prentice said part of the extra revenue, about $1 million a year, would be earmarked for the courts to provide interpreter services and to assist the Municipal Council with research for ports and special purpose districts.

Gov. Chris Gregoire had suggested continuing the same level, 20 stores, for another two years, and some lawmakers wanted to expand Sunday sales to all stores. Prentice said the compromise was to roughly double the number.

Prentice first raised the idea at a budget preview sponsored by The Associated Press in January. She said she has carefully watched the pilot project and is convinced that further expansion would raise needed revenue without causing more alcohol problems.

The measure, which passed 34-12, now goes to the House, where Appropriations Chairwoman Helen Sommers, D-Seattle, said she sees no problems with Sunday sales.

Washington is the 33rd state with Sunday liquor sales.

The liquor board recently said in a presentation to the House Commerce Committee that business has doubled in the last decade and will boom in the future as the drinking aged population grows. The state needs to build about six new stores every two years to keep pace, said Rick Garza, deputy administrator.

The system opened four new stores and relocated 19 to better sites in the past few years, the board said.

The board is asking for $11 million to expand its staff to provide longer store hours.



**26. New Liquor Law Could Dictate Which Drinks are Served in San Marcos, Throughout Texas (Texas)**

By Christina Kahlig - *The University Star*

March 8, 2007

A proposed law has package liquor stores and wholesalers arguing over who will call the shots.

House Bill 2266, filed Thursday by State Rep. Pat Haggerty, R-El Paso, could allow wholesale distributors to sell liquor directly to bars and restaurants. Currently, wholesalers sell liquor to package stores for resale, but are banned from selling directly to other establishments.

"There are only two wholesalers in the state of Texas that control 95 percent of the business: Republic and Glazer," said Charles Sims, secretary and treasurer for The Texas Package Store Association. "If you want Jack Daniels, you buy it from Glazer. If you want Bacardi, you buy it from Republic. They do not compete."

More than 500 package stores have a local distributor's permit, allowing them to sell liquor to bars and restaurants. Competition between these stores gives the bars and restaurants options concerning service and prices. There are currently five package stores in the San Marcos area.

"I ran two establishments on Sixth Street in Austin and have been in this business for a while," said Monte Sheffield, general manager at the San Marcos River Pub and Grill. "I don't like this bill, and I don't have confidence in (Republic and Glazer) as a businessperson. I think it's a very negative deal."

He said wholesalers are only going to deliver a couple times a week and are going to try to make bars and restaurants sell other brands of liquor.

"If we want Jack Daniels, they can make us sell Jim Beam instead," Sheffield said.

Glazer's Distributing in Dallas and Republic Beverage Company in San Antonio paid $1.7 million in campaign contributions to more than 150 politicians to persuade the Legislature to change the law, but offered no comment when asked about the situation.

"Wholesalers want to control what (these bars) are selling," Sims said. "Republic and Glazer don't want anyone to use anything except their mainline national brands."

The prices at bars and restaurants will rise and the service is going to deteriorate, Sims said.

"If you only use a couple bottles of Crown a week and you only need a bottle, (wholesalers) are going to try to sell you a whole case," Sheffield said. "Package stores will sell you however many bottles you want."

Sims estimates about eight employees may be laid off if package stores do not get their way.

"If we lose our local distributor business, it will hurt us really bad and we will have to scale back the employees," he said. "They're all college students that go to Texas State. We run off of students and put a lot of kids through school with these jobs."

Sims not only worries about the employees of the package stores, but also about the establishments in San Marcos.

"We work real hard to take care of the bars and their business and, for the most part, they know we have their best interests at heart," Sims said. "So what's going to happen to this little bar on The Square when he has to deal directly with wholesalers? They're going to squish him."



**27. Report Finds Wisconsin Leads the Nation in Underage Drinking (Wisconsin)**

By Paul Sloth - *Journal Times*

March 8, 2007

Racine - Wisconsin can lay claim to a dubious new title. The state leads the nation in underage drinking, according to a report released last week on substance use and mental health.

The rate of underage drinking (ages 12 to 20) was highest in Wisconsin, 39.5 percent in 2004-2005 and lowest in Utah, 21.3 percent according to a report released last week from the Substance Abuse and Mental Health Services Administration.

The new data analysis shows that in 2004-05 Wisconsin had the highest rate of alcohol use among those 12 years and older, 65.3 percent. Utah had the lowest rate, 30.1 percent.

The highest rate of alcohol use in the U.S. occurred among ages 18 to 25, again in Wisconsin, 75.7 percent.

Earlier this year, the Coalition for Drug Free Youth and the Racine Community Coalition for Youth merged to form the Racine County Youth Coalition as a way to improve efforts to prevent and reduce substance abuse and to ensure that youth are increasingly involved, healthy and successful.

Mary Esther Schnaubelt, project coordinator for Focus on Community, said the impetus to come together stemmed from the fact that, "part of what it means to build young people up is to work toward preventing young people from getting involved in drugs and alcohol."

Both groups focused on a similar goal - helping create a healthy positive environment for young people - but members approached this from different perspectives. It made sense to coordinate efforts, Schnaubelt said.

"We thought it was important that this be a county-wide effort. We thought it was important to engage folks in the city and in the county," Schnaubelt said. "Everybody who works with young people in the community needs to be working together - that's why we have this coalition."

State Estimates of Substance Use from the 2004-05 National Surveys on Drug Use and Health provides state-level rates for 23 measures of substance use and mental health problems, including underage drinking, binge drinking, use of illegal drugs, serious mental illness and tobacco use.

In 2004-05, on the national level, almost 22.7 percent of all persons age 12 or older participated in past month binge drinking, which is defined as having five or more drinks on the same occasion on at least one day in the 30 days prior to the survey.

Five states ranked in the top fifth in all three age-subgroups and among persons 12 or older - Iowa, Montana, Nebraska, North Dakota, and Wisconsin.

"Too many Americans are in denial about teen drinking," said John Walters, director of National Drug Control Policy. "We need to stop looking the other way and pretending that it's just a rite of passage. Let's face facts - when teens drink, they drink to get drunk."

State Estimates of Substance Use from the 2004-05 National Surveys on Drug Use and Health is available on the Web at \http://oas.samhsa.gov/2k5state/toc.cfm.



**28. Wholesale Liquor Market Shrinks (New York)**

By Alan Wechsler, Business Writer

Wednesday, March 14, 2007

**Some store owners complain that consolidation among wholesalers is leading to lack of competition**

The wholesale liquor market in upstate New York is getting smaller.

Wholesale giant Southern Wine & Spirits of New York Inc. is acquiring Eber Bros. Wine & Liquor Corp. of Rochester, a deal that will put up to 541 people out of work by the end of the month -- including 101 at a warehouse in Guilderland.

And a second merger is in the works, say liquor store owners and other industry experts: Service-Universal Distributors Inc. of Albany is considering a deal with Colony Liquor & Wine Distributors LLC of Kingston.

Local liquor store owners, who say talk of the Service-Universal/Colony merger has been around for months, are concerned that too few companies will control too many bottles of booze.

"As it is right now, products are taking price increases every other month," said Shannon Briscoe, owner of Save-More Wines & Liquors in Menands. "I only see it getting worse with only two distributors in the area."

Eber Bros. filed notice with the state Department of Labor Feb. 20 that it plans to close warehouses in Rochester, Amherst, Liverpool and Guilderland when the deal with Southern is signed. The Guilderland warehouse is at the Northeastern Industrial Park.

While Southern will acquire the inventory and some of Eber's assets, it is under no obligation to hire any of the employees. Neither company could be reached for comment on Tuesday.

Eber blamed the closure on consolidation at the supplier level and to a loss of major supply lines, according to the Labor Department notice. Founded in 1934, Eber says it is the 13th-largest wine and spirits distributor in the United States, with revenue of almost $500 million.

In comparison, Southern of New York is owned by Miami, Fla.-based Southern Wine & Spirits of America Inc., the nation's largest wine and spirits distributor, with operations in 27 states and more than 10,000 employees.

"It's all part of the rhythm of what's happening in the business," said Seymour Leikind, a New York City-based liquor industry consultant. "Name an industry where you don't have consolidations and acquisitions. The big guys are buying the smaller companies for efficiencies."

It's also a cutthroat business, at least according to two lawsuits filed in 2005.

One suit, filed by Service-Universal and fellow wholesaler Charmer Industries Inc. against Southern and a number of spirit manufacturers, cites Southern for some of its alleged practices.

According to the suit, filed in U.S. District Court in New York City, Southern stole away employees, who took with them confidential business information. Charmer also lost its Absolut Vodka account, which cost the firm $30 million, according to press reports -- a loss Charmer blamed on Southern.

The suit is seeking more than $150 million in damages, plus court costs.

The lawsuit also describes a complaint by Eber that accused Southern of offering $5 million to a former Eber employee to lure him away, plus luring away 44 additional Eber employees.

Additional information about the Eber suit filed in 2005 was not available Tuesday.

Officials at Service-Universal and Charmer, based in Astoria, could not be reached for comment.

Changes in the industry come at a time of greater scrutiny by New York state. In August, eight wholesalers paid a total of $1.6 million in fines to resolve an investigation by the state attorney general's office into illegal business practices.

Despite the increased oversight, local retailers are concerned at what the changes mean for them.

"It's my opinion, it's a monopoly on the wholesalers' end," said Anthony Tremblay, owner of Anthony's Loudonville Wine and Spirits. "We have no choice but to buy from those guys. You've got to spend so much money to get product in your store."

But Stefan Kalogridis, president of the Eastern New York Liquor Store Association, a trade group, said there are opportunities for smaller wholesalers, as well. For instance, if consolidation drives up the cost of, say, rum, smaller wholesalers could try to move cheaper, lesser-known liquor brands.

"Will they raise their prices?" he said. "I suppose so. But if they raise prices, there are other rums." Wechsler can be reached at 454-5469 or by e-mail at \awechsler@timesunion.com



**29. New York Eyes Regulating Bottle Service (New York)**

By Adam Goldman - *The Associated Press*

March 16, 2007

NEW YORK -- The violent deaths of several young people who had been partying at city bars has prompted some officials to re-examine what they consider a loophole in New York's liquor laws: bottle service.

The State Liquor Authority recently submitted a bill in the Legislature that would allow the agency to regulate the practice, in which coveted tables at swanky clubs are reserved for a group as long as they buy a high-priced bottle of vodka or champagne.

Critics say none of the recent deaths are linked to bottle service, and club operators say there are already laws on the books prohibiting the selling of booze to the underage or intoxicated.

Rob Bookman, counsel for the New York Nightlife Association, believes the state doesn't need another law, saying the effort may be used to micromanage the industry.

Bookman said there's no proof that bottle service is being "unlawfully supervised," and he intends to fight the proposal vigorously.

"I see a lot of hyperbole but no evidence," Bookman said.

Nightclub operators say the bottle bill doesn't specify how the service would be regulated or whether that would include wine or champagne. That could alarm the powerful restaurant lobby.

Bottle service has become popular in cities such as Miami, Los Angeles and Las Vegas. It's a big moneymaker for clubs, with high-end venues generating thousands of dollars each night.

The New York bill is the latest in a flurry of moves that authorities have taken in the wake of two highly publicized killings involving Jennifer Moore, an 18-year-old from New Jersey, and 24-year-old Imette St. Guillen, a graduate student. Both were out drinking at bars.

"People are leaving these premises totally intoxicated and getting into all sorts of problems," said state Sen. Frank Padavan, a Republican, who represents the Queens borough.

Padavan also said a 25-year-old man was beaten to death in Queens in October after he got into a fight at a karaoke club that had bottle service.

"The fact remains we have got to regulate this," Padavan said.

Yet authorities say there was no indication Moore was drinking from a bottle at the club in Chelsea where she was partying, and the bar that served St. Guillen didn't have bottle service.

It's also not clear if the people involved in the deadly Queens brawl had ordered a bottle, but Padavan believes it might have been a factor.

The bottle bill is the latest attempt to regulate city nightlife. Last year, the State Liquor Authority issued a temporary licensing moratorium making it difficult for new bars and clubs to open in trendy Manhattan neighborhoods. In February, the New York City Council passed measures requiring security cameras at nightclub doors and cracking down on fake IDs.

Shawn Kolodny, who operates the chic Pink Elephant, said the economics of running a nightclub make bottle service essential because of the city's high rents and other expenses.

"It becomes so expensive to operate the business that we have to keep revenues high," Kolodny said. "Bottle service has proved one of the more helpful ways to do that."



**30. Liquor Law Bills Stall in State Senate (Tennessee)**

Source: *WMTCTV*

March 13, 2007

NASHVILLE, Tenn. An effort to loosen Tennessee's liquor laws stalled in the state Senate today.

Members of the Senate State and Local Government Committee declined take up two measures sponsored by Senator Shea Flinn of Memphis.

One measure sought to allow the sale of wine at grocery stores. The other would have allowed retailers to sell liquor and wine on Sundays and on Labor Day, the Fourth of July and New Year's Day.



**31. Senate Committee OKs Bill for Sunday Alcohol Sales (Georgia)**

By Doug Gross – *Associated Press*

March 17, 2007

ATLANTA (AP) - A plan to allow the Sunday sale of alcohol was revived in the Legislature on Tuesday - clearing a committee where its fate appeared bleak weeks earlier.

On a 4-3 vote, the Senate Regulated Industries and Public Utilities Committee approved the plan, which would let local communities vote on whether to allow liquor, beer and wine to be sold by the package on Sundays.

The bill would remove Georgia from a list of just three states that do not allow stores to sell any kind of alcohol on Sundays. Connecticut and Indiana are the others.

The next step would be a vote by a committee that sets the agenda for the full Senate. The bill would need a positive vote there before moving to the House, then to the desk of Gov. Sonny Perdue - who has said he has reservations about it.

Tuesday's vote was unusual in that four Democrats cast the votes in favor of the bill on a committee that, like the entire Legislature, is controlled by Republicans.

Several Republican committee members - including President pro-tem Eric Johnson, of Savannah, and Senate Majority Leader Tommie Williams, of Lyons - were not present.

The plan's most vocal critic also was a Democrat.

"It's like saying there should be no church on Sunday or gospel music or televangelists on TV," said Sen. Regina Thomas, D-Savannah, the lone Democrat to vote against the plan. ''We're doing some bad things."

The bill's sponsor, Sen. Seth Harp, R-Columbus, calls it an issue of fairness and local control.

Restaurants and bars that serve food already can sell alcohol on Sundays. He said leaders in communities opposed to Sunday sales may simply not call for a vote and that citizens who don't want it can vote against it if a vote is held.

Harp downplayed the comments by Thomas, including those at a previous meeting when she questioned Harp's religious faith for sponsoring the bill.

"She's a passionate person; people who are passionate speak passionately," said Harp, who called Thomas a friend. ''You've got to respect them for their passions, but you don't have to agree with them."

There was little discussion of the plan before the vote, with senators mainly focusing on retooling language in the bill. That was in sharp contrast to a Feb. 28 meeting, which was marked by heated testimony from religious leaders opposed to the bill.

They argued that the plan disrespects the Sabbath.

"It's a bad idea to do this to folks and subject local communities to the pressure that's going to be put on them by the merchants of misery," Jim Beck, state president of the Christian Coalition, said Tuesday.

He said that while support for the bill is strong in metro Atlanta, rural communities don't want it.

"If you buy your groceries at Piggly Wiggly, you get your hair cut at a barber shop and you go to church on Sunday, this bill matters," Beck said.

At the February meeting, committee Chairman David Shafer, R-Duluth, punted the bill to a subcommittee made up largely of opponents of the plan. But in a brief meeting before the full committee met Tuesday morning, that panel voted 2-1 to send it back to the full committee without recommending whether it should be approved.

Harp first introduced a Sunday sales bill that applied only to beer and wine sales, but it has been bottled up since January amid opposition from religious conservatives and the liquor industry. Recently liquor was added to the legislation, which brought that industry's powerful lobbying force on board.

Grocery store officials have said allowing them beer and wine sales would give the state more than $4 million in additional tax revenue. A spokesman for Distilled Spirits Council of the United States said allowing liquor sales would bring up to $4.8 million in increased taxes.

The bill still faces several major hurdles if it is to become law.

Some supporters have said they suspect that the Senate's Rules committee, which decides whether to put a bill on the full Senate's calendar, will ignore the measure.

But on Monday, that committee's chairman said that's not the case.

"It will come out of my committee," said Sen. Don Balfour, R-Snellville.

Balfour said he rarely drinks, but supports the bill out of fairness.

"I could go on Super Bowl Sunday to a sports bar; I can be sitting there drinking my beers watching the pre-game Super Bowl, then watching the Super Bowl, then watching the post-game Super Bowl then driving home," he said. "But for heaven's sake, don't let me go to Kroger and buy a six-pack."

If it clears the Senate and the House, Republican Gov. Sonny Perdue still could veto it.

Perdue, who says he does not drink alcohol, said in January it would ''take a lot of persuasion" for him to sign the bill.

He didn't reveal any new thoughts on Tuesday.

I was in the Senate for 11 years and we saw a lot of things passed out of committee that never came to the governor's desk, so we'll have to see," Perdue said.



**32. Grocers Lobby For Wine In Their Stores (Minnesota)**

By Esme Murphy – *WCCO*

March 13, 2007

(WCCO) Grocery stores in Minnesota are lobbying lawmakers and customers to change state law to allow them to sell wine.

Rick Anderson owns France 44 liquor store and he said if the proposal becomes law it will reduce sales and hurt his business.

"You just can't add something like another 3000 outlets for a product and not have that affect all the current retailers of that product," he said.

Some customer said they love the expertise and selection that a store like France 44 offers but they would buy wine from a grocer.

Anderson said, "When you take a chunk of their wine business away they're going to be a lot of stores that are not going to make it."

The proposal has been brought up at least six times in the last ten years and each time it has been defeated. However, this year some lawmakers said things could be different.

Major grocery stores have been on a massive lobbying campaign.

Tuesday night at the Capitol grocer's testified in front of a legislative committee, hoping to push the idea through this year.

Mary Kowalski, the owner of Kowalski's, said,"Wine goes with food so it's a common sense thing as far as we're concerned and many of our customers."

Eden Prairie Representative Erik Paulsen said, "I think a lot of suburbs like Eden Prairie where time is of the essence for families they are looking for that convenience."

Wisconsin, Iowa and South Dakota all allow grocery stores to sell wine.



**33. More Pubs Carding People for Liquor (Maine)**

*Sun Journal*

March 12, 2007

PORTLAND (AP) - Don't be surprised if you're carded - even if you're 40 - while ordering drinks or buying beer at area businesses.

Following a recent undercover sting of 35 Portland bars and convenience stores that led to 20 summonses for selling alcohol to underage customers, a number of establishments are now being more vigilant in who they ask for identification.

At the Flatbread Co. restaurant, the owners now have employees card anyone ordering drinks who looks under 40.

"You know, the way people are aging these days, with plastic surgery, we upped it to 40 for the hell of it," said Flatbread's managing partner, Bob Morgan.

Concerns about underage drinking led the Maine Legislature to pass a law in 2005 that requires identification from alcohol buyers of alcohol who look under 27.

Many stores, bars and restaurants go by that benchmark, but are free to raise the bar to any age they want.

The Portland Sea Dogs card all people who want to buy beer or wine at Hadlock Field, regardless of age.

Charlie Eshbach, Sea Dogs president and general manager, said the policy protects the company should law enforcement ever catch a minor drinking in the stands.

"They know we're carding everybody," Eshbach said. "The presumption would be that somebody else gave it to them."

Becca Matusovich of the state Office of Substance Abuse agrees that people these days are looking younger than their true ages, making bartenders' jobs harder.

<http://www.sunjournal.com/story/202845-3/Franklin/More_pubs_carding_people_for_liquor/>



# 34. Senate Committee All for Wine Measure (Arkansas)

By Daniel Nasaw *- Arkansas Democrat*

March 14, 2007

A bill that would allow small wineries to sell their products in grocery and other retail stores advanced Tuesday through a Senate committee despite concerns of the state liquor regulation chief that it would give children easier access to wine.

House Bill 1651 won unanimous approval of the Senate State Agencies and Governmental Affairs Committee. It is intended to bring state wine laws into compliance with a 2005 Supreme Court decision prohibiting states from giving preferential treatment to in-state wine producers over outof-state wineries.

The bill also is aimed at heading off litigation pending in state and federal court that challenges the constitutionality of Arkansas ' current laws. At present, the law allows the seven Arkansas wineries to sell directly to retailers. No such privilege is extended to out-of-state wineries. Lawmakers and people in the alcohol industry agree that's a problem under a 2005 U. S. Supreme Court ruling. Out-of-state wineries and liquor makers must distribute through three wholesalers.

The bill, sponsored by Rep. John Paul Wells, D-Paris, would establish a small-farm-winery permit class available to those selling fewer than 250, 000 gallons a year. Wells said it would protect more than 100 jobs in the Arkansas wine industry, which supporters estimate makes roughly 50 percent of its sales in grocery stores, while keeping the state out of court.



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| **35. Under-21 Drinking Drivers Risk Licenses (Utah)**  By Dawn House – *The Salt Lake Tribune*  March 13, 2007  **New law awaiting governor’s signature** |
| Don't even think about having a beer or sneaking into a tavern if you're under the age of 21. Aside from breaking the law and killing a brain cell or two, you might not be driving for a long time.  Youths caught buying, possessing or drinking alcohol can lose their driver licenses, even if the offense is unrelated to a traffic violation.  Minors under age 18 face having their licenses suspended for any alcohol-related offense, but a new law extends those penalties to youth's under age 21.  Under a bill awaiting the governor's signature, anyone under the age of 21 caught in a tavern or private club can have their license suspended, whether or not the minor has been drinking.  "The rationale is that kids drinking alcohol shouldn't be driving," said Paul Boyden, executive director of the Statewide Association of Prosecutors. "It doesn't matter that the offense is related to driving or not. Driving is a privilege. It's not a right."  But civil rights attorney Brian Barnard says "in this day and age, a suspended driver's license can cause hardships, including losing a job, which makes the ability to drive much closer to a right." He also questions the state's power to suspend a license simply because a minor is convicted of going into a bar.  "This is a status offense, meaning you're been charged because you're somewhere you shouldn't be," Barnard said. "This isn't a crime like shooting someone."  The law is expected to go into effect April 30.  If minor is too young to drive, the penalty will be imposed for 90 days after the teen's 16th birthday.  Judges may opt to suspend a license for any alcohol-related offense for 90 days. But licenses will be automatically suspended for six months on the second offense and one year on subsequent offenses.  It's estimated that 5,300 individuals, ages 18 to 21, could have their licenses suspended under the new law, said Kim Gibb, state records bureau chief.  All states have had laws prohibiting minors under age 21 from drinking alcohol since the passage of the 1984 National Minimum Drinking Age Act. States that did not comply faced a reduction in federal highway funds.  Since then, research has shown that teens drinkers damage their brain development and are more likely to end up as alcoholics than those who wait until adulthood to drink. Studies show that during teen years and into the early 20s, alcohol affects the brain's frontal lobe that governs judgment, complex thinking, decision-making, planning and impulse control. It also impacts the brain's hippocampus, responsible for learning and memory, according to the American Medical Association.  "Too many Americans consider underage drinking a rite of passage to adulthood," acting Surgeon General Kenneth Moritsugu said in a statement earlier this month. "Research shows that young people who start drinking before the age of 15 are five times more likely to have alcohol-related problems later in life."  Although there has been a significant decline in tobacco and illicit drug use among teens, underage drinking has remained at consistently high levels. The 2005 National Survey on Drug Use and Health estimates there are 11 million underage drinkers in the United States. Nearly 7.2 million are considered binge drinkers, typically meaning they drink more than five drinks on one occasion, and more than 2 million are classified as heavy drinkers.  <http://origin.sltrib.com/ci_5425990> |



**36. New Mexico Legislature Passes Ignition-Interlock Extender (New Mexico)**

*Beverage News Daily*  
March 16, 2007

The New Mexico House passed and sent to Gov. Bill Richardson a bill that will require people who move to New Mexico with a drunken driving conviction to install an ignition interlock in their vehicle.

The governor said he would sign the bill into law. The proposal was among several measures the governor supported to crack down on drunken driving.

